

THE BREXIT AND ITS POSSIBLE CONSEQUENCES ON FDI PROJECTS¹

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Abstract

The main aim of this study was to predict the impact of British exist from the European Union on foreign direct investment (FDI) projects and on new jobs and safeguarded jobs related to these projects. According to estimations based on Poisson models on panel data over 2012-2015, when regions from the entire world are taken into account, the Brexit will have a negative effect on the new jobs created in FDI projects. The predictions made for 2018 and 2019 showed an obvious decrease in the number of FDI projects in 2019, but not more than 3% compared to 2018. On the other hand, the UK may encounter difficulties regarding the decreases in the number of new jobs from FDI projects. These decreases may arrive till 48% in the case as Spain that will try to compensate the situation by trying to protect more existed jobs. In this context, the UK should implement as soon as possible policy measures to generate more new jobs from extra-EU FDI projects and to create an attractive business environment for EU countries.

Keywords: Brexit, FDI, jobs, forecasts

JEL classification: C33, C53, F21

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