

Peren-Clement Index – PCI 2.0

**Evaluation of Foreign Direct Investments through
Simultaneous Assessment at the Macro and
Corporate Levels**

Franz W. Peren • Reiner Clement

2019

MUR-Verlag

Copyright © 2019 Franz W. Peren & Reiner Clement

The contents of this expertise are protected by copyright. All rights reserved.

This document, including all contents, is copyright protected. All rights reserved.

Reprinting or reproduction (including in part) in any format (print, photocopy or other method) and saving, processing, duplicating, and disseminating using electronic systems of any type, in whole or in part, is prohibited and punishable by law without the written consent of Prof. Dr. Dr. Peren, Hochschule Bonn-Rhein-Sieg | Bonn-Rhein-Sieg University, Sankt Augustin, Germany.

All translation rights reserved.

Disclaimer

Any use of the Peren-Clement index (PCI) is on the user's own risk. The Hochschule Bonn-Rhein-Sieg | Bonn-Rhein-Sieg University as well as the authors are not liable for any direct and indirect damages, including, but not limited to, damages for lost of profits or revenues or for further damages such as business interruption or lost business chances. The Hochschule Bonn-Rhein-Sieg | Bonn-Rhein-Sieg University as well as the authors do not assume any liability for the currentness, correctness or completeness of the index's content, nor for any printing errors or due to missing safety notes. Legal claims and claims for damages are excluded. Incorrect information cannot be completely excluded. The Hochschule Bonn-Rhein-Sieg | Bonn-Rhein-Sieg University and the authors assume no juristic responsibility or any kind of liability for faulty or missing information and to all the consequences resulting from.

Because some countries, states or provinces, etc. do not allow the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you. In such places, the index's liability is limited to the greatest extent permitted by law.

Cover design by Annette Plassmann

Published by:

MUR-Verlag GmbH & Co. KG

94032 Passau – www.mur-verlag.de

ISBN: 978-3-945939-19-2

Table of Contents

| | |
|--|----|
| 1 Introduction | 7 |
| 1.1 Definition of Direct Investment | 7 |
| 1.2 Structural Features | 8 |
| 2 Theory of Direct Investment | 10 |
| 2.1 Justification for Foreign Direct Investments | 10 |
| 2.2 Evaluation Perspectives | 15 |
| 3 Direct Investment and Site Selection | 22 |
| 3.1 Decision-making Framework | 23 |
| 3.1.1 Macro Environment | 24 |
| 3.1.2 Localization (Micro Environment) | 26 |
| 3.2 Risk Assessment | 31 |
| 3.3 Case Study | 33 |
| 4 Conclusions | 40 |
| 5 Bibliography | 42 |
| 6 Authors | 49 |