

Economic and legal aspects of foreign direct investment in the Czech Republic

Abstract

The thesis deals with the issue of foreign direct investment and investment incentives in the Czech Republic from an economic and legal point of view. The thesis defines the term FDI in the legislative framework and analyses from the available literature its positive and negative impacts on the host country and economic growth. Within the work, the genesis and development of the key Act No. 72/2000 is analysed in detail. The work aims to confirm the impact of changes in investment incentives on the inflow of FDI in the Czech Republic in the last two decades. The institutional role of CzechInvest and the procedure for approving investment incentives is also part of this work. Based on several studies, the thesis presents a dissenting opinion on the impact of investment incentives on the inflow of new investments and the overall economic advantage of these subsidies. In terms of statistical data, the work analyses both data on investment incentives and the inflow of FDI into the Czech Republic, both from a territorial and sectoral point of view. Part of the work is also an overview of the main determinants defined by experts influencing the inflow of FDI into the host countries. The work analyses the current development of competitiveness indices and ratings of the Czech Republic. Using these results, the main factors are identified that can have a positive and negative influence on decisions about the investor's entry into the Czech market.

Keywords: Foreign direct investment, investment incentive, determinants