

The BIG ideas!

Foreign Direct Investment

I.b Syllabus 4.5: Development: **Indebtedness**

Syllabus 179

- 454: Summary Notes

Big Idea

1

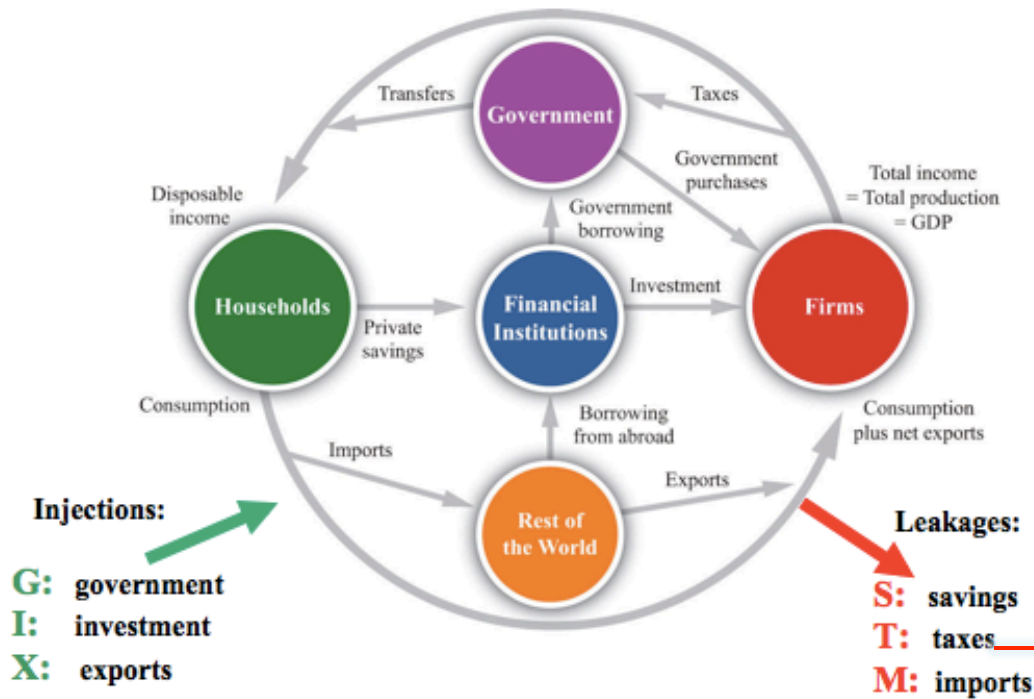
Big Idea

1

international Debt causes a leakage and economy shrinks

SYLLABUS REFERENCE 2.1: Measuring National Income

Real + Nominal National Income /GDP 1



Foreign Banks repaid in hard currency

<http://www.yellowsubmariner.com>

Syllabus reference: items 179

EVALUATE



1. Debt relief allows Leduc's to use essential government revenues to grow and develop the economy

1. Foreign banks fear 'moral hazard' that is that loan repayment may be promoted and therefore increasing the risk of investing in less developed economies
2. Corruption raises concerns about debt relief. Relief for who?

11

Ib questions....

Debt:

<http://www.yellowsubmariner.com>

- ⦿ Reading:
- ⦿ See Blink: FDI 4.5
- ⦿ AAA
- ⦿ submariner

⦿ End