



Faculty  
University  
Department

**Title: a Research Title**

**JEL classification: (Google it)**

Keywords: Economic growth; Horizontal/market seeking FDI;  
Vertical/efficiency seeking FDI

**Authors**

Author1,

Author2,

Author3,

Author4 (alphabetical)

year, month, day

*Dr. Ashraf Samir* 



GP

**A b s t r a c t (should be written by all students)<sup>1</sup>**

*About 200 words*

**Example,**

In this research, we contribute to the literature investigating the impact of FDI on host country economic growth by distinguishing between the growth effects of horizontal (market seeking) FDI and vertical (efficiency seeking) FDI. Using a new database, we estimate the growth effects of vertical and horizontal US MNE activity into 44 host countries over the period 1983–2003, also using traditional total FDI figures as a benchmark. Controlling for endogeneity and absorptive capacity effects, we find that horizontal and vertical FDI have positive and significant growth effects in developed countries. Moreover, our results indicate a superior growth effect of horizontal FDI over vertical FDI. In line with existing literature, we find no significant effects of horizontal or vertical FDI in developing countries.

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<sup>1</sup> This guide is based on the following source: S. Beugelsdijk et al. / International Business Review 17 (2008) 452–472



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## **Introduction: Students' names (last name, first name)**

*About 300 words*

Note: introduction should include the purpose of the research, objectives, statement of the problem, the research question(s) (i.e., the main one and other minor questions), and expected results.

### **Example**

The relationship between Foreign Direct Investment (FDI) and economic growth has been a topical issue for several decades. Policymakers in a large number of countries are engaged in creating all kinds of incentives (e.g. export processing zones and tax incentives) to attract FDI, because it is assumed to positively affect local economic development (Giroud, 2007). Literature suggests that FDI affects host economies through different channels, i.e. composition effects (changing market structures), competition effects, employment effects and knowledge spillovers (cf. Lipsey, 2002).

Despite the plethora of FDI-growth studies, aggregate analyses relating inward FDI to a country's economic growth are, however, not able to distinguish between types of FDI, because FDI data do not allow for such a distinction and lump together all types of FDI. However, it can logically be deduced from this literature that different types of FDI affect growth in different ways, because the nature of the investment undertaken partly determines the way FDI affects the local economy. In this paper we contribute to the FDI-growth literature by distinguishing between types of FDI, most notably between horizontal (market seeking) FDI (HFDI) and vertical (efficiency seeking) (VFDI).

In this paper, the paper presents in greater detail the institutional and policy environment for FDI into Egypt, before analyzing the findings from the Egyptian survey. In the first section, we outline the evolving policy environment with respect to FDI into Egypt. We go on to consider methodological issues, in particular the representativeness of our sample with respect to size, sectoral and regional distribution of foreign affiliates. This permits us to introduce the characteristics of the foreign direct investment sector in Egypt. In the fourth section, we present the findings of the Egyptian survey, following the structure employed in Chapter 2. We conclude by evaluating FDI into Egypt during the 1990s. The discussion is developed through the three Egyptian case studies in the subsequent chapter.



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## Literature Review: Student's Name

*About 300 words*

Note, literature review should be written in clear and simple statements showing theories and the main arguments of your research.

### Example,

The most basic distinction between types of FDI pertains to the distinction between VFDI and HFDI. VFDI is traditionally related to the desire of MNEs to carry out unskilled-labor intensive production activities in locations that are relatively abundant with unskilled labor (Braconier, Norback, & Urba, 2005; Markusen, 1995). Following text book international economics, MNEs arise to take advantage of international factorprice differences and geographically split up their production process (Carr, Markusen, & Maskus, 2001). HFDI arises as a substitute for exporting and a desire to place production close to customers and thereby avoid trade costs, being both transportation costs and trade barriers (Buckley & Casson, 1981). To our knowledge, we are the first to theoretically distinguish between the potentially differing growth-effects of HFDI and VFDI and test this empirically.



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## **Data Description and Variables: Student's Name**

About 200 words

### **Data**

Note, this chapter should include the following:

- a) The source of dataset
- b) The definition of all variables used in the research

## **Methodology: Student's Name**

About 200 words

### **Example,**

The paper uses a formal modeling approach to shed light on the key mechanisms. By merging insights from IB on different types of MNE activity into a model that has been used in international economics, we elaborate on the key mechanisms that serve as theoretical input for the empirical test in the next section. The model we use is a variation on Baldwin, Braconier, and Forslid (2005), who study the growth effects of MNEs in a dynamic 'Constructed Capital' general equilibrium model. We adapt their model by introducing two types of MNEs: horizontal and vertical, and model these as in Ekholm and Forslid (2001). Readers interested in the final result are referred to the growth Eq. (8) and the supporting conceptual literature mentioned there. A full derivation of our model can be found in Appendix (see also Baldwin et al., 2005, for a similar model set-up).

**Note:** in the Methodology, you should mention a software package that will be used in the analysis.



## Table of contents

In this section, you should write a table of contents of your research.

### Title

#### Introduction

Chapter 1: Title

Section 1: Title

Section 2: Title

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Chapter 2: Title

Section 1: Title

Section 2: Title

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Chapter 3: Title

Section 1: Title

Section 2: Title

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Chapter (N): Title

Section 1: Title

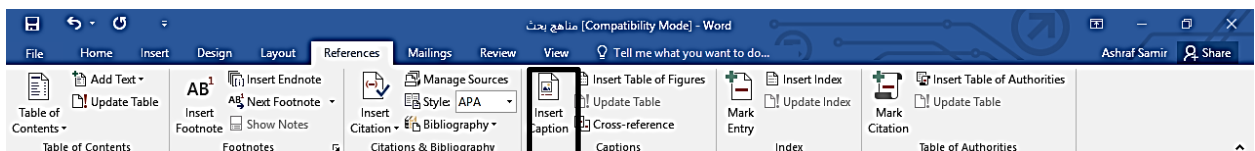
Section 2: Title

#### Conclusion

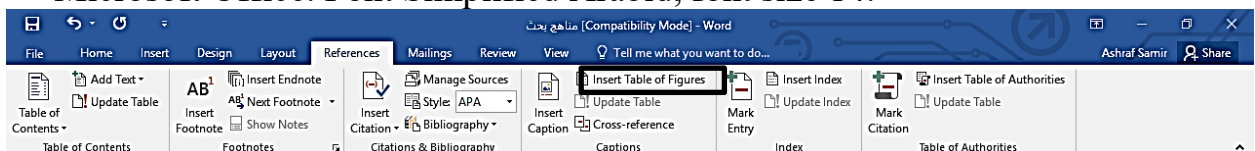
## Bibliography

No more than 30 references

## Using References in MS-Word



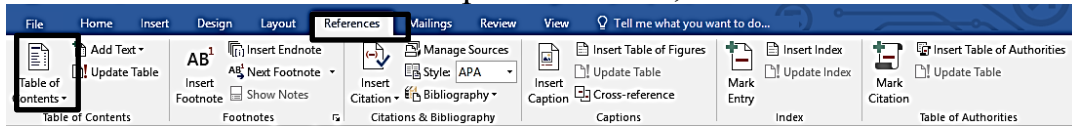
- Table of Figures should be written using Insert Table of Figures' feature of Microsoft Office. Font Simplified Arabid, font size 14.



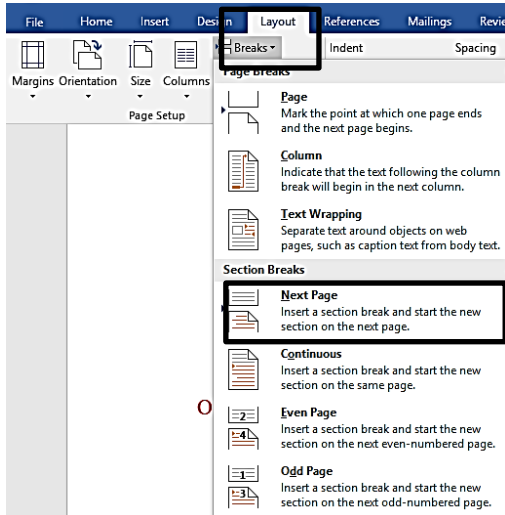


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- Table of Contents should be written using the table of contents' feature of Microsoft Office. Font Simplified Arabid, font size 14.



- Each chapter should be separated by section breaks using the breaks' feature of Microsoft Office.



- Citation should be written using APA.
- Footnotes should be used sparingly.
- Bibliography should be written using the references' feature of Microsoft Office using APA sixth edition

