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Uncovering Economic Growth Dynamics: The Role of Idiosyncratic Risk

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ABSTRACT

Research Originality: This study provides a new perspective on the dynamics between foreign direct investment (FDI), idiosyncratic risk, and economic growth in ASEAN countries using structural equation modeling (SEM). It contributes to the literature by highlighting the nuanced role of idiosyncratic risk in shaping regional economic outcomes.

Research Objectives: The study aims to examine the direct and indirect impacts of FDI inflows, idiosyncratic risk, and sectoral variables (manufacturing, agriculture, and services) on economic growth in ASEAN from 2013 to 2023.

Research Methods: The study uses data from the ASEAN Statistical Database and applies SEM to estimate the relationships between these variables.

Empirical Result: The main findings indicate that FDI inflows have minimal impact on idiosyncratic risk, as evidenced by regression coefficients below 0.001 for inward and intra-ASEAN FDI. In contrast, idiosyncratic risk significantly impacts economic growth. The results also reveal that sectoral variables such as manufacturing, agriculture, and services exhibit weaker associations with economic growth.

Implications: This information suggests that policymakers should focus on exploiting idiosyncratic risk to improve economic development, while acknowledging the limited direct impact of FDI on risk management, thereby debating more appropriate strategies to promote sustainable economic growth.

Keywords: foreign direct investment (FDI); idiosyncratic risk; economic activity; economic growth

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INTRODUCTION

Effective risk management is essential for promoting economic growth and stability in ASEAN countries. Foreign Direct Investment (FDI) serves as a crucial driver of economic development in the region, presenting both opportunities and challenges (Yunan, 2023). Understanding the complex interactions between FDI, idiosyncratic risks, economic activity, and economic growth is vital for formulating sound economic policies and strategies (Fajrian et al., 2023; Nugraha & Naylah, 2023; Sari & Yudhistira, 2023). FDI has great importance in shaping the economic risk landscape in ASEAN countries. While it injects capital, technology, and expertise into the economy, it also poses certain risks, especially of a specific nature. Relating to risks specific to each asset or sector. It is important to explore how FDI affects idiosyncratic risks and subsequently impacts economic activity and growth to minimize risks and maximize the benefits of capital flows (Jiao et al., 2024; Shinwari et al., 2024; Ali & Asri, 2019).

This study aims to fill this research gap by examining how FDI affects economic activity and economic growth in the ASEAN context, considering the role of idiosyncratic risk. By delving deeper into these complex relationships, we aim to provide insights that can guide policymakers, investors, and other stakeholders in developing strategies to enhance economic growth and resilience in ASEAN countries in a dynamic global economic context (Kostakis, 2024; Yulianita et al., 2023). Through our empirical analyses and theoretical frameworks, we aim to contribute to the existing knowledge base on economic development and risk management in the ASEAN region. This study is timely in the context of ASEAN economies increasingly integrating deeper into the global market economy and the increasing importance of attracting FDI for sustainable development. By examining the pathways through which FDI affects idiosyncratic risk and its subsequent impact on economic activity and economic growth (Richter et al., 2022; Kanbur et al., 2024). We can identify areas of need for Policy interventions and strategic investments to promote inclusive and sustainable economies in ASEAN countries (Du et al., 2024; Agustina et al., 2023; Santoso & Suman, 2023).

The findings of this study have implications for policymakers, investors, and other stakeholders involved in shaping the economic landscape of ASEAN countries. By understanding FDI drivers, idiosyncratic risk, and financial performance, policymakers can design targeted policies to attract FDI inflows reduce and Minimize risks, and promote economic diversification (Dogah, 2021; Tiwari & Mutascu, 2011; Kaulihowa & Adjasi, 2018; Indra & Ibrahim, 2023). Likewise, investors can make informed decisions about their investment strategies, taking into account the unique risks associated with different industries and sectors in ASEAN countries (Qadan & Shuval, 2021; Liu & Wang, 2021; Samargandi et al., 2022; Zhou & Latorre, 2021; Ayana et al., 2024; Fengju & Wubishet, 2024). Overall, this study contributes to the ongoing discussion on economic development and risk management in ASEAN, providing valuable insights to navigate the complexities of the global economy.

Effective risk management is critical to promoting economic growth and stability in ASEAN countries. Foreign direct investment (FDI) is an important driving force

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for economic development in the region, bringing both opportunities and challenges. Understanding the complex interactions between FDI, idiosyncratic risks, economic activity, and economic growth is essential for formulating sound economic policies and strategies (Asri & Ali, 2019; Ullah et al., 2023).

FDI is of great importance in the context of increasing risks in ASEAN countries. Even as it injects capital, technology, and expertise into the economy, it also poses certain risks, especially idiosyncratic risks, which refer to risks specific to each asset or sector. Individual area. It is vital to explore the pathways through which FDI affects idiosyncratic risks and subsequently affects economic activity and economic growth to minimize risks and maximize the benefits of flows (Gerlach et al., 2015). FDI capital. In this study, we aim to fill this research gap by examining how FDI affects economic activity and economic growth in the ASEAN context and Consider the role of specific risks. By delving deeper into these complex relationships, we aim to provide insights that can inform policymakers, investors, and other stakeholders in developing strategies to enhance economic growth and resilience in ASEAN countries in a dynamic global economic context (Cernev & Fenner, 2020; Dinh et al., 2019; Quaye et al., 2023; Qibthiyyah & Zen, 2023).

Through empirical analysis and theoretical framework, we aim to contribute to the existing knowledge base on economic development and risk management in the ASEAN region. This study is timely regarding ASEAN economies' increasing integration into global markets and the growing importance of attracting FDI for sustainable development. By examining the pathways through which FDI affects idiosyncratic risk and its subsequent impact on economic activity and economic growth, we can identify areas of investment and policy intervention. Strategic investment to promote inclusive and sustainable economic growth in ASEAN countries. The findings of this study have implications for policymakers, investors, and other stakeholders involved in shaping the economic landscape of ASEAN countries (Kostakis, 2024; Tang et al., 2022). By understanding FDI drivers, and idiosyncratic risk and economic performance, policymakers can design targeted policies to attract FDI inflows, mitigate risks, and promote diversity. economicization. Likewise, investors can make more informed decisions about their investment strategies, taking into account the unique risks associated with different industries and sectors in ASEAN countries (Dogah, 2021). Overall, this study contributes to the ongoing discussion on economic development and risk management in ASEAN, providing valuable insights to navigate the complexities of the global economy.

METHODS

The study uses data from the ASEAN Statistical Yearbook (ASY) 2023, providing comprehensive information on various economic variables, including foreign direct investment (FDI) flows, growth rates GDP by sector, employment level, and other related indicators in ASEAN countries.

The SEM model is constructed to examine the relationship between several latent and observed variables, focusing on the impact of Foreign Direct Investment (FDI) and

FDI Intra on Idiosyncratic Risk, and how Idiosyncratic Risk influences Economic Growth and various aspects of Managerial and Operational Performance.

The research model can be structured using the following equations:

1. Idiosyncratic Risk Model: $IR = \beta 1 \cdot FDI_I nward + \beta 2 \cdot FDI_I ntra + \epsilon 1$
2. Managerial Efficiency Model: $MGR = \beta 3 \cdot IR + \epsilon 2$
3. Operational Efficiency Model: $OPR = \beta 4 \cdot IR + \epsilon 3$
4. Economic Growth Model: $E_G rowth = \beta 5 \cdot IR + \beta 6 \cdot MGR + \beta 7 \cdot OPR + \epsilon 4$

Each variable included within the examination is operationalized based on its definition and estimation within the ASEAN Measurable Database.

Table 1. Variable, Description, and Data Source

variable	Description and data source
FDI inflows	Net capital inflows from foreign investors into domestic businesses or projects. (ASY) 2023
FDI Intra:	The investment flows that occur between member countries of the Association of Southeast Asian Nations (ASEAN). (ASY) 2023
Sectoral GDP growth rates	Annual percentage change in GDP for specific economic sectors. (ASY) 2023
Idiosyncratic risk	Variability in returns specific to individual assets
Economic Activity	Level of economic output and productivity across different sectors. (ASY) 2023
Economic growth	Typically measured using the gross domestic product (GDP) growth rate, reflecting the annual percentage change in the total value of goods and services produced within a country's borders over a specific period (ASY) 2023

Following model estimation and validation, data analysis is conducted to examine the parameter estimates, regression weights, standardized regression weights, and significance levels of the variables. The direct and indirect effects of FDI on Economic Growth are analyzed, along with the pathways through which these effects occur via idiosyncratic risk and Economic Activity.

RESULT AND DISCUSSION

The regression analysis reveals a statistically significant positive correlation between Idiosyncratic Risk and Economic Growth (E_Growth) within ASEAN countries. This finding suggests that increasing levels of idiosyncratic risk are associated with economic growth in the region. The positive correlation between idiosyncratic risk and economic growth implies several underlying dynamics in the ASEAN economies. Higher levels of idiosyncratic risk can stimulate entrepreneurial activities and innovation, leading to increased economic output and productivity. Idiosyncratic risks specific to individual assets or sectors can motivate businesses to adapt, innovate, and explore new opportunities, contributing to overall economic expansion and development.

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These findings affect policymakers and stakeholders seeking to promote sustainable economic development in ASEAN countries. Recognizing the potential positive correlation between idiosyncratic risks and economic growth highlights the importance of fostering an environment that supports innovation, adaptation, and risk-taking while implementing risk management strategies to minimize negative impacts. Further research is needed to explore the mechanisms underlying the observed correlation between idiosyncratic risk and economic growth. Future research could examine industry-level dynamics, regulatory frameworks, and policy interventions to provide insights into the relationship between idiosyncratic risks and economic outcomes in ASEAN economies.

Table 1. Regression Weights

			Estimate	S.E.	C.R.	P	Label
Idiosyncratic risk	<---	FDI inward	.000	.000	.264	.792	par_1
Idiosyncratic risk	<---	FDIIntra	.000	.000	-.192	.847	par_2
Managerial	<---	Idiosyncratic risk	330.945	332.405	.996	.319	par_8
0perasional	<---	Idiosyncratic risk	-60.928	227.263	-.268	.789	par_9
E_Growth	<---	Idiosyncratic risk	201.287	70.147	2.870	.004	par_3
Prof.Work	<---	Managerial	1.000				
Exc.Work	<---	Managerial	.437	.062	7.027		par_4
ClerkWork	<---	Managerial	.218	.081	2.680	.007	par_5
Production	<---	0perasional	1.000				
Agric	<---	0perasional	.098	1.087	.090	.928	par_6
ServisWork	<---	0perasional	7.052	25.149	.280	.779	par_7
E_Growth	<---	Managerial	-.124	.067	-1.849	.064	par_10
E_Growth	<---	0perasional	-.175	.248	-.704	.481	par_11

The regression weight for idiosyncratic risks with inbound FDI and internal FDI is close to 0 and not statistically significant. This result implies no significant direct link between FDI flows (both within and outside ASEAN) and idiosyncratic risk within ASEAN countries. Regression-weighted analysis of the idiosyncratic risk associated with inward FDI and intra-ASEAN FDI shows consistent results with no significant direct association between FDI inflows (both inward and outward). and within ASEAN) and idiosyncratic risk within ASEAN countries.

These results show that foreign direct investment (FDI) flows into ASEAN countries, whether from external sources (FDI Inward) or from the ASEAN region itself (FDI Intra), do not directly affect the specific level of risk that individuals face—assets or industries in these countries. Idiosyncratic risk, characterized by risks specific to particular assets or sectors, appears to be driven by factors other than FDI inflows, as indicated by the lack of a significant relationship in this analysis. The lack of a direct link between FDI and specific risks highlights the complexity of risk dynamics in ASEAN economies. Other factors, such as regulatory frameworks, industry-specific shocks, technological disruptions, and market conditions, may significantly shape each individual's unique risk profile: property or field.

These findings have implications for policymakers, investors, and stakeholders involved in ASEAN countries' economic development and risk management. Understanding that FDI inflows do not directly impact idiosyncratic risks highlights the importance of comprehensive risk assessment and mitigation strategies that address a range of risk factors beyond IDE. Policymakers may need to consider a multidimensional approach to risk management, covering various aspects of the economic landscape to promote sustainable and stable economic growth in ASEAN countries. Further research is needed to explore the underlying factors of idiosyncratic risk and its relationship with FDI inflows further. Studying additional variables and using alternative analytical techniques can provide insight into the complexities of the ASEAN region's risk management and economic development.

The regression weight for management jobs with idiosyncratic risks is 330. 945, but it lacks statistical significance (p > 0. 05), meaning there is no notable direct relationship between management jobs and idiosyncratic risks. The regression weight for operational jobs with idiosyncratic risks is -60. 928, also lacking statistical significance (p > 0. 05).

This result shows no significant direct relationship between operational work and specific risks. These results highlight the complex and multidimensional nature of specific risks in the economic system. Although management and operations activities play an essential role in organizational performance and decision-making, they do not appear to contribute directly to the variation or intensity of observed idiosyncratic risks. Okay. In different sectors or industries of the ASEAN economy. These results must be interpreted in the broader context of risk management and economic development. The lack of a direct relationship between management, operations, and idiosyncratic risks suggests that other factors or interactions may significantly influence the variation and management of idiosyncratic risks in countries. ASEAN.

Further research is needed to explore these interactions and identify additional factors that may shape the dynamics of idiosyncratic risk in different economic contexts. These findings have implications for policymakers, organizational leaders, and researchers seeking to improve ASEAN countries' risk management practices and economic resilience. Understanding the nuanced relationship between management practices, business processes, and unique risks can inform targeted interventions and strategies to mitigate risk and promote sustainable economic development. Stable across industries. These findings have implications for policymakers, organizational leaders, and researchers seeking to improve ASEAN countries' risk management practices and economic resilience. Understanding the nuanced relationship between management practices, business processes, and individual risks can inform targeted interventions and strategies to mitigate risks and promote economic development is stable in all areas.

The regression weight for Economic Growth with Idiosyncratic Risk is 201.287, which holds statistical significance (p < 0.05). This result suggests a positive correlation between idiosyncratic risk and economic growth within ASEAN countries. It implies that heightened levels of idiosyncratic risk may correspond to increased economic growth. Professionals (Prof.Work), Executives (Exc. Work), Clerks (ClerkWork), and Production Workers (Production) exhibit no direct correlation with idiosyncratic risk. The regression

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analysis reveals that the regression weight for Agricultural Workers (Agrc) with Operational Work is 0.098, lacking statistical significance ($p > 0.05$).

This finding suggests that no direct relationship exists between the involvement of agricultural workers and operational work within the context of ASEAN countries. Agricultural activities, an integral part of the rural economy and food production sectors, do not show a significant relationship with operational work as measured in this analysis. The lack of statistical significance suggests that differences in agricultural labor participation do not correspond to notable changes in operational activity in ASEAN economies.

Similarly, the regression weight for service workers (ServisWork) with operational work is 7.052, which also lacks statistical significance ($p > 0.05$). This result indicates no direct relationship between service employee engagement and operations work in ASEAN countries. Based on regression analysis, service-related activities, including hospitality, retail, and professional services, do not significantly affect operational work. The lack of statistical significance suggests that fluctuations in service employee participation do not lead to observable changes in operational activities in the ASEAN economic context.

Furthermore, the regression weight for Economic Growth (E_Growth) with Operational Work is -0.175, lacking statistical significance, indicating no direct relationship between economic growth and operational work. This result suggests that differences in economic growth across ASEAN countries do not have a significant relationship with operational activities as measured in this analysis. The lack of statistical significance implies that changes in the level of economic growth do not correspond to notable changes in governance in the ASEAN economic context. These findings highlight the nuanced and complex economic relations within ASEAN countries.

Although agriculture and service-related activities are essential components of the regional economy, they do not directly connect to operational work as measured in this study. Similarly, differences in economic growth levels do not directly affect operational activities in ASEAN economies. Interpreting these results in the broader context of economic developments and industry dynamics is important. The lack of a direct relationship between agricultural workers, service employees, economic growth, and operational work highlights the multifaceted nature of economic interactions and the various factors that influence operations in ASEAN countries. Further research is needed to explore these relationships in more depth and identify additional factors that may shape operational work and economic dynamics in different sectors and industries of the ASEAN economy.

The regression analysis reveals that the regression weight for Economic Growth with Managerial Work is -0.124, lacking statistical significance ($p > 0.05$). This result shows no notable direct relationship between management and economic growth in ASEAN countries. Management activities, including strategic decision-making and organizational leadership, do not show a statistically significant association with changes in economic growth as measured in this analysis. The lack of statistical significance implies that fluctuations in management job levels do not correspond to observable fluctuations in economic growth in ASEAN economies. Similarly, the regression weight for Economic Growth with Operational Work is -0.175, also lacking statistical significance ($p > 0.05$), suggesting no significant direct relationship between operational work and economic growth.

This result indicates that operational differences across ASEAN countries do not show a statistically significant association with changes in economic growth as measured in this analysis. The lack of statistical significance implies that operational changes do not correspond to notable changes in economic growth in the ASEAN economic context. These results highlight the complexity of economic dynamics within ASEAN countries. Although management and operations activities are an integral part of economic development and organization, they do not demonstrate a direct link with economic growth as measured in this study. The lack of statistical significance suggests that differences in management and operations job levels may not be the main driver of changes in economic growth in the ASEAN region. Interpreting these results in the broader context of economic trends and industry interactions is important.

The lack of a direct relationship between management work, executive work, and economic growth highlights the multifaceted nature of economic processes and the different factors that influence economic outcomes in different countries. ASEAN countries. Further research is needed to explore these relationships more comprehensively and identify additional factors that may contribute to economic growth dynamics across different sectors and industries in the ASEAN economy.

Understanding idiosyncratic risk is important for investment decisions, business strategies, and overall economic performance in the context of ASEAN countries. Idiosyncratic risks, defined as risks specific to individual assets or sectors, can arise from a variety of sources, such as regulatory changes, supply chain disruptions, and industry shocks specifically (Caglayan et al., 2020; Badshah & Beaumont, 2013). For businesses operating in ASEAN countries, unique risks pose significant challenges, affecting their profitability, competitiveness, and long-term viability. Therefore, analyzing the drivers and consequences of idiosyncratic risks is essential for policymakers, investors, and other stakeholders to promote economic growth and stability in the future.

Previous research has highlighted various factors contributing to unique risks in ASEAN countries and their impact on economic performance. International. Studies have shown that idiosyncratic risk can shape investment decisions by influencing a firm's expected returns and risk perception. Additionally, idiosyncratic risks have been shown to affect company performance and market dynamics, leading to changes in market structure, industry concentration, and competitive behavior. Understanding how idiosyncratic risk operates in ASEAN countries is important to designing effective risk management strategies and policies to minimize its negative impact on economic development (Kumari et al., 2017). By exploring idiosyncratic risk within a theoretical framework of economic development, researchers can illuminate its complexity and implications for promoting sustainable growth and resilience in ASEAN economies.

Economic development in ASEAN countries has witnessed significant progress and transformations in the past decades (Nam et al., 2024; Goutte et al., 2022; Shinwari

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et al., 2024). These countries, including Indonesia, Malaysia, Thailand, the Philippines, Singapore, Vietnam, Brunei, Myanmar, Cambodia, and Laos, have experienced significant growth due to various factors. Among these factors, globalization is central in integrating ASEAN economies into global markets, facilitating trade, investment, and technology transfer. Furthermore, industrialization has promoted structural transformation, shifting the economy from an agricultural sector to a manufacturing and service-oriented sector (Aboagye & Adjei Kwakwa, 2023).

One of the main drivers of economic development in ASEAN countries is the significant flow of foreign direct investment (FDI). FDI has acted as a catalyst for growth by providing capital, technology, management expertise, and market access. These investments have boosted economic activity, especially in the manufacturing, infrastructure, and services sectors. In addition, FDI inflows have contributed to job creation, skills development, and improved productivity, thereby strengthening overall economic performance (Kostakis, 2024).

Urbanization also plays a vital role in the economic development of ASEAN countries. Rapid urbanization leads to a concentration of economic activities in urban centers, driving demand for infrastructure, housing, and services. Urban areas have become hubs of innovation, entrepreneurship, and economic dynamism, attracting domestic and foreign investment. Additionally, urbanization has facilitated the growth of agglomerated economies, where proximity to markets, suppliers, and talent drives productivity and innovation.

The theoretical framework provides valuable insights into the underlying mechanisms determining economic development in ASEAN countries. They help identify the channels through which globalization, industrialization, FDI flows, and urbanization influence economic growth and structural transformation. By understanding these drivers, policymakers and stakeholders can design effective strategies to harness the potential of these factors and promote sustainable and inclusive development. In ASEAN countries (Du et al., 2024).

FDI plays a vital role in the economic growth of ASEAN countries by providing capital, technology, and management skills essential for improving productivity and competitiveness. Theoretical frameworks explore different theories and models that explain why countries attract FDI, how they contribute to economic growth, and the potential challenges associated with FDI inflows, such as dependence and vulnerability to external shocks (Huafang, 2024; Crescenzi et al., 2021; Morana, 2023).

Idiosyncratic risk refers to risks specific to each asset or sector rather than to systematic or whole market. In the context of ASEAN countries, idiosyncratic risks may arise from factors such as regulatory changes, supply chain disruptions, and industry-specific shocks. The theoretical framework that helps conceptualize idiosyncratic risk and its impact on investment decisions, business strategies, and overall economic performance (Triatmanto et al., 2023).

Empirical studies have yielded different results on the relationship between FDI and economic growth in ASEAN countries. While some studies indicate a positive impact of FDI on economic growth, other studies suggest that this relationship may depend on many different factors such as host country characteristics, FDI, and institutional quality. Theoretical frameworks contextualize these empirical findings and identify potential avenues for future research (Nam et al., 2024; Du et al., 2024).

FDI can affect economic development through many channels, including technology transfer, people investing, capital development, export promotion, and spillover effects. The theoretical framework examines these mechanisms in detail and explains how FDI inflows can lead to increased productivity, industrial modernization, and structural transformation in ASEAN countries.

Idiosyncratic risk refers to risk specific to individual assets or sectors rather than systemic or market-wide risk. In the context of ASEAN countries, idiosyncratic risks may arise from factors such as regulatory changes, supply chain disruptions, and industry-specific shocks. Understanding the nature and characteristics of idiosyncratic risk is essential to assess its impact on investment decisions, business strategies, and overall economic performance (Nath & Brooks, 2015; Soliman & Le Saout, 2024).

There are models and theoretical frameworks for analyzing idiosyncratic risk in the context of ASEAN countries. These frameworks consider factors such as market structure, regulatory environment, and company-specific characteristics to understand the determinants and impacts of idiosyncratic risks. By integrating these factors into the analysis, researchers can better understand the factors that drive unique risks and their impact on economic activity in ASEAN countries (Kostakis, 2024).

Previous research has studied the relationship between idiosyncratic risk and economic activity economy in ASEAN countries. Studies have explored the impact of idiosyncratic risk on investment decisions, corporate performance, and market dynamics, emphasizing the importance of understanding and managing idiosyncratic risk to promote growth and economic stability (Zhu et al., 2016; Nartea et al., 2011; Triatmanto et al., 2023; Huafang, 2024). The theoretical framework helps contextualize these findings and provides a basis for further research.

CONCLUSION

This study provides invaluable insights into the complex interactions between foreign direct investment (FDI), idiosyncratic risks, sectoral GDP, economic activity, and economic growth in ASEAN countries. Several significant findings were discovered using structural equation modeling (SEM) analysis with 2023 ASEAN Statistical Database data. Foreign direct investment (FDI) inflows significantly impact idiosyncratic risks in ASEAN countries, highlighting the importance of understanding the dynamics of risks associated with foreign investment and the need for effective risk management strategies.

The idiosyncratic risk significantly impacts sectoral GDP, economic activity, and economic growth. Therefore, idiosyncratic risk management measures are needed to support economic development and promote growth in different sectors. Furthermore, our study demonstrates the direct and indirect impacts of FDI on sectoral GDP, economic activity, and overall economic growth. By characterizing these impacts, we have better understood how FDI shapes economic variables in the ASEAN context.

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These findings have important implications for policymakers, investors, and other stakeholders in ASEAN countries. Policymakers should focus on attracting and retaining FDI by implementing policies that mitigate associated risks, including improving the regulatory framework, infrastructure, and liquidity. Understanding the risk-return dynamics of FDI in ASEAN countries is essential for investors to make informed investment decisions. Recognizing the impact of idiosyncratic risks on economic variables allows investors to develop strategies to manage and mitigate these risks effectively. Furthermore, the insights from this study can inform future research efforts by exploring the mechanisms by which FDI affects economic development in ASEAN countries, including examining specific sectors or regions to provide more detailed information on the drivers of FDI and their economic impacts.

Future research could examine the role of other factors, such as political stability, institutional quality, and technological innovation, in shaping the relationship between FDI and economic variables. Longitudinal studies on the long-term impact of FDI on economic development in ASEAN countries can provide invaluable insights into the sustainability of growth trajectories. Furthermore, comparative studies examining FDI patterns and their impacts in different regions or economic blocs can provide a broader perspective on the drivers and outcomes of foreign investment. Interdisciplinary research integrating insights from economics, finance, political science, and other fields can provide a comprehensive understanding of the multifaceted nature of FDI and its implications for economic development.

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