One of the most significant developments in the last couple of decades in the world economy are the rapidly growing FDI. The purpose of this paper is to investigate effects on the host countries and to answer if FDI is a solution for economic development in the emerging countries. The paper will use and analyse statistics on FDI and discuss a broad empirical literature studying the FDI impacts. The majority of empirical evidence supports that FDI has positive impact on economic growth, with the exception of FDI into primary sector. However, technology spillovers, especially in manufacturing sector, tend to take place only in countries which have small technology gaps compared to the country of FDI origin. On the other hand, FDI into services, especially into banking and telecommunication sector are likely to enhance the productivity of manufacturing sector. There prevails positive evidence of FDI impact on wages and ambiguous on wage inequalities and employment. The impact of FDI in the Czech Republic is in line with mentioned standards. The impact on growth has been positive, however, probably due to considerable productivity gap, there is no clear evidence of positive technology spillovers. On the other hand FDI into services is likely to have brought positive forward spillovers.