

## Review

of the student's thesis work "International Tax Competition in the European Union: the Case of the Baltic States" ...  
by Karina A. Shishkova

Scale of assessments, scores		Scores			
excellent (A)	8,5 – 10	H i g h	M e d i u m	L o w	U n s a t i s f a c t o r y
very good (B)	7 – 8,4				
good (C)	6 – 6,9				
satisfactory (D)	5 – 5,9				
low (E)	4 – 4,9				
failed (F)	< 3,9				
•	Compliance of the thesis theme with the of MA programme competences	1,0			
•	Conception's authenticity, the author's own approach to the problem	0,8			
•	Clarity of goals and objectives of the study	1,0			
•	Scientific and practical significance of the study	0,8			
•	Presence of authentic information collected and processed by the author	0,8			
•	The author's relevant use of economic analysis methods	1,0			
•	Theoretical background of the study	0,8			
•	The scale of use of foreign sources by the author	1,0			
•	The scale the author uses the studies issued by Economic Faculty of SPbSU	1,0			
•	Degree of compliance with the University requirements for diploma works	1,0			
	Total score	9,2			

Comments and questions for discussion:

1. According to the EU Commission (2010), FDI inflows to the Baltic countries were driven by different factors. Some authors argue that overall, FDI has contributed to economic growth in the Baltic economies, having financed around one-fifth of fixed investment. Initially the process of privatization and low labor costs attracted investment into public utilities and manufacturing. Later, taking advantage of the Baltic geographical location, further FDI went to the sectors of trade and logistics. Since the beginning of the new millennium, the bulk of foreign investment was channelled to financial services. Was (and is) taxation variable on FDI attraction to Baltic states significant?

2. Debates on fiscal incentives and competition for FDI in Baltic states include among other things the fact that all three countries are a good case-study of (re)thinking FDI inflows to small economies. Does the size of economy matter for attracting FDI? How it reflects the country's specific taxation policy? Is it correct to believe that their small size makes the Baltic countries relatively less attractive for market-seeking FDI in manufacturing? And contrary, do we have reasons to suggest that major part of FDI went into services, including banking and telecommunication?

3. Concrete data on FDIs inflows (first of all, by sectors) into all three Baltic states might get a better understanding of the role of tax competition. For instance, do tax conditions really matter for major energy companies in their strategy to get strategic assets in Baltic states (pipelines, grids, port infrastructure, refineries, etc.)?

**Diploma thesis of Karina A. Shishkova .is broadly in line with the University requirements for studies of this kind, and may be admitted to assessment, preliminary evaluation is. excellent (A).....**

Reviewer

Nikita Lomagin

Department of World Economy  
June 17, 2012