

## **Foreign Direct Investments and Economic Integration: the case of EUSAIR (EU Strategy for the Adriatic and Ionian Region)**

Daniele Bregoli <sup>1</sup>, Donato Iacobucci <sup>1</sup>

<sup>1</sup> C.I.I./Dept. of Information Engineering, Polytechnic University of Marche, Ancona, Via Brecce Bianche 12, Marche, 60131, Italy.

Presenter: Donatao Iacobucci - d.iacobucci@staff.univpm.it

Corresponding Author: Daniele Bregoli – d.bregoli@pm.univpm.it

Keywords: Foreign Direct Investments, EUSAIR, Macro Regional Strategy, Integration, Policy

The EU Strategy for the Adriatic-Ionian Region (EUSAIR) was set-up in 2014 as a policy framework aimed at fostering economic integration and regional cooperation between its member countries. In this context, Foreign Direct Investments (FDIs) play a pivotal role in enhancing economic integration and competitiveness thus promoting economic growth. FDIs contribute directly to the strategic goals of the EUSAIR region facilitating among other aspects capital flows, technology and innovation transfer, and job creation. Despite these expected benefits, the dynamics of FDIs across the region remain underexplored, particularly regarding their evolution since the establishment of the EUSAIR. More precisely, it appears overlooked whether the integration mechanisms promoted by EUSAIR have effectively contributed to increasing or stabilizing FDI flows across its member countries. To address this, we conducted a comprehensive analysis of inward and outward FDI positions across 10 EUSAIR countries from 2009 to 2024. The dataset covers a period long enough to capture both pre- and post-EUSAIR trends, with 2014 serving as a key milestone for assessing its potential impact. Our methodology includes tracking shifts in FDI flows to identify patterns of growth or stagnation, and analysing country-specific performance within the regional landscape.

Preliminary results suggest varying degrees of FDI development, with some countries exhibiting substantial growth in both inward and outward investments, while others have lagged, reflecting persistent structural barriers. Cross-country comparisons highlight factors such as a country's business environment and how stable or supportive its institutions are. This research underscores the importance of addressing investment disparities within the region to ensure that the benefits of integration are broadly shared. This immediately connects to the need to enhance institutional support, and improving the ease of doing business together with strengthening cooperation mechanisms to create a more balanced and resilient investment panorama. By doing so, EUSAIR can better serve its mission of fostering long-term regional cohesion and prosperity through sustainable economic development and integration.

