

## **ABSTRACT**

*Southeast Asia which has a vast territory and a large population, has great potential to attract FDI inflows. On the other hand, rapid economic growth in ASEAN is also an attraction for investors. Various forms of cooperation have been carried out to facilitate the entry of foreign investment in the ASEAN region. With this, economic growth in ASEAN countries can grow and develop, which is also followed by the openness of the countries' economies in ASEAN. This research aims to analyze the influence of economic growth and the economic freedom index on foreign capital investment in 5 ASEAN countries.*

*The method used in this research is the panel data method with the Random Effect Model (REM). Research data was obtained from the World Bank and The Heritage Foundation over a 10 year period from 2013 to 2022.*

*The results of this research show that economic growth has a significant and positive influence on FDI. Meanwhile, the economic freedom index variable has a positive but not significant effect on FDI.*

*Keywords: FDI, Gross Domestic Product (GDP), Economic Growth, Economic freedom index*

