Date

Foriegn aid investment can increase a country's GDP growth compared to local investments. A conflict-affected area directly impacts invertor's minds and forces them to invest in safer and peaceful countries. Additionally, war damages a country's credibility and creditworthness, which reduces foriegn aid, investment, and concessional loans. An international agency reported that Syrian civil war shrank country's economy by over sixty percent. The civil war led to the disappearance of foriegn direct investment due to instability and sanctions. Moreover, war increases regional instability, which in return spreads economic uncertainty throughout the whole region. The World Bank reported that conflict-based areas experienced eight percent higher poverty rates compared to peaceful regions, which discourages long-term investment. Furthermore, influential countries impose sanctions on conflicted states to stop wars, which blocks financial transactions and international money flows. As a result, wars directly affect foriegn investment by shifting investor's money to peaceful regions for better profits