

Summary

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This work addresses selected issues related to the inflow of capital in the form of foreign direct investment (FDI) to the Republic of Kazakhstan. In the context of the need to modernize Kazakhstan's economy, which is essential for enhancing its international competitiveness, the topic of this dissertation seems very significant. To date, the main source of Kazakhstan's economic development has been its rich base of natural resources. In the long term, relying on this source will become increasingly insufficient. Kazakhstan, like other countries of the former Soviet Union, experiences a capital deficit. The existing internal constraints mean that external capital support, which brings modern, innovative technological, organizational, marketing, and other solutions, can become a crucial development stimulus for the country.

The research objectives set by the author include: – The assessment of the scale of foreign direct investment in Kazakhstan in the years 1991-2022, that is, from the moment the Republic of Kazakhstan became a sovereign country, to the end of the second decade of this century, as well as presenting the structure of these investments. – The identification of the determinants and motives of foreign direct investment in Kazakhstan against the background of the selected elements of the investment climate. – The assessment of the impact of foreign direct investment on economic growth in Kazakhstan.

To achieve the first research objective, statistical data announced by the United Nations Conference on Trade and Development (UNCTAD) in the annual World Investment Report, as well as data published in national statistical reports of Kazakhstan, were used. The second objective was achieved through a survey conducted by the author, covering the largest foreign direct investors in Kazakhstan. The third objective was realized using econometric models.

The directions of the research conducted to achieve the set objectives outlined the following hypotheses:

H1: The significant increase in interest in Kazakhstan as a destination for FDI from 1993 to 2022 was primarily due to its natural resource wealth, with the mining sector consistently maintaining a dominant share of inward FDI.

H2: The influx of inward FDI correlates with an improvement in GDP per capita and a gradual increase in the country's outward FDI, indicating a movement from Stage 1 to Stage 2 of the Investment Development Path.

H3: Market size, political stability, economic policies, and the presence of natural resources are key determinants that significantly influence the decision of foreign investors to allocate capital to Kazakhstan

H4: There is a significant positive relationship between FDI inflows and economic growth in Kazakhstan.

The work consists of five chapters, an introduction, and a conclusion. The first chapter begins with a discussion of the definition and essence of FDI – capital placements made outside the investor's country of residence to gain benefits from economic activities conducted there through a direct investment enterprise. It presents the division of FDI according to the method of investor entry into the host country, distinguishing greenfield investments and acquisitions, including brownfield investments. Major theories explaining FDI, including ownership advantages theory, product life

cycle theory, and J.H. Dunning's eclectic paradigm, are discussed. This part of the work also addresses the determinants of making foreign investments. The chapter concludes with brief reflections, important from the work's objective perspective, on the impacts of FDI on the host country's economy, including the benefits and risks FDI brings, such as the transfer of modern technologies, job creation, but also potential threats to local entrepreneurship caused by the possible dominance of foreign capital enterprises.

The content of the second chapter is dedicated to presenting the Republic of Kazakhstan as a destination for FDI. It outlines the formal and legal conditions for non-residents to conduct economic activities in Kazakhstan, general characteristics of the country's economy showing its macroeconomic stability, and highlights the wealth of natural resources that attract investors to Kazakhstan. Based on research results from global scientific and research centers, the level of Kazakhstan's international competitiveness is portrayed. In conclusion, relying on rankings such as "Ease of Doing Business" and "World Competitiveness Ranking", it is indicated that despite certain risks like dependency on commodity prices and geopolitical tensions, Kazakhstan offers a favorable investment climate, standing out in this regard among Central Asian countries.

The third chapter presents changes in annual FDI inflows to Kazakhstan and the value of FDI inward stock flows from 1992 to 2022, compared with other Central Asian countries. 185 The structure of FDI by country of origin and type of activity is discussed, along with statistical characteristics of foreign-capital enterprises. The summary expresses the view that due to its wealth of natural resources and growing economic stability, Kazakhstan has attracted a significant portion of the region's investments.

The fourth chapter is devoted to factors influencing the choice of Kazakhstan as a destination for FDI. Results from the author's survey, conducted among the largest foreign investors in Kazakhstan, indicated that apart from access to natural resources, investors primarily considered market potential, economic stability, and Kazakhstan's strategic location in their location decisions. The survey results also revealed disincentives for capital allocation in Kazakhstan, such as corruption and bureaucracy.

The fifth chapter presents the results of the assessment of the impact of FDI on Kazakhstan's economy using econometric models. These indicated that FDI inflows significantly impact GDP growth and the development of various economic sectors, especially in terms of economic stability and technology transfer. The models confirm that FDI contributes to economic growth, although the effects may vary by sector and period.

The work concludes with insights emphasizing the significant role of FDI in Kazakhstan's economic development. The author advocates for continued reforms aimed at improving the investment climate, including reducing bureaucracy, radical anti-corruption efforts, and developing technical and social infrastructure. Practical recommendations for economic policy are formulated, expressing the belief that they can enhance the effectiveness of efforts to attract economically significant foreign investments