

Inviting foreign direct investment for sports development projects in relation to economic development and development challenges

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ABSTRACT

The present study aimed to investigate attracting foreign direct investment for sports development projects in relation to economic developments and challenges. The researchers utilized a descriptive approach, using a questionnaire, due to its appropriateness for the nature of the research. A total of 300 workers from the General Office of the Ministry of Youth and Sports participated in this study. They were selected using a stratified purposeful sampling method from the following categories: undersecretaries, general directors, department directors, department heads, and administrators. The findings of this study showed support for foreign trade exchanges through investment in export industries, especially in contexts where the host country has an advantage over the country of origin and where banking facilities are available in commercial banks. Additionally, it was demonstrated that lower risk and higher returns lead to an influx of investments. Consequently, this increases capital formation, particularly by reducing the state's dependence on external debt and decreasing the volume of foreign aid.

KEYWORDS

Development Challenges; Economic Development; Foreign Direct Investment; Sports Development Projects

1. INTRODUCTION

Sports are no longer merely a social or recreational activity, but rather have become one of the sources of economic income for many countries worldwide, and investment in this era has become one of the pillars of progress, as any attempt to bring about economic development may

require capital, equipment, and advanced technological methods that achieve optimal use of available resources and raise production efficiency to its maximum limits. The urgent need for the existence of sports industry entities is largely witnessed. This in turn revealed associated problems. This is given that the sports system is based on economic foundations represented in financing the various activities, programs, and departments. Financing such sports activities necessitates resorting to establishing an economic system and providing the elements for success and connection which are sponsored by commercial and consumer interests with a source of profit and successful means of advertising to the beneficiaries (Alkhouly, 1996).

Different economies strive to achieve sustainable development at high rates to improve the well-being of their members. To this end, countries are working hard to attract foreign direct investments for sports development projects, given the economic developments and challenges they face. These investments serve as an external source and an alternative to borrowing, which imposes insurmountable financial burdens that state budgets may struggle to meet in the future. Sports development projects are defined as organized efforts among a group of sports bodies aimed at achieving a valuable service, producing tangible outcomes, or creating a positive impact for a specific group in society. The results of these projects can be assessed by evaluating their social and economic impact.

Relying solely on local savings and external borrowing may not be feasible. The most effective way to achieve development goals and reduce unemployment rates is to adopt policies that attract foreign direct investment in sports development projects, particularly in sectors with significant potential for positive impacts on employment levels in the Egyptian economy.

Direct foreign investments are defined by the International Monetary Fund (IMF) and the Economic Cooperation Organization (ECD) as investments in projects within a country that are controlled by residents of another country. Specifically, 10% or more of the shares must be held by one individual or one organized group of investors, granting them effective control over the project's policies and decisions (Zagravu, 2012). Foreign direct investment in the sports field is the fundamental foundation on which contemporary sports are built, especially as the industry has evolved into a significant investment sector. Many countries derive strength and stability from sports investments, resulting in substantial profits, job and training opportunities, and a new source of national income (Bonnitcha et al., 2017; Alshafi & Hegazy, 2009).

The concept of sports has also transformed in recent years, becoming a major economic sector. Sports are no longer merely a social or recreational activity aimed at building individuals athletically, psychologically, and socially; instead, they have evolved into an economic activity that involves profit and loss, a realization that major industrialized countries have embraced (Badawi, 2001; Darwish & Hassanein, 2004).

In 2016, the Egyptian government implemented a program to reform the economy, including various financial and monetary reforms aimed at achieving accelerated and sustainable growth rates. This program seeks to fulfill the goals of comprehensive development for the Arab Republic of Egypt and to address the chronic structural economic problems the country faces. It aligns with Egypt's Vision 2030, which outlines a long-term strategic economic, social, and environmental plan.

Despite the state's efforts to mitigate the high unemployment rates, these challenges continue to hinder the national economy's progress toward accelerated development. Consequently, strategies and policies to attract foreign direct investment are being prioritized, particularly in sectors with significant developmental impacts on operational levels in the Egyptian economy. This includes signing mutual agreements with various countries to promote sports awareness, holding open sports forums, exchanging visits by sports teams, and fostering closer ties—drawing on the experience of the Kingdom of Saudi Arabia (KSA). KSA is actively reshaping the global sports landscape by acquiring European clubs and securing contracts with top football stars, with the aim of establishing one of the best leagues in the world by 2030 (Salama & Hassan, 2008).

In light of rising indebtedness indicators and the escalating costs associated with external borrowing, the available sources of financing are largely limited to attracting foreign direct investment on one hand and stimulating domestic investment on the other. Consequently, competition has intensified among countries to attract foreign investments by removing barriers and obstacles and offering incentives to facilitate their entry into local markets. In this context, developing countries are enacting legislation that provides attractive incentives for foreign investors while eliminating any restrictions that may hinder investment (Brambilla et al., 2009).

The researchers in this study emphasize the importance of identifying the objectives of foreign direct investment and the requirements of a business environment that attracts such investment in the sports sector, tailored to the specific characteristics of the Egyptian and Saudi markets. Investment plays a crucial role in increasing national income and provides internal sources of revenue for entities looking to invest surplus funds in the sports field. The present study is set to

investigate inviting foreign direct investment for sports development projects in relation to economic developments and challenges, focusing on the following research questions:

1. What are the objectives of foreign direct investments in sports development projects?
2. What are the requirements for a business environment that attracts foreign direct investments in sports development projects?
3. What are the economic returns to the state from attracting foreign direct investments for sports development projects in light of economic developments and development challenges?

2. METHODS

2.1. Study Design and Participants

The researchers employed the descriptive survey method, which was deemed most suitable for the nature of the research and its objectives. The research community included workers in the General Office of the Ministry of Youth and Sports, specifically from the following divisions: The Central Administration for Sports Investment, the Central Administration for Sports Development Programs, the Central Administration for Bodies, the Central Administration for Supporting Services, and the Central Administration for Control (n= 1,068). A sample was selected using a stratified purposeful method from the following categories: undersecretaries, general directors, department directors, department heads, and administrators (n= 300), which represents 28.08% of the entire study community, as shown in Table 1.

Table 1. Description of the study population and sample

Study Population	Study Sample Category	Total	Survey Sample	Main Population	Percentage
Ministry of Youth and Sports personnel	Central Administration for Sports Investment	99	5	25	25.25
	Central Administration for Sports Development Programs	164	5	53	32.31
	Central Administration for Bodies	236	5	96	40.67
	Central Administration for Supporting Services	480	10	105	21.87
	Central Administration for Control	89	5	21	23.59
	Total	1068	30	300	28.08

2.2. Instrument

The researchers employed a combination of reference surveys, open personal interviews, and opinion poll forms to collect data for the present study. This approach aligns with the nature of the study and addresses the research problem, objectives, and questions effectively. The researchers presented an expert opinion survey form titled “Attracting Foreign Direct Investments for Sports Development Projects in Light of Economic Developments and Development Challenges” (Appendix 2). This form identified three key aspects, which were reviewed by a panel of seven experts in the field of sports management (Appendix 1) to assess their suitability. The findings are summarized in Table 2.

Table 2. Expert opinions on key aspects of the questionnaire

No	Percentage	Frequency	Topic
1	100%	7	Objectives of foreign direct investments in sports development projects.
2	100%	7	Requirements for a business environment to attract foreign direct investment in sports development projects.
3	100%	7	Economic gains from attracting foreign direct investment in sports development projects.

Table 2 shows the experts’ opinions on the statements of the questionnaire form, and all axes were agreed upon at a rate of (100%). The following table will detail the experts' opinions on the specific phrases of the questionnaire (Table 3).

Table 3. Experts' opinions on the specific phrases of the questionnaire

Questionnaire Item	First Aspect		Second Aspect		Third Aspect	
	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency
1	71.42%	5	100%	7	100%	7
2	100%	7	100%	7	85.71%	6
3	100%	7	100%	7	100%	7
4	100%	7	100%	7	85.71%	6
5	71.42%	5	100%	7	100%	7
6	100%	7	100%	7	100%	7
7	100%	7	100%	7	100%	7
8	100%	7	71.42%	5	85.71%	6
9	71.42%	5	100%	7	100%	7
10	100%	7	100%	7	100%	7
11	85.71%	6	100%	7	71.42%	5
12	100%	7	100%	7	71.42%	5
13	100%	7	71.42%	5	100%	7
14	100%	7	100%	7	100%	7
15	71.42%	5	71.42%	5	100%	7
16	100%	7	100%	7	100%	7
17	100%	7	100%	7	100%	7
18	100%	7	100%	7	100%	7

19	85.71%	6	100%	7	100%	7
20	100%	7	85.71%	6	100%	7

Table 3 displays the experts' opinions on the questionnaire items, all of which received a percentage higher than 70%. The opinions of the experts on the phrases ranged from 71.42% to 100%. The questionnaire comprised a total of 60 items across various topics.

2.3. Validity and Reliability of the Questionnaire

To assess the internal consistency of the questionnaire, the researchers conducted a pilot study from July 16 to July 26, 2023, involving a sample of 30 individuals from both within and outside the research community. Correlation coefficients were calculated for each statement's score, the total score for the aspect to which it belongs, and the scores of each statement in relation to the total score of the questionnaire as a whole. Additionally, coefficients were determined for the total score of each aspect compared to the overall questionnaire score, as shown in Table 4 below.

Table 4. Correlation coefficients for statement scores and total questionnaire score

Questionnaire Item	Correlation coefficient for the 1 st Aspect			Correlation coefficient for the 2 nd Aspect			Correlation coefficient for the 3 rd Aspect		
	Questionnaire Item and Aspect	Questionnaire Item and Questionnaire	Aspect and Questionnaire	Questionnaire Item and Aspect	Questionnaire Item and Questionnaire	Aspect and Questionnaire	Questionnaire Item and Aspect	Questionnaire Item and Questionnaire	Aspect and Questionnaire
1	0.959	0.636	0.744	0.541	0.487	0.711	0.322	0.391	0.735
2	0.634	0.845		0.317	0.641		0.329	0.277	
3	0.728	0.819		0.674	0.657		0.602	0.531	
4	0.475	0.531		0.834	0.460		0.958	0.650	
5	0.238	0.158		0.771	0.727		0.634	0.569	
6	0.545	0.487		0.500	0.534		0.239	0.255	
7	0.500	0.465		0.398	0.436		0.283	0.423	
8	0.583	0.723		0.754	0.794		0.439	0.455	
9	0.440	0.449		0.634	0.845		0.475	0.495	
10	0.693	0.555		0.629	0.577		0.638	0.539	
11	0.468	0.452		0.583	0.723		0.407	0.455	
12	0.527	0.480		0.440	0.449		0.545	0.542	
13	0.296	0.559		0.302	0.231		0.500	0.534	
14	0.290	0.085		0.500	0.485		0.398	0.436	
15	0.340	0.506		0.347	0.470		0.754	0.794	
16	0.500	0.485		0.629	0.577		0.440	0.449	
17	0.595	0.485		0.439	0.455		0.500	0.485	
18	0.521	0.465		0.693	0.555		0.628	0.588	
19	0.629	0.978		0.818	0.509		0.771	0.727	
20	0.602	0.444		0.565	0.936		0.622	0.816	

Note: the tabulated value of (t) is at a degree of freedom (28) and a significance level of 0.05 = 0.361.

It is clear from Table 4 that there is a statistically significant correlation relationship at a significant level of 0.05, where the correlation coefficients between the score of each statement and the total score of the aspect to which it belongs ranged between 0.238 and 0.959, and the correlation coefficients ranged between the score of each statement and the total score of the questionnaire ranged between 0.158 and 0.979. These are statistically significant correlation coefficients with the exception of 11 statements; 4 statements in the first aspect (questionnaire items no. 5, 13, 14, 15), 3 statements in the second aspect (questionnaire items no. 2, 13, 15), and 4 statements in the third aspect (questionnaire items no. 1, 2, 6, 7). On the other hand, the correlation coefficients between the score of each aspect and the total score of the questionnaire ranged between 0.711 and 0.744. These are all correlation coefficients that are statistically significant. Thus far, this indicates the validity of the internal consistency of the final form of the questionnaire (Appendix 3) which consists of 49 statements.

To calculate the reliability of the questionnaire, the researchers used Cronbach's alpha coefficient on a sample of 30 participants from both inside/outside the research community as shown in Table 5.

Table 5. Reliability coefficient of the questionnaire using Cronbach's alpha

No	Aspect	Cronbach's alpha coefficient
1	Objectives of foreign direct investments in sports development projects.	0.751
2	Requirements for a business environment to attract foreign direct investment in sports development projects.	0.829
3	Economic gains from attracting foreign direct investment in sports development projects.	0.788
	Whole questionnaire	0.880

It is clear from Table 5 that the values of the correlation coefficients using Cronbach's alpha method for the questionnaire aspects ranged between 0.751 and 0.829, while the alpha coefficient for the total score of the questionnaire was 0.880. These correlation coefficients are all statistically significant and indicate the stability of the study questionnaire.

3. RESULTS AND DISCUSSION

The researchers administered the final form of the questionnaire to the research sample (n= 300) between August 1, 2023, and October 2, 2023. Table 6 presents the results for the first study question: What are the objectives of foreign direct investments in sports development projects?

Table 6. Frequencies and percentages of opinions on the objectives of foreign direct investments in sports development projects

No	Questionnaire Item	Agree	Somewhat Agree	Disagree	Accumulative weight	Percentage	X2
1	Stirring enthusiasm for developing management skills and competition in light of economic developments and development challenges.	208	38	54	754	83.78	176.24
2	The use of advanced technology in the field of production due to increased spending on research and development by those who invest in foreign direct investment.	174	52	74	700	77.78	84.56
3	Making the most of the country's wealth and increasing economic returns, especially when reducing the export of raw materials and manufacturing them locally.	184	52	64	720	80.00	106.56
4	Stable exchange rates are one of the necessary economic indicators to attract more investments.	182	24	94	688	76.44	125.36
5	Exchanging views between investors to achieve profitability from foreign investment in sports projects.	174	52	74	700	77.78	84.56
6	Training on modern technology techniques and obtaining high technical experience.	160	100	40	720	80.00	72.00
7	Improving the business environment and encouraging local and foreign direct private investment and directing them towards the export and production sectors.	226	24	50	776	86.22	241.52
8	Providing investors with sufficient information about sports development projects.	198	44	58	740	82.22	145.04
9	Promoting social development, economic	174	52	74	700	77.78	84.56

	growth, health, education and environmental protection.							
10	Developing the management skills of local institutions during simulation to localize technology and access global markets	196	34	70		726	80.67	144.72
11	Expansion of production operations due to the possession of huge capital and its ability to borrow from international markets and thus benefit from economies of scale, which leads to increased exports.	208	34	58		750	83.33	177.84
12	Expanding the scope of the local market as a means of providing multiple job positions.	198	30	72		726	80.67	152.88
13	Supporting foreign trade exchanges by investing in export industries, especially those in which the host country has an advantage compared to the country of origin.	230	28	42		788	87.56	254.48
14	The contribution of foreign investments in introducing modern and advanced administrative methods.	222	12	66		756	84.00	237.84
15	Contributing to economic development processes through economic savings and social benefits.	124	100	76		648	72.00	6.48
16	Contributing to the transfer of technology and the latest techniques in investment fields to the host country.	138	67	95		643	71.44	25.58

Table 6 indicates that the percentage of responses ranged from 87.56% for item 13 to 71.44% for item 16. These responses highlight several objectives of foreign direct investments in sports development projects:

- Supporting foreign trade through investment in export industries, especially where the host country has a comparative advantage.
- Improving the business environment to encourage both local and foreign private investments in the export and production sectors.

- Introducing modern and advanced administrative methods through foreign investments.
- Enhancing administrative skills and competition in light of economic developments.
- Expanding production operations due to significant capital and the ability to borrow from international markets, leading to increased exports.

The findings of this study align with research by Greenaway & Gorg (2004); Li & Liu (2005), Burke et al. (2008); Brambilla et al. (2009), which demonstrate a strong link between foreign direct investment and economic growth in both developed and developing countries. These studies suggest that foreign direct investment promotes economic growth not only directly but also indirectly by enhancing human capital. Additionally, inward foreign direct investment can increase local market competition, create modern job opportunities, and improve access to markets in developed countries, all contributing to economic growth.

Abdulsalam (2002) emphasizes that foreign direct investment impacts economic growth directly by contributing to the formation of fixed capital and indirectly through various external influences. While the direct impact of foreign direct investment is acknowledged, it does not necessarily justify the costly incentives provided to attract it without offering similar incentives for domestic investments.

Similarly, Hasaballah Muhammad (2005) asserts that foreign direct investment plays a crucial role in developing economies by supplying unique assets, such as capital, technology, and administrative skills, facilitating international marketing of products. Local or government investors often share ownership of projects with foreign investors, participating in management decisions, which can help mitigate political risks.

The researchers believe that Egypt, as a developing country, aims to achieve sustainable economic growth across all sectors. It seeks to attract both direct and indirect foreign capital by providing incentives and removing obstacles to investment. This approach addresses the financing gap caused by low savings rates relative to GDP and leverages the advanced technology and administrative competencies associated with foreign investments to sustain economic growth.

Table 7 presents the results for the second study question: What are the requirements for a business environment that attracts foreign direct investments in sports development projects?

Table 7. Frequencies and percentages of opinions on requirements for a business environment to attract foreign direct investment in sports development projects

No	Questionnaire Item	Agree	Somewhat Agree	Disagree	Accumulative weight	Percentage	X2
1	Using other funding sources to include government funding to develop projects and attract foreign investment.	214	30	56	758	84.22	198.32
2	Stability, economic and political growth, and state tax legislation.	194	74	32	762	84.67	141.36
3	Controlling economic indicators such as inflation, the exchange rate, the trade balance deficit, and the state's general budget deficit.	228	28	44	784	87.11	247.04
4	Study of the economic feasibility of sports development projects.	202	30	68	734	81.56	163.28
5	Improving the infrastructure through the availability of electricity, water, transportation, and communications for any successful and effective economic activity.	170	76	54	716	79.56	75.92
6	Improving the pace of the country's economic growth so that inflation rates stabilize and remain at low levels.	228	26	46	782	86.89	247.76
7	Government digital transformation, which facilitates procedures, reduces wasted time, and leads to a reduction in bad practices and bureaucracy.	152	52	96	656	72.89	50.24
8	The availability of banking facilities in commercial banks, as the foreign investor is interested in comparing return and risk. The lower the risk and the higher the return, this leads to the flow of more investments.	242	32	26	816	90.67	224.24
9	Applying the concept of interoperability so that various systems can combine, exchange and use each other's data and information in an automated form.	186	36	78	708	78.67	119.67
10	Technological development to increase opportunities to	212	14	74	738	82.00	206.16

	attract foreign investment in sports development projects.						
11	Economic reform, trade liberalization, and openness to abroad.	206	28	66	740	82.22	175.76
12	Increasing foreign direct investment flows. The less expensive labor costs are, the more this is an attractive factor for foreign direct investment.	224	26	50	774	86.00	233.52
13	Promoting transparency, governance, accountability and integrity at all levels and in all sectors of society.	134	78	88	646	71.78	17.84
14	Raising the efficiency of workers and training them through education, as they are more attractive and greatly influence the decisions of the foreign investor.	208	36	56	752	83.56	141.36
15	Providing more incentives and procedural facilities, as well as the volume of exports in the trade balance, trade restriction policies, and centralization in the management of the economy.	222	26	52	770	85.56	226.64
16	The existence of an integrated market and the adoption of an open policy to the outside world and other policies, economic alliances and trade agreements with other countries.	220	16	64	756	84.00	227.52
17	Establishing an integrated and effective framework that ensures integrity, transparency, accountability and compliance with laws and legislation and enhances trust with customers, stakeholders and society as a whole.	212	22	66	746	82.89	197.84

Table 7 above presents a statistical overview of the responses of the study participants to the statements of the second aspect, showing that the percentage of responses from the research sample ranged between 90.67% for questionnaire item no. 8 and 71.78% for questionnaire item no. 13. These findings indicate that the requirements of a business environment to attract foreign direct investments in sports development projects are:

- The availability of banking facilities in commercial banks, as the foreign investor is interested in comparing return and risk. The lower the risk and the higher the return, the more this leads to the flow of investments.
- Controlling economic indicators such as inflation, the exchange rate, the trade balance deficit, and the state's general budget deficit.
- Improving the pace of the country's economic growth so that inflation rates stabilize and remain at low levels.
- Increasing foreign direct investment flows. The less expensive labor costs are, the more this is an attractive factor for foreign direct investment.
- Providing more incentives and procedural facilities, as well as managing the volume of exports in the trade balance, trade restriction policies, and centralization in the management of the economy.

The results reached by the researchers are consistent with the studies of Portel et al. (2002); Vintila (2010); Tocar (2018) in the sense that foreign direct investment is pivotal in transferring technology to the receiving state and consequently bringing about productivity and economic growth. This diffusion originates from multinational companies and home suppliers and clients, and also via technology and knowledge adaptation. This can enhance in-house effectiveness. Therefore, interconnection may work via backward links as opposed to horizontal technical transformation or even forward links. Furthermore, Benzaim et al. (2010) argue that given the challenging economic conditions developing countries are experiencing, there should be an effort to advance the economy with foreign direct investment. This interest can be demonstrated by attracting the largest possible amount of investment flows and improving the investment climate.

The researchers argue that there are a set of standards and general policies that stimulate the transfer and sustainability of foreign direct investment to a particular country. Legislative stability represents an important factor in reassuring the foreign investor to invest by enacting new laws and regulations. For the country hosting the investment to grant the foreign investor legal security allows him to maintain his investment. In light of the increasing intensity of international competition to attract private investments, creating the appropriate legal framework for investment is one of the important elements for improving the investment environment, stabilizing transactions, and raising the degree of confidence in the reliability of the economic system. These represent the requirements of a business environment that attracts investments and direct foreign sports development projects.

Table 8 presents the results for the third study question: What are the economic returns to the state from attracting foreign direct investments for sports development projects in light of economic developments and development challenges?

Table 8. Frequencies and percentages of opinions towards the economic gains from attracting foreign direct investment in sports development projects

No	Questionnaire Item	Agree	Somewhat Agree	Disagree	Accumulative weight	Percentage	X2
1	Liberalizing the prices of most goods and services down to economic prices.	216	54	30	786	87.33	204.72
2	Achieving a continuous return from increasing the production of parallel industries of clothing and sports equipment.	192	36	72	720	80.00	133.44
3	Implementing the economic reform and structural adjustment policy recommended by the International Monetary Fund in Egypt.	226	26	48	778	86.44	240.56
4	Compatibility with international requirements, facing challenges, and enhancing gains resulting from foreign currency exchange.	213	33	54	759	84.33	190.16
5	Expanding various urban communities, residential, service and commercial.	200	26	74	726	80.67	161.52
6	Expanding the base of participation in international competitions and increasing the chances of achieving Olympic medals.	206	24	70	736	81.78	179.12
7	Providing specialized sports infrastructure, including playgrounds, halls, and swimming pools for practicing sports activities.	184	44	72	712	79.11	109.76
8	Providing foreign currencies to the host country by attracting direct foreign investments.	148	58	94	654	72.67	41.04
9	Providing different job opportunities for all specializations and ages.	125	100	75	650	72.22	12.50
10	Providing various sources of funding and collecting taxes from employees of sports	124	100	76	648	72.00	11.52

	bodies that aim to make a profit						
11	Reducing unemployment and providing job opportunities.	216	26	58	758	84.22	204.72
12	Total employment, which will lead to the growth of the national product and its transition to a better curve.	212	36	52	760	84.44	189.44
13	Increasing national production to achieve psychological balance and general satisfaction.	186	52	62	724	80.44	111.44
14	Increasing capital formation, especially in light of the reduction of the state's dependence on external debt and the decrease in the volume of foreign aid.	224	54	22	802	89.11	311.36
15	Increased demand for skilled labor and decreased unemployment indicators in the economy.	174	56	70	704	78.22	83.12
16	Increase competition in the local market and eliminate monopoly.	156	56	88	668	74.22	52.16

Table 8 above shows that the percentage of responses from the research sample ranged between 89.11% for questionnaire item no. 14 and 72% for questionnaire item no. 10. These findings indicate the economic gains from attracting foreign direct investment in sports development projects, as follows:

- Increasing capital formation, especially in light of the reduction of the state's dependence on external debt and the decrease in the volume of foreign aid.
- Liberalizing the prices of most goods and services to reach economic prices.
- Implementing the economic reform and structural adjustment policy recommended by the International Monetary Fund in Egypt.
- Total employment, which will lead to the growth of the national product and its transition to a better curve.
- Compatibility with international requirements, facing challenges, and enhancing gains resulting from foreign currency exchange.

The results reached by the researchers in the present study are consistent with the studies of Denisia (2010); Isachi (2017); Dass & Jamal (2018), indicating that the development of human capital is feasible through foreign direct investment. Therefore, the overall impact of foreign direct investment in the host country depends on the relative quantitative importance of these methods. For the tools of positive correlation and human capital to work, a certain threshold is required. Ibrahim (1995) emphasizes that despite the anxiety surrounding international capital flows, developing countries have sought to attract foreign direct investments by restructuring their economies, adopting integrated policies for economic reform, and addressing deficits in both the general budget and the balance of payments, all to integrate into the global economy.

In this regard, Alhadiri (2000) identifies that the existence of an integrated market and the adoption of an open policy towards the outside, along with other successful macroeconomic policies, are significant determinants of foreign direct investment. Reducing production distortions within countries in such agreements can increase the total amount of investment provided by investors in member states, enabling an increase in both internal and external investment.

In sum, the researchers believe that the current international economic environment is characterized by intense competition for foreign capital among various developed and developing countries alike. Given the important role of foreign investment in providing the financing required to establish productive projects, transfer technology, raise living standards, create job opportunities, enhance production bases, improve administrative skills and expertise, and achieve competitive advantages in export and investment, such investments are vital and will remain so.

4. CONCLUSIONS

In light of the study data and findings, several noteworthy conclusions have been drawn regarding foreign direct investments (FDI) in sports development projects. The primary objectives of FDI include supporting foreign trade exchanges through investments in export industries, enhancing the business environment to encourage both local and foreign private investment, and introducing modern administrative methods. To attract such investments, it is essential to ensure the availability of banking facilities, control key economic indicators like inflation and exchange rates, and create a favorable economic growth environment with competitive labor costs.

Additionally, the economic gains from attracting FDI in sports development projects are significant. These include increased capital formation, reduced reliance on external debt, and the

liberalization of prices for goods and services. Implementing economic reforms recommended by the International Monetary Fund will further bolster employment and contribute to national economic growth. Overall, fostering FDI in the sports sector presents a strategic opportunity for economic enhancement and development.

5. RECOMMENDATIONS

The findings of this study have a number of important recommendations and implications for future practice:

- Promoting the universal values of sports, transcending national differences, and improving health and social well-being by encouraging investment in sports development projects.
- Overcoming all legal and legislative obstacles facing sports development projects.
- Reducing tax rates for foreign investors so that this is reflected in production costs and thus the competitive ability to export and achieve profits.
- Creating the appropriate climate and encouraging discipline, teamwork, and the spirit of competition to attract internal and external capital for sports investment in light of economic developments and development challenges.
- Providing guarantees for foreign investors to transfer capital and profits abroad, in addition to reducing interest rates on loans for development projects that accommodate a large percentage of the unemployed.
- Facilitating the necessary procedures and permits to encourage investment in sports development projects.

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