

# **THE IMPACT OF TERRORISM, POLITICAL INSTABILITY AND INFLATION ON THE FOREIGN DIRECT INVESTMENT INFLOW. A CASE OF PAKISTAN.**

**By**

**SHAHZADI NEELUM  
18672**

A thesis presented to the Department of Management Sciences, Bahria University  
Karachi Campus, in partial fulfillment of the requirements  
of the MBA degree



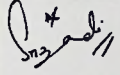
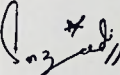
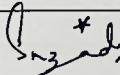
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#### 2<sup>nd</sup> Half-semester Progress Report & Thesis Approval Statement

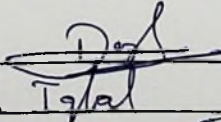
#### Supervisor-Student Meeting Record

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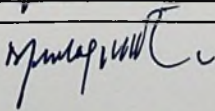
#### APPROVAL FOR EXAMINATION

Candidate's Name: Shahzadi Neelom Registration No. 18672  
 Thesis Title: Impact of Terrorism, Political Instability and Inflation on the Foreign Direct Investment Inflow. A case of Pakistan.

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 11% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature:  Date: 22/04/16

Name: Danish Iqbal

Head of Department Signature:  Date: \_\_\_\_\_

### Abstract

**Purpose-** The basic and main theme of this study is to find out the relation and impact of Terrorism, Political Instability and Inflation on the Foreign Direct Investment Inflow of Pakistan with the help of the economic data of time period 2003 – 2014 used for the study. The purpose of study is to find out that how independent variables (Terrorism, Political Instability and Inflation) diminish the dependent variable (FDI Inflow) in the scenario of Pakistan's point of view

**Methodology/sample-** The method of Regression is used to find out the impact of terrorism, inflation, and political instability on FDI inflow by using the data of past twelve years of Pakistan's economy.

**Findings-** The findings of the study shows that there are insignificant negative relation of terrorism, political instability and inflation to the FDI inflow which shows the inverse relation according to the research.

**Practical Implications-** The Terrorism, political instability, inflation and FDI inflow is the main body for the development and implication of foreign direct investment in the country.

**Keywords:** Terrorism, Political Instability, Inflation, Foreign Direct Investment Inflow.

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