Table 11: Increment in FDI as a Result of Reducing Corruption and Red Tape

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	China	India
"Experiment"		
Reducing corruption to Singapore level	4.1-1.6 = **2.5**	5.1-1.6 = **3.5**
Reducing red tape to Singapore level	4.58-2.08 = **2.5**	5.1-2.08 = **3.12**
"Outcome"		
Increment in log(FDI)	2.5X0.146 +2.5X 0.317 = **1.158**	3.5X0.146+3.12X0.317 = **1.50**
Percentage Increase in FDI [FDi(new) / FDI(current) – 1]	exp{1.158} – 1 = **218%**	exp{1.50} - 1 = **348%**

Notes:
(1) FDI(new) = hypothetical new level of FDI if the country could manage to reduce corruption and red tape to the corresponding Singapore levels.
(2) Calculation based on the fixed effects linear regression (Table 7) in which the point estimates on corruption and red tape are –0.146 and –0.317, respectively.