ABSTRACT WORKING PAPER 2.14

Location choices of multinational companies in Ukraine

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This paper explains the location choices of multinational companies (MNCs) in a transition economy by traditional economic factors and institutional quality. Based on a thorough theoretical framework and a set of hypotheses, empirical data of an enterprise survey of 153 foreign firms in three regions of Ukraine is analyzed. The data contains information on location choice of MNCs, assessment of institutional quality, and embeddedness within the regional economy. The paper contributes to the literature on MNCs and location choices by introducing an analysis of a set of foreign direct investment (FDI) location choice determinants at the regional level within a transition economy perspective, which has not gained sufficient attention in existing research.