

Identifying the Barriers of Investment Attraction in the Fars Province

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Abstract:

The main purpose of this research is to identify and prioritize factors that directly or indirectly hinder the attraction of investment in Fars province. In order to identify these factors, 35 factors were first extracted from those that were more emphasized in the theoretical literature and empirical studies, and then in the form of the Delphi first round questionnaire, twelve experts were selected using purposive judgment. At the end of the first round of Delphi, except for the "infrastructure weaknesses (transportation, power supply, etc.)", all other factors were agreed upon. The eliminated factor of first round of Delphi was transferred to the second round and since there was no agreement on this factor in the second round, it was generally excluded from the investors' questionnaire. Investors' questionnaire with 34 items was then prepared. The questionnaire was given to 300 active investors in Shiraz Industrial City and investors active elsewhere in Fars province. Finally, the responses received from investors were prioritized using Gray Relational Analysis (GRA). The results show that "difficulty in obtaining loans from banks", "volatility in commodity prices", "investment insecurity", "exchange rate instability", and "bureaucracy and unnecessary formalities and the length of time permits and inquiries" are the most important barriers to attracting investment in Fars province, respectively.

JEL classification: C02, C65, E22

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