

# **Abstract**

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## **Does Foreign Direct Investment (FDI) Really Matter in Developing Countries? The Case of Egypt**

The main purpose of this paper is to examine the various factors that attract Foreign Direct Investment (FDI) in developing countries, in order to find answers to the following question: Does foreign direct Investment really matters in developing countries? The study investigates the relationship between FDI and the economic growth in Egypt as a good indicator for developing countries, covering the period 1961-2012. Results from the analysis suggest that FDI is explained by some economic determinants but has non- significant effect on GDP growth. The study also investigates FDI Behavior in Egypt and explaining this behavior and the impact of FDI on activating the Egyptian stock exchange between 1996 -2012.