

### **Objective and research description**

The scientific problem addressed in the project concerns the impact of the Fourth Industrial Revolution (Industry 4.0), on the attractiveness of host countries for foreign direct investment (FDI). The project aims to investigate how Industry 4.0 technologies and solutions can modify the determinants of a host country's attractiveness to foreign investors. By focusing on the ongoing digital transformation driven by Industry 4.0 solutions and the factors influencing the attractiveness of FDI locations, the research aims to identify how this transformation modifies the determinants of attractiveness for foreign investors and how it affects the dynamics of that attractiveness, which is one of the areas of research in the field of international business (IB).

### **Research methodology**

The project will use a diverse research methodology. In-depth literature studies focused on FDI theories, location theories, and the concept of Industry 4.0, which have already been conducted prior to the project and will be continued, will be complemented by empirical research using qualitative and quantitative methods. A comprehensive and critical literature review will help identify the traditional factors of a country's attractiveness to foreign investors and investigate how these factors are modified by the ongoing Industry 4.0, as well as identify new determinants of this attractiveness. The literature studies will be accompanied by an analysis of statistical data presenting the inflow of FDI into Poland and Morocco between 2008 and 2022. The choice of Poland and Morocco as the context for primary empirical research stems from the fact that Poland has experienced significant economic changes and is often referred to as a dependent market economy due to its strong reliance on FDI inflows. Morocco, on the other hand, is an emerging economy that continues to strive for attracting greater foreign investment. In addition to secondary data, primary research will be conducted. Initially, qualitative research using the case study method will involve in-depth, semi-structured personal interviews with representatives of foreign subsidiaries located in Poland and Morocco, as well as representatives of institutions responsible for digitalisation policies and FDI in Poland and Morocco. The number of interviews will be guided by the saturation principle, ensuring that data collection continues until no new themes emerge. The results of in-depth literature studies and qualitative research will be used to formulate research hypotheses that will be verified through quantitative research. The quantitative research will involve computer-assisted telephone interviews (CATIs) with managers of 400 foreign subsidiaries established in Poland. The collected data will be analysed using statistical techniques, with structural equation modelling (SEM) being a key analytical tool.

### **Reasons for choosing the research topic**

The project aims to understand how Industry 4.0 modifies the landscape of FDI. Investigating how Industry 4.0 solutions and technologies can change the attractiveness of a host country for foreign investors contributes to developing policies for attracting FDI in the new reality and potential modifications in the FDI location strategies of firms. The undertaking of the presented research is also motivated by the desire to fill a research gap related to the relationship between the ongoing Industry 4.0 and the internationalisation activities of firms, particularly in the form of FDI. Furthermore, the research project fits within the framework of SMART proposed by the World Economic Forum, focusing on the factors defining attractive ecosystems in the digital era. By examining the links between Industry 4.0 solutions and the attractiveness of a host country for FDI, the project aims to provide insights to policymakers and contribute to the development of attractiveness in the countries under investigation.

### **Expected results**

The research project predicts several significant outcomes. First, the obtained results will contribute to the development of theories in the field of IB, particularly FDI and location theories, by identifying modifications in the factors influencing the attractiveness of a host country. Second, the results will provide valuable information for foreign investors, host countries, and policymakers. Evidence-based diagnosis can help shape policies related to foreign investment and create an investment-friendly environment. Additionally, the project aims to deepen the understanding of challenges and opportunities associated with the attractiveness of a host country in the context of Industry 4.0. Through in-depth case studies in Poland and Morocco and extensive quantitative research on a representative sample of foreign subsidiaries in Poland, the project will serve as a source of guidance for entities engaged in FDI in the Industry 4.0 era.