

Report on Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Suleymanov Mahir
Advisor:	prof. Ing. Oldřich Dědek, CSc.
Title of the thesis:	Foreign Direct Investment in Emerging Markets: Evidence from Russia since 2000s

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

The submitted diploma thesis is focused on “analysis of the role of FDI in Russian economy and finding out the degree of impact on the economic growth. The empirical research captures 2000-2013 years specifying by quarterly time-series, which investigates the topic based on two hypotheses. These hypotheses mainly revolve over the role of FDI in the economy as a whole and by major economic sectors (financial sector, heavy industry sector and trade sector).” While similar approach has been demonstrated in a few studies performed by Carkovic, Levine (2002) and Alfaro at al.(2003) for developed markets, the author adopts the approach for Russian emerging economy. The submitted diploma thesis represents further step forward – applying the analytical vehicle for large emerging country – Russia that has always relied on growing amount of FDI due to the relative lack of efficient domestic investments.

The thesis is structured in a conventional way and has two features complementing each other – theoretical economic and econometric. After general introduction the second chapter provides a review of literature dedicated to different relevant issues and the notes indicate understanding of the topic.

Third chapter somewhat chaotically elaborates the role of FDI in Russia and location-related determinants. It might be discussed during defence what harm might be caused by the last year Western measures that cut off the Russian state and companies from easy access to the international financial market. There is also a changing appetite to welcome FDI. In chapter 2.7 I there is missing the deeper elaboration of global value chains that have recently dominated in optimization of global trade flows and FDI's . Dunning (2000) is only a partial segment of it and economic theory has moved further since. In addition environmental aspects are crucial for FDI that has been only mentioned. International Chamber of Commerce developed useful Open Markets Index that has **generated a balanced and reliable measurement of a country's openness to trade and could be used for the analysis as well.** It uniquely combines indicators of actual, de facto, openness of markets with those reflecting government measures considered barriers to market entry. A generate a balanced and reliable measurement of a country's openness to trade. It uniquely combines indicators of actual, de facto, openness of markets with those reflecting government measures considered barriers to market entry. And Open Market index indicated growing numbers of trade barriers that have lowered sentiment visa vie FDI.

Also the text of the third chapter is far from being systematic while the fourth, methodological chapter present relevant Framework. Conclusions. Chapter five offers the series of empirical testing that suggests the author's basic understanding of econometrics but does not bring any significant findings and resulting practical reflections.

Certain obstacle for reading is caused by author's imperfect English that should be at least supervised by some native speakers.

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The diploma thesis can be accepted as a draft to be defended but only when above mentioned questions are properly answered. Anyway the submitted thesis can be graded only by the grade **3 (dobře, or satisfactory)**.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	11
<i>Methods</i> (max. 30 points)	12
<i>Contribution</i> (max. 30 points)	10
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	48
GRADE (1 – 2 – 3 – 4)	3

NAME OF THE REFEREE: *prof. Michal Mejstrik*

DATE OF EVALUATION: *January 30, 2015*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong Average Weak
20 10 0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong Average Weak
30 15 0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong Average Weak
30 15 0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong Average Weak
20 10 0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě