

## **Abstract**

This work analyses industry level Foreign Direct Investment (FDI) inflows in order to find out if their determinants are the same for all industries or if they differ and how. The second important question is if various qualitative variables as labour market or product market liberalization or taxation determines flows to individual industries. I analyse seven industries by System GMM model for period from 1994 till 2009. The results suggests that inflows to each industry are driven by distinct set of determinants. While there are nearly non-significant determinants for agriculture among explanatory variables I used, there is many of them significant for services. Concerning qualitative variables, labour market liberalization influence FDI inflows to manufacturing and mining, product market liberalization influence inflows to transportation and electricity, gas and water industry. The level of taxation seem to be significant determinant of FDI inflows to manufacturing.

## **Keywords**

FDI, Foreign direct investment by industry, Structural reforms, Labour Market, Liberalization, GMM, taxation