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Accounting For Evaluation the Impact of Foreign Direct Investment in the Area of Non-Renewable Natural Resources Extraction by Using the Concept of Host State's National Wealth Depletion: An Initiative to Enrich the Thought of National Accounting

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Abstract

With the support of foreign investors in the field of non-renewable natural resources extraction-in exchange for a share of those resources, the economy of many countries has become totally dependent on the economic returns of those extracted resources. The problem lies in how to evaluate and measure the real impact of foreign direct investment in this field on the economy of the host country in a more comprehensive way. The traditional methods (change in indicators of economic growth) used to evaluate the impact of foreign direct investment in this field are insufficient tools for a comprehensive evaluation .That methods are designed to show positive effects without negative . They are interested in evaluating some indicators (changes in the balance of payments, trade balance…etc.) which are often positive . These methods ignore the economic sacrifices incurred by the host countries at the level of their national wealth . As a result, this study presented an innovative and justified initiative to address this shortcoming. This initiative is based on a depletion approach to evaluate the impact of such investments on the national wealth of the host country to indicate the amount of economic sacrifice incurred by that State in order to achieve the amount of positive results in indicators of economic growth.

Abbreviations:

Foreign direct investment\investments (FDI)\(FDIs). Non-Renewable Natural\Resource\ Resources (N-RNR\N-RNRs).Gross Domestic Product (GDP). Gross National Product (GNP).

Key words: Developing Countries ,Economic Development,. Non-Renewable Natural Resources, international investment , National wealth, Accounting.

JEL Classification: O1,Q3,F210,E21,M4

Highlighting The Problem " The Failure "

Introduction:

In many countries , the national economy depends on the production and extraction of natural resources as petroleum , gold, timber, coal and iron ...etc .In recent years , governments in most countries of the world are encouraging at the entry of foreign investors to invest in many fields , including natural resources and provide the proper climate for investment .The investment climate is defined as the overall of political , economic , social , administrative and legal situations , that affect directly and indirectly on the performance of investment projects in a given country " host country ", and attracting more foreign investment. In the belief of those Governments, that foreign investment is one of the key factors that help to achieve economic development .

As well as , one of the reasons that encourages government in developing countries to attract foreign investment to work in the area of natural resources, lack of adequate funding and experiences for work in extraction area of the natural resources ,given the high costs in this area . In addition to, the high economic risk associated with work in the extraction of natural resources.

It should be noted that, FDI in developing countries may be to achieve political gains for the ruling power in those countries , developing countries such as Libya, which open the doors of investment to investors from the superpowers in order to gain the support of those superpowers to stay in power as long as possible as Gaddafi did in the past era. FDIs may be beneficial or detrimental to the national economy of the host country, and this depends on the purpose of the investment process. As a result , this study will show how to evaluate the results of FDIs in an integrated scientific way in order to show their impact on the national economy of those developing countries.

A historical overview of the emergence of foreign investment in the field of natural resources in the African continent and developing countries.

The tragic situation with regard to foreign investments in N-RNRs in countries of the African continent and developing countries has been described by many writings as catastrophic . According to their description, foreign investments are directly responsible for the catastrophic economic conditions in those countries. Whereas those writings describe foreign investment with the economic colonization or the modern colonization of those countries. The writers explained the forms of colonialism and its colors, they classified colonialism into : political , military , cultural and economic colonization, through historical tracking of its evolution . Colonialism, regardless of its shape and color, its goal is to control the wealth of peoples.

When we talk about colonization and look at the its obnoxious history . It is not necessarily only the political colonization which means the suppression of peoples and the looting of freedom through the imposition of hegemony and political control over them. But there, what is more serious than that, namely ,the cultural colonization which means imposition colonial culture ,religion and language by force on people . There is also economic colonization which controls the wealth of people and exploits that wealth for its economic interests, as well as , it imposes upon them production of certain goods and consumption of particular foods. Achieving these goals does not come easily and peacefully .The peoples of the world everywhere refuse to change imposed on them ,so it was necessary to use force and remove all the old , even if it is in the interest of those peoples . This was what happened in Africa. Africa had a special civilization superior to Europe in the Middle Ages, and had a strong economy and trade linked with its neighbors in Asia , African people has seen kind of economic well-being . European colonization came to demolish everything and impose its political , cultural and economic control by force on the African peoples.

Under the weight of colonial domination . European colonization looted a wealth and natural resources - which God gave to the African continent . After the sacrifices and a long struggle , states of the African continent obtained independence . But that independence was not complete in some parts of the African continent , as a result of the lack of a sufficient degree of economic independence. The most prominent phenomenon in the economic history of most African countries after the period, which was named of independence until now, it is a full control over it " African economy" by foreign monopolistic capital. This is a logical consequence has emerged from the nature of imperialism, which represents the final stage of capitalist development in the modern era, and which fact of its main objectives is embodied in the exploitation of developing countries. Those developing countries that enjoy\have a great deal of natural resources, in addition, cheap labor force , which can be operated for long hours to the point of fatigue. Colonial control and domination in the economic sphere takes various ways and methods are as follows : Monopoly of the extractive industries and operations such as gold extraction ,diamond ,coal ,iron and oil …etc. by foreign parties . Ownership of the large tracts of fertile land by white settlement minorities in a number of African countries . The shackling of African countries-in despite of the enormous wealth exported to industrialized countries, with large loans submitted to them under the pretext of some productive projects or development-related productivity by international financial institutions, foreign governments, companies and foreign investors and colonial countries of the African continent in the past . These loans are characterized by high interest rates , as well as the gravity of the other charges relating to loans such as commissions , services and miscellaneous expenses

Based on the foregoing, it can be said , that independence achieved by some of African countries was incomplete, because of the foreign domination on the economies of those developing countries. The economic colonization of the African continent still exists despite the withdrawal of the military legions, and in spite of African countries obtained their political independence .Economic colonization appeared on African soil with modern features and new styles, foreign corporations " multinational companies, transcontinental companies " perched on African soil , which are in fact , neo-colonization of the African continent . Those corporations came to the African continent under the pretext of participating in its economic development and transferring the economic benefits to it. But the truth is the exact opposite . The reasons that contributed to the spread of foreign companies in many African countries are as follows: (1) Decline and deterioration of educational and cultural level among the peoples of those countries.(2) The inability of governments in many countries to provide sufficient capital to finance the economic projects.(3) Foreign companies monopoly of technology used in the extraction operations of natural resources .(4) Frequent military coups and power struggles in some African countries ,as well as the intervention of foreign parties in the processes of conflict and providing support on economic conditions, which include the provision of investment opportunities for their companies . (5) High degree of risk with regard to the amount of the economic returns that can be achieved from some of the extraction operations of minerals and natural resources. The degree of the risk would increase if those operations were financed by foreign loans.(6) Fettering , fatigue and exhaustion the many African countries with external debts , and use of such debts as a means of pressure on the countries to make way for the foreign firms to invest on their territory . This is what happened in previous historical periods, those historical accumulations that have made some economists believe that foreign investment in non-renewable natural resources means depleting the national wealth of the host countries. This belief has gradually began to fade in modern times, as a result of the emergence of many changes and developments that have taken place in the global economy. Where countries have realized the importance of foreign investment in development, as a aresult, they are starting to work in order to provide the appropriate environment for it. Regarding foreign investment in the field of natural resources, the researcher asks two questions for economists are : The vast potentials and expertise to extract the natural resources , are they available in developing\ host countries? , the answer is no . Foreign parties , if they do not interfere in the extraction possesses of those resources, with the inability of states to extract their natural resources . Do natural resources have an economic value ? , the answer is no. Therefore, the capabilities of foreign investors should be used for mutual benefits (For more information see , The long Twentieth Century , " The Great Divergence " Hegemony , Uneven Development And Global Inequality, by Jomo K.S. ,2006).

The reality of FDIs in the field of N-RNRs in developing countries .

Poor economic conditions in developing countries: Due to the deterioration of economic and living conditions in developing countries , the weak of economic growth rates and lack of financial and technical potentials to extract their natural resources. These countries are currently competing to attract the largest amount of foreign investment to work in this area. As foreign investment is the best means of external financing for the extraction of these resources , with all the facilities and incentives to entice those investors. Contracts are mostly signed under compelling conditions and in very difficult circumstances. These conditions are mostly in the interest of the foreign investor. This is the hidden truth that has contributed to the emergence of opponents of the foreign investment program. Competition to attract foreign investment means providing the right environment for investors and may also mean more concessions in rights .

Weak of legislative aspect regarding the foreign investment : As in the case of the Iraqi Investment Law, No. 13 of 2006 . Investment laws issued by legislatures in some developing countries, such as Iraq to attract foreign investors overlooked some important aspects that should be dealt with to activate the role of foreign investment in building real economic development of the host country (Ahmed ,et al.,2010:136) . The reason for this failure is due to the amount of concessions granted by developing countries . As well as the inability of legislative bodies in field of the drafting of laws .

Continuation of traditional and familiar form: The traditional and familiar form of FDI in developing countries has often been the extraction of natural resources and export those resources to capitalist countries to become consumer goods to be sold to developing countries at high prices. Here lies the problem, so that the income received by the host state "resulting from the sale of natural resources" would be spent on the purchase of such goods. Therefore, this form of FDI contrasts with the economic development needed by the host developing country for this investment (Morsi,1980:41; Saleh , 2013 , :365).

FDIs for political purposes :Governments in developing countries in which their political systems depend on the dictatorial approach or that rely on counterfeit democratic regimes often use these investments as a means of obtaining political support from the superpowers in order to stay in power for as long as possible. They are as a sponsor of the interests of those superpowers, which would be in their interest in the survival of those governments in power of those developing countries.

The economic policy of the investor's state and the desire to dominate: Economically advanced countries are interested in encouraging their companies to invest abroad, since this investment has many benefits for their national economy, as it leads to the opening of new markets in front of them and increase the volume of international trade and to ensure access to raw materials at moderate prices, leading in the end to improve their economic situation and increase their role in international business life (Samurai , 2006, :78; Baedash , 2008 :55). There are apparent reasons and hidden other for investing in other countries. Where the apparent causes represent the cultural facade and legitimate causes of international companies, however, we see behind these legitimate civilizational reasons, other hidden reasons are the desire to control the international economy, to show economic colonization rather than military colonization, and strong nations have long been driven by a desire to control other nations less powerful (Baedash , 2008 :55-56 ; Attieh,2000 :185), by no means, can not say that, foreign investment in weak countries is aimed at strengthening them, because of the history of the despicable colonial history of the exporting countries of that investment.

The unknown truth about FDIs and host countries' economics: On January 3, 2018, Al-Riyadh newspaper published an article under the title" What makes rich countries ... poor? " , in this article there is a dangerous description of the economic fact that exists in our modern world, that unknown truth to most people , where many people may not know the following truth, which is that , the extraction and export of natural resources does not guarantee the richness for any country, there are many countries, "such as Venezuela, Nigeria, Iran and Libya possess huge oil fields but suffer from poverty, unemployment and low standard of living, despite receiving a huge economic return of those resources, in contrast there are countries that do not have any natural wealth and yet have strong economies and high standards of living, such as Luxembourg, Switzerland, Japan and the rest of the Asian Tigers. This fact means that the success of any country in achieving its economic development and achieving satisfactory economic growth rates depends not only on the quantity of its natural resources, but depends on the skill of leaders and their minds in the management and operation of other available resources in that country, in accordance with excellent economic strategies and policies. This fact is a logical argument to justify the refusal to rely on the change in the rates of economic growth of the state and its hard currency balances resulting from the sale of those resources as indicators to assess the impact of FDI in the field of N-RNRs extraction in countries whose economy relies mainly on the extraction of natural resources. FDIs in the field of N-RNRs extraction are the subject of controversy among economists and one of the most controversial economic issues. FDIs in this field are always between rejection and support . In fact, the results of FDI operations cannot be judged without measuring the negative and positive effects on the economies of the host countries. Where the reliance on changes in economic growth rates does not reflect the actual results of the valuation process, because of the presence of a failed host country and another successful in the management and operation of economic returns resulting from FDI in the field of N-RNRs extraction. As economic growth rates can not disclose the real impact of the results of those investments on national wealth. As a result, it was necessary to seek another complementary way of evaluation .

The method used to evaluate FDI results : Host developing countries evaluate the impact of FDI on their national economy through the criterion of change in indicators of economic growth and increase their foreign- exchange balances as the best approach available for evaluation.

Scientists while analysing the impact of FDI on the country' s economy usually include gross domestic product (GDP) as the main indicator of economic growth(Kuliaviene and Solnyskiniene,2014:17). In fact, according to the researcher's belief, given the high and drop of natural resource prices, in addition to the absence of the criterion of fairness in the division of quotas between the host country and the foreign investor. This approach does not fully reflect the real impact of FDI- in the field of N-RNRs extraction- on the national economy of the host country. Evaluation of the comprehensive impact will be completed by using depletion approach, that will reflect the amount of depletion of the national wealth of the host country resulting from FDI in the field of extraction of those resources.

The interpretation of the term natural resources , national wealth and depletion in the light of this study

The main problem that will be faced by the host country is evaluation of investment results . The problem is how to evaluate the impact of the investment process- in the field of N-RNRs extraction - on the national economy of the host country, to determine whether the process is positive or negative . In the case of FDI in the field of extraction of N-RNRs there are two methods to evaluate the impact of the investment process on the national economy of the host country: (1) traditional way (ignoring the depletion) , depends on the change in indicators of economic growth and economic development ,as well as increase their foreign- exchange balances. Host countries use traditional way as the best method available for evaluation . (2) Innovative way(by the researcher) that depends on measurement of the depletion of national wealth by FDI. As a complementary method, it can show the economic sacrifice incurred by the host State.

So the problem can be summarized as follows:(1) Traditional approach is not sufficient and optimal . Dependence on criterion of change in indicators of economic growth and increase in foreign- exchange balances to evaluate the impact of FDI on the national economy of the host country is not a sufficient and optimal . Because it does not reflect the depletion amount of natural resources- as one of the components of the nation's national wealth- from the host nation's national wealth by FDI. The foreign investor's share of natural resources is the cost incurred by the host country to extract such resources . As well as economic savings and benefits achieved by that State as a result of such investment must be included in the evaluation process. As the increase in the amount of foreign exchange of the host country resulting from FDI in the extraction of natural resources may result in significant depletion in the amount of the national wealth of that State, specifically in an item N-RNRs as one of the components of the host country's national wealth. In other words, an increase in one of the components (foreign exchange) and decrease in another component (N-RNRs). This traditional approach shows the positive aspects of investment and does not reflect the economic sacrifices incurred by host countries (2) **Evaluation by the concept of depletion:** This approach ignores the change in indicators of economic growth of host country resulting from FDI in the extraction of N-RNRs. **This approach also suffers from a deficiency in theoretical construction "complete theory ,** the absence of an accounting branch\ specialty that deals with such issues ". The researcher believes that the logical explanation for the reason underlying this problem is the following: the authorities in the semi-democratic developing countries are discouraging researchers to conduct studies on these issues related to foreign investment, especially if the aim of the investments is to strengthen their position and authority by relying on the superpowers. For the purpose of constructing the theoretical framework, the following items should be identified and discussed, the definition of national wealth and its components , the concept of depletion and how to measure the depletion . These items may hide a lot of controversy. The depletion approach may give serious indications about FDI , that may not be shown by other approaches to the evaluation of FDIs.

Natural Resources , National Wealth And Depletion Of National Wealth

Natural Resources .

All that the nature has provided such as soil, air, water, minerals, coal, sunshine (sunlight), animals and plants, etc., are known as natural resources. Human being uses these directly or indirectly, for the survival and welfare. The resources, which have been developed by human being during the growth of civilization, are called artificial resources(Environment and Health,n.d:125) . Natural resources are all things, materials, creatures, and tangible and intangible energies that can be used by humans to achieve benefits for them. Collins dictionary defines natural resources as follows: are all the land, forests, energy sources and minerals existing naturally in a place that can be used by people. Environmental researchers classify natural environmental resources into three categories, each of which has a number of resources are : Permanent natural resources, Renewable natural resources and Non-renewable natural resources (Aloush,2016, :1). Permanent natural resources are the resources that remain available in nature, no matter how much they are consumed. Examples of this type of resource are water(Sea water and giant rivers) ,the energy released from the sun. Renewable natural resources are resources that remain in nature because of their ability to sustain and regenerate unless man and others cause their extinction and destruction. Examples of this type of resource are plants.

Non-renewable natural resources are natural resources that are limited in nature and which are depleted from the natural environment for their inability to renew and because their consumption rate is more than their production rate and vice versa Examples of these resources are sources of energy from fossil fuels, oil, gas and coal.

It should be noted that, all natural resources in any geographical area achieve direct and indirect benefits to people in that area. They contribute to improving the quality of life on Earth , through the economic development made by those resources . Regardless of their classification, natural resources are a national wealth of nations. Almost all these resources contribute to the strengthening of the national economy of those nations , for example, the sun contributes to the generation of electricity, sand in the desert contributes to the glass industry, mountains, beaches, rivers, forests and monuments contribute to the strengthening of the income of the tourism sector.

N-RNRs can be divided into two types are: N-RNRs can be reused and cannot be reused " Consumed and perishable". N-RNRs that can be reused, are those resources that allow technology to re-used many times without a significant loss in volume ,such as scrap iron that can be melted down and used again in the manufacture of iron products, as for resources that cannot be reused " consumed and perishable", they are exhausted and consumed by use such as oil and gas.

Natural resources achieve tangible and intangible benefits to peoples. As for tangible benefits, some resources indirectly affect the economies of countries, such as solar energy can be used to produce electricity instead of using gas or fuel this contributes to achieve the economic savings , beaches and historical monuments ... etc. are a source of income, they enhance the income of the tourism sector in any country. Other resources such as oil, gas, gold, etc., contribute directly to the development of the economies of countries through extraction and sale .

National Wealth : also known as national net worth or national capital

Wealth :Adam Smith (1723 -90) defined economics as follows : 'Economics is the science of wealth'. He is the author of the famous book 'Wealth of Nations' (1776). He is known as the Father of Political Economy because he was the first person who put all the economic ideas in a systematic way. It is only after Adam Smith, we study economics as a systematic science. The term 'wealth' has a special meaning in Economics. In the ordinary language, by 'wealth', we mean money, but in economics, wealth refers to those goods which satisfy human wants. But we should remember all goods which satisfy human wants are not wealth. For example, air and sunlight are essential for us. We cannot live without them. But they are not regarded as wealth because they are available in abundance and unlimited in supply. We consider only those goods which are relatively scarce and have monetary value as wealth (Smith 1776 :Adam Smith,s definition) . Adam Smith, in his seminal work The Wealth of Nations, described wealth as "the annual produce of the land and labour of the society". This "produce" is, at its simplest, that which satisfies human needs and wants of utility. In popular usage, wealth can be described as an abundance of items of economic value, or the state of controlling or possessing such items, usually in the form of money, real estate and personal property. An individual who is considered wealthy, affluent, or rich is someone who has accumulated substantial wealth relative to others in their society or reference group. The United Nations definition of inclusive wealth is a monetary measure which includes the sum of natural, human, and physical assets, natural capital includes land, forests, energy resources, and minerals. Human capital is the population's education and skills. Physical (or "manufactured") capital includes such things as machinery, buildings, and infrastructure (UNU-IHDP, UNEP, 2012: Wikipedia). Wealth is the stocked balance of economic goods that exist at a particular time both in the possession of the individual or the group: wealth, therefore, includes all economic goods , and it is characterized by relative scarcity, and it has the ability to satisfy the directly and indirectly desires(Omer1968,p35) . There are three kinds of wealth : Individual wealth ,national wealth " state's wealth " and world's wealth " global wealth ". It should be noted that , there are the close relationship and overlapping among these kinds , individual wealth is one of the circles or components of national wealth , as well as , national wealth is one of the circles or components of global wealth .

National wealth " state's wealth " : what does " national wealth " mean ?

National wealth is one of the main indicators used to characterize the economic potential of a country (Anghelache et al.2017:14). National wealth ” refers to the total value of wealth possessed by the citizens of a nation at a set point in time. That is, the total value of wealth and goods generated by all economic activity in a nation. National wealth is of great help in economic development planning and in carrying out economic analyses.

The scope of this statistic (that is, gross national wealth) is defined as the total value of assets including tangible assets and net foreign assets possessed by all economic departments (i.e., all citizens) of a nation at a set point in time. The former includes the total value of tangible assets that may be regenerated and the estimated value of registered land. Gross national wealth is used to represent the production and service potential of assets and net national wealth calculated by deducting depreciation from current assets, which is used to represent the residual value and degree of usage of the assets (National Statistics Republic of China, n.d.) . Cambridge dictionary (n.d.) defines national wealth as follows ,it is the total value of all of the money, investments, goods, and property held in a country at a particular time. Financial dictionary(n.d.) defines national wealth as follows , it is the value of all assets less all liabilities held within a country. Assets included in natural wealth calculations include technologies, natural resources, infrastructure and so forth. It is a way to measure a country's economy (and is especially useful in measuring a nation's ability to control debt), but it is not as commonly used as the gross domestic product . A country’s national wealth is the total wealth that it generates through economic activities. It is also the sum total of the wealth possessed by the people of a nation at any given time. This includes both tangible and foreign assets possessed by its citizens (Economy Watch,n.d.) . The law dictionary(n.d.) defines national wealth as follows , it is owned by a nation at a point in time, this is the nation’s total monetary value. It is made up of the nation’s capital, goods, and services, including net foreign balance and tangible assets. Net worth or net wealth is calculated as gross assets minus liabilities. The nation’s overall economic analysis and planning uses this number. Also known as national net worth. National wealth is the economic potential of a country. National wealth embraces the elements and resources available to a country and on the basis of which it can organize its production activity. Of course, national wealth is a very important element because in the process of development a country needs its own and attracted resources. (Anghelache et al.2017:14). **Definition of the researcher**: researcher's description of state's national wealth, National wealth as a general concept is all things , resources and property owned by citizens, institutions, government or public property which contribute to the achievement tangible and intangible benefits,and contribute to improving the quality of life to all the people or a range of citizens or specific institutions or the government in a country and at a given time. These things, resources and properties are characterized by scarcity , limitedness and excellence. Anghelache et al.(2017) National wealth includes material assets in society, reserves of foreign currency and net claims on other countries, and from this point of view, adding the natural resources that will enter the economic circuit give the possibility of a real appreciation of the perspectives of evolution. **Components of national wealth of the state.** The nation's national wealth consists of material and spiritual resources available to a people at one time. The following elements are among the components of the nation's national wealth. Produced goods, goods in process (unfinished goods), raw materials, fixed assets used in the production of goods and services, inventory (machinery, equipment, spare parts, materials, etc.). Human resources: A trained workforce, with vocational skills, helps to augment a country’s economic development. Experts in various fields such as science, education, commerce, medicine and technologies can take the country to new economic heights. Shortage of technically trained or competent workforce can definitely inhibit a country’s overall progress and industrial development(Economy Watch,n.d.). Human resources can be an effective source for attracting foreign currency to countries and achieving economic savings by relying on citizens rather than foreigners in doing business. Natural resources: Rivers, seas, coasts, mountains, forests, deserts, oases, lakes, waterfalls, etc. are a source of attraction for tourists and thus they are a source of national income. In addition to non-renewable natural resources such as oil, gas, iron, coal, etc., they are one of the components of the national wealth of countries, they are a major source of income in many countries of the world. Some permanent resources in many countries such as sun, wind and sands can be used to produce services and other goods (electricity production, mechanical energy production, glass production) instead of using fuel, thus contributing to the achieving economic savings of those countries .Historical monuments that are man-made are one of the components of the national wealth of nations. They are a basic source of income for many countries. The balances and reserve of foreign currencies and precious metals. External investments in other countries. External debt owed by other countries. Infrastructure such as hotels, telecommunications, ports, airports and railways..etc. are a source of income for many countries, especially tourist countries.

For accounting measurement purposes, the debt owed to the state should be added to the national wealth of that country , as well as the national wealth should be reduced by the value of external financial obligations towards other countries. It should be noted that,elements that cannot be measured by the unit of money will be excluded.

It should also be noted that, the difficulties of measuring national wealth are largely due to the particular complexity of the national wealth category that expresses all the material and spiritual resources available to a people at one time (Anghelache et al.2017:16). In addition to the absence of accurate data that helps in the measurement process. Therefore, the value of the nation's national wealth is often inaccurate.

Measuring national wealth within the concepts of GDP and GNP: High rates of the country’s gross domestic product (GDP) and Gross national product (GNP), as well as , per capita income- which is the average income of every citizen- denote its prosperity. A country’s per capita income is generally measured in terms of commonly circulated currencies such as the Euro or the US dollar . Measurement of national wealth is critical for a country’s policy makers and financial experts. They require accurate data and measurement of national wealth. This helps them to plan the country’s economic goals and to steer it in the right direction through economic analysis (Economy watch, n.d.). Gross Domestic Product (GDP) and Gross National Product (GDP) what does each term mean?. Gross Domestic Product (GDP: is the monetary value of all the finished goods and services produced within a country's borders in a specific time period (Invstopedia , n.d.). GDP is the final value of the goods and services produced within the geographic boundaries of a country during a specified period of time, normally a year. GDP growth rate is an important indicator of the economic performance of a country(The economic times, n.d.) . Gross National Product (GNP): is an estimate of the total value of all the final products and services turned out in a given period by the means of production owned by a country's residents(Invstopedia, n.d.). GNP is the total value of the goods and services produced by the residents of a nation during a specified period such as a year (Merriam Webster, n.d.). Functional difference between GDP and GNP: GDP refers to and measures the domestic levels of production in a country. It represents the monetary value of all goods and services produced within a nation's geographic borders over a specified period of time. GDP is often used to indicate the health of a nation’s economy. Investors use this figure to make decisions about investment in a particular nation, while governments use it for drafting policies. GNP measures the levels of production of all the citizens or corporations from a particular country working or producing in any country. For example, the American GNP measures and includes the production levels of any American or American-owned entity, regardless of where in the world the actual production process is taking place, and defines the economy in terms of the citizens' output. Therefore, it includes the compensation and investment income received by nationals working or investing abroad. GNP is less commonly referred to than GDP, but is best described as the measure of national output (Invstopedia, n.d.). GDP and GNP both indicate the national output and income of an economy at a specific time period.Both the terms refer to the market value of all goods and services produced for a country.Generally, GDP is the value of production within a boundary of a country where GNP is the value of production by the citizens of a country (Quora, n.d.). The difference between GDP and GNP: In practice, foreign property makes GDP and GNP unmatched or incompatible. Production within the borders of the State by means of an enterprise owned by a person from outside the State, will be calculated in the gross domestic product and not in the gross national product. On the other hand, the production of an enterprise in another country, but the establishment is owned by a citizen. Production is calculated in GNP and not in GDP. **This difference contributed to the identification of national wealth concept intended in this study.** The national wealth in this study is consistent with the concept of gross national product in terms of exclusion of foreign influence "foreign ownership", and attention to national capabilities only. For the purposes of this study, the national wealth of the state must be consistent with the concept of gross national product in order to exclude the assets and property of foreigners and to separate them from the property of the host State. As is known, according to the type of investment intended in this study, natural resources extracted - after distribution - are owned by two parties, one of which is the host country, the "national party" and the other the foreign investor "the non-national party". The separation of national ownership from foreign ownership in respect of extracted resources will contribute to the identification and measurement of depletion in a clear manner. If national wealth were compatible with the concept of GDP, the property would overlap and the intended meaning of the depletion would be lost.

N-RNRs before and after extraction process. Economic value of

Mostly ,there is no economic benefit or value for N-RNRs in their main sources before the extraction process. The benefit and economic value of N-RNRs are after the extraction process. Thus, N-RNRs in their main sources cannot be considered as part of the components of the nation's national wealth according to the accounting concept of national wealth due to the difficulty of measuring those resources to determine their quantities and market prices .

N-RNRs as one of the components of the nation's national wealth " the controversy over them" :

E. Palmer defines the national wealth to include those things that have value and benefit, and that can be assigned , specified and transposed . Based on this definition of wealth , all goods are not characterized by scarcity and utility such as wind , sun , weather and rivers …etc . as well as those goods that society does not have the ability to allocate , specific and transfer are not included in national wealth . This has raised a lot of controversy , especially among economists and accountants about the components that make up the national wealth. Economist believes that wealth is as a set of physical goods , while the accountant has a different interest, the accountant is interested in the value of those goods measured by the unit of money, with the need to exclude the impact of changes in prices , as is the case in the calculation of real national income . The other point raised by economists in particular , it is the quality of goods that must be included within the components of national wealth , they believe that the economic goods that must be included within the components of national wealth are : the produced goods and goods used in the production of other commodities such as raw materials , thus excluding non-renewable natural resources that are unimproved from the national wealth , as well as exclusion of money from the calculation of wealth , also intangible assets and intangible assets that are not marketable (Alhasia,1988 :182-183).

Knowledge of the unknown:

National wealth under the rule of knowledge of the unknown can be interpreted as follows: The amount of non-renewable natural resources extracted from its main source means that this quantity was buried underground and is part of the national wealth of the state, but it was found underground, this amount before the extraction process was in the uncertainty "unknown" . But after the extraction process , this amount has become known. The move from unknown status to known means that all the extracted amount is the property of the state and it is one of the components of its national wealth, but it was buried underground. This reasoning justifies the fact that all extracted quantities are part of the nation's national wealth, regardless of the fate of those quantities after the extraction process.

FDIs , N-RNR s and national wealth intended in this study:

FDIs intended in this study are: foreign giant companies" international / multinational companies" specialized in the extraction of oil and gas , which have huge capital , assets and expertise, which invest their resources in extracting the natural resources "oil and gas" in exchange for a share of those resources. These companies may contribute in whole or in part to the financing of extraction processes.

N-RNRs intended in this study are that can be described and identified in terms of quantity and type. They are characterized by scarcity and utility. They can be transferred. They have an economic benefit for people. They can be measured in monetary unit, and contribute to the achievement of economic development and improving the quality of life. These resources must reach the points of export or manufacturing and domestic consumption" marine ports, refineries in the case of manufacturing and domestic consumption". This study is for all resources such as oil,gas, Iron, copper, gold and coal ... etc. But the resources intended in this study is oil and gas, which require huge financial possibilities and specialized expertise that are not often found in developing countries. Also, they have a strong impact on the economies of those countries" host countries ". As is the case in the Libyan state.

National wealth intended in this study is according to the accounting concept . It consist of the following: N-RNRs that can be measured in monetary unit- according to a rule Knowledge of the unknown- produced goods, raw materials, productive assets" to produce goods and services", the balance of the state(citizens, National institutions, companies , organizations and government) of gold , precious metals and foreign currencies, external investments, external debt "receivables and rights ", with the need to exclude other resources that can not be measured by the unit of money and external commitments " rights of other countries " . N-RNRs as part of the national wealth of the state and one of its components must be extracted from their main sources and measured by a unit of money. For accounting purposes for evaluation of the results of FDI in the area of N-RNRs by using the concept of natural resource depletion by foreign investment, this study will use a rule of Knowledge of the unknown to avoid the issue of ownership of extracted resources . as the host State is the real owner of N-RNRs before the extraction process .

However , after the extraction process, the ownership of those resources will be for the host country and the foreign investor , according to the quota system agreed upon in the contracts . The foreign investor's share of the extracted resources can not be included in the national wealth of the host country, in order to be consistent and compatible with the concept of depletion that will be used in the process of measurement and evaluation .

Ownership , value and depletion: N-RNRs prior to extraction from their main sources are the property of the host State, and one of the components of its national wealth according to the economic concept of wealth. Also, the value of those resources cannot be determined before the extraction process. But after extraction process, ownership of those resources will be for the host country and the foreign investor. As well as, the possibility of determining the value of those resources after the extraction process through the global markets. This will be consistent with the accounting concept of national wealth "measurable" . The concept of depletion must be related to the things owned by the host country ,within the components of its national wealth. Therefore, N-RNRs" in their main sources" as a component of the host country's national wealth will be the starting point to measure depletion after the extraction process. To avoid the issue of ownership of those resources, after the extraction process. The researcher suggests using a rule of Knowledge of the unknown. Natural resources extracted from their main sources are part of the host nation's national wealth prior to the sharing process, according to that rule .

Policies and measures for attracting FDIs to work in the area of N-RNRs extraction in the modern era . FDIs have a large role in the growth of the developing countries. Due to the large number of developing countries, and the need of these countries to foreign investors for the purposes of economic growth. Most countries, especially developing countries, are competing to attract as much foreign investment as possible.Thereby, it can be concluded that, it is getting harder to attract foreign investors. Foreign investors will need some temptations to invest in host countries . As a result, governments of the developing countries must face a hard task in order to improve elementary economic conditions, but they also have to devise other incentives to attract foreign investors into their own countries . The policies of attracting foreign investors are motivated by targeted efforts at improving host countries΄ environment. Some countries impose low tax rates on foreign firms' revenues and profits as a way to attract foreign investors. The objective of national policies to attract FDI is to create an appropriate environment to investors in which they can manage their business in a profitable manner,and some of the important factors considered by investory (Industrial Investors) as they decide on investment location are (OECD, 2003 : Josip Romić, 2010:447). A predictable and non-discriminatory regulatory environment and an absence of undue administrative impediments to business. A stable macroeconomic environment, including access to engaging in inter-national trade. Sufficient and accessible resources, including the presence of relevant infrastructure and human capital.

Many countries , especially developing countries which have become convinced of the importance of foreign investment in supporting economic development programs. As well as their conviction of the need to provide a suitable climate for foreign investment. Many developing countries have an integrated set of elements to attract foreign investment . Political and social stability within the host country is the most important element of attracting investments. There are some incentives and benefits granted by countries to attract foreign investment, for example: Excellent banking services regarding money transfer, full freedom of employment "freedom of choice of workers", tax incentives and customs facilities, freedom of import and export, ease of communication with the government to discuss difficulties, Providing infrastructure "hotels, transport, communications… etc.

Economists view regarding foreign investment and its impact on economic , social and political development in developing countries . There are opinions in favor of foreign investment and other opposed opinions , " opinion and opposing opinion,". All these views are mostly concerned with studying the impact of foreign investments on the economic development and economic growth of the host country. Therefore , the economic development and economic growth must be defined before presenting the views of both opponents and supporters "favorable opinions and opposed opinions". Cambridge dictionary (n.d.) defines economic development as follows ,it is the process in which an economy grows or changes and becomes more advanced, especially when both economic and social conditions are improved. Business dictionary(n.d.) ,economic development is Progress in an economy, or the qualitative measure of this. Economic development usually refers to the adoption of new technologies, transition from agriculture-based to industry-based economy, and general improvement in living standards. While economic growth means : an increase in the capacity of an economy to produce goods and services, compared from one period of time to another.

It can be measured in nominal or real terms, the latter of which is adjusted for inflation. Traditionally, aggregate economic growth is measured in terms of gross national product (GNP) or gross domestic product (GDP), although alternative metrics are sometimes used (Investopedia, n.d.).Economic growth is increase in a country's productive capacity, as measured by comparing gross national product (GNP) in a year with the GNP in the previous year. An increase in the capital stock, advances in technology, and improvement in the quality and level of literacy are considered to be the principal causes of economic growth. In recent years, the idea of sustainable development has brought in additional factors such as environmentally sound processes that must be taken into account in growing an economy (Business dictionary, n.d.) .Dissident \ opposed opinions" anti-investment opinions" : some opponents believe that foreign investment leads to the creation of dependency , the drift towards backwardness and weak economic, social and political growth because, it is based mainly on the shameless exploitation of cheap labor and exploitation of natural resources of the host country" depletion of national wealth" . Thus leading to a loss of economic independence , political and more dependency .That granting great freedom for foreign companies to engage in unsupervised activities will enhance their ability to overcome the laws and legislation in the host country relying on their influence with the politicians of that state . Foreign investors often contribute to the destruction of natural resources and environmental assets of the host country . Foreign investors do not provide information and good training on modern technology to the sons of the host country. Foreign investors do not pay adequate salaries to workers from the host country… etc .

Their justifications are many, but what really matters to us in this area is their assertion that FDI is a means of depleting the wealth of peoples. From this point of view, this study came to explain the meaning of depletion . Favorable views of FDI" pro- investments views " .Their justifications for supporting FDI are: FDI contributes to economic growth and development of the host countries. FDI contributes to the development of knowledge and technology for host countries. FDI contributes to solving the problem of unemployment in the host countries…etc.

The researcher believes that, avoidance of economic damage of FDI depends on the terms listed in the agreements and contracts. Host countries can avoid damaging FDI by containing contracts to conditions that contribute to economic development and growth. Those conditions must serve the interests of host countries and foreign investors in a fair and impartial manner, which must create a kind of balance in the realization of interests.

Depletion :

Depletion meaning: It is reduction in the number or quantity of something(Oxford dictionary). Depletion is a reduction in something (Cambridge dictionary) . The researcher defines depletion as follows : It is a decrease in the volume or quantity of something due to the taking or suction or withdrawal operation . The economic thought provided a clear explanation for the term of depletion . This interpretation can be described as a logical explanation if it is compared to the interpretation of the concept of depreciation. Economically, as stated in economic thought, coal and iron mines, oil wells, natural gas, etc. are N-RNRs that can be depleted " depletable ", in the sense that the amount of inventory of these resources in their main sources will decrease as a result of extraction or taking or suction or pulling \ withdrawal or extraction operations. On that, it can be said that, depletion means the shortage of things volume as a result of withdrawal \ pulling , taking or extraction operations . While fixed assets such as buildings, cars and machinery are things, that are depreciated over time" these things will fade away " deplete\ annihilate" result of use or obsolescence (Meigs and Meigs,1995:638). Based on the above , the researcher finds that the general meaning of the term depletion is a decrease in the volume or quantities of something due to the taking or suction or withdrawal or extraction operations. Whereas the amount of oil extracted from a well represents the amount of oil depleted from that well as a result of extraction operations , and pencils which are drawn\ taken from a box of pencils will represent the amount of pencils depleted from that box as a result of taking operations.

In the administrative field and daily life, there are a misunderstanding and confusion between the concept of data and the concept of information often occurs.This confusion results in the misuse of one of the two concepts instead of the other, or use one of the terms to represent the meanings and vocabularies of the other term , whether in discussions, correspondence writing or in regular conversations , although there is a huge difference between the concept and meaning of both terms. Data is the basis of information, or through them the information is extracted. Through data processing, analysis and operational processes, the information is produced.

In this context, the researcher also expects to have a misunderstanding and confusion between the concept of depletion and the concept of depreciation. The depletion is a decrease in the volume or quantities of something due to the taking or suction or pulling or extraction operations. While depreciation is annihilation or evanescence of the things or lack of their validity as a result of use or obsolescence. The researcher also sees from his own view, that the phase of depletion of things often precedes the stage of their depreciation. The following example will illustrate the difference between the concept of depletion and the concept of depreciation: Assuming that there is a box containing 10 pencils and each pencil its length of 8 centimeters, assuming that one pencil was extracted from that box for use , and after a while the length of the pencil became 3 centimeters as a result of its use in writing and drawing operations , based on that, it can be said that, the pencil box was depleted by one pencil and the pencil was depreciated by 5 centimeters. From the above example, the difference between the concept of depletion and the concept of depreciation is clear. It is also evident that, The process of depletion often precedes the depreciation process, the pencils are depleted from the box first and then they are depreciated, as a next step .

Depletion of N-RNRs

At the main source level: The depletion of N-RNRs means shortage of stock" content" of the main source of that resource as a result of extraction processes .Where the quantities extracted from the main sources represent the amount of deficiency in the content of those sources, in other words represent the depleted quantities of those sources. Thus, the depletion of N-RNRs from their main sources is the total quantities that are extracted or taken from those sources , which represent the amount of deficiency in the content of those sources. At the national wealth level: As N-RNRs are one of the components of the nation's national wealth. The depletion of N-RNRs means shortage of national wealth of the state as a result of the transfer of ownership of a certain amount of those resources to foreign parties without achieving an economic gain equivalent to the value of that amount in the global markets. Whereas depletion is either as a result of local use of these resources or transfer of ownership of N-RNRs to a foreign party(as an investment share in return for extracting those resources from their main sources) . The sale of resources to foreign parties can not be described as depletion, as hard currency\ foreign currency will replace the resources sold within the components of the nation's national wealth.

As mentioned above, N-RNRs are one of the components of the national wealth of the state and one of the elements supporting its national economy and economic development. In the case of FDI, which works in the field of extraction of those resources in exchange for a share of those resources. That share is not considered among the components of the national wealth of the host country. To avoid this problem" ownership problem" and for evaluation purposes and measurement of depletion . N-RNRs in the depths of the earth" in their main sources" are one of the components of the host nation's national wealth. As well as N-RNRs extracted from their main sources are one of the components of the host nation's national wealth according to a rule of knowledge of the unknown .For example: assuming that , the foreign investor in one of days extracted 200,000 barrels of oil, and his\her share of extracted oil is 125000 barrels according to the contract with the government of the host country. This means that the share of the host country is 75000 barrels ,this amount will be considered among the components of the national wealth of that country. This situation will not be helpful in the evaluation process of the FDI results and measurement of depletion . In order to avoid this problem, the extracted quantities must be treated as a component of the national wealth of the host country" those quantities will be considered among the components of the national wealth of that country" before sharing or apportioning or distribution of resources extracted . So the 200,000 barrels are part of the nation's national wealth, according to a rule of knowledge of the unknown. Here, the depletion means a shortage of the national wealth of the state resulting from the transfer of ownership of a certain amount of N-RNRs (share of resources extracted from its main source) to foreign parties, without achieving any economic benefits for that state are equivalent to that amount value . Also the local use of these resources means depletion of the national wealth of that state (through what is known as local consumption).

Depletion intended in this study:

At the level of volume or quantity of N-RNRs in its main source (oil well, coal mine, certain geographical areas… etc), depletion of N-RNRs is defined as follows: It is the amount of shortage in the quantity of natural resource in its main source as a result of extraction or suction or taking or withdrawal \ pulling operations. This type can be called the depletion of the main sources of N-RNRs production. While at the level of the national wealth of the state (it is depletion intended in this study) .

The researcher believes that the definition of depletion will differ from the previous definition, where at the level of the national wealth of the state , extraction of natural resources such as gold, coal, natural gas, oil, …etc. from underground or from its main sources does not mean that the national wealth of the state will be exposed to deplete or decrease. These resources are in fact a national wealth of the state, whether in the underground or in their main sources or extracted from their sources unless they are used, and then they are annihilated\ faded away\ exterminated\ perished , as long as the ownership of these resources allows their classification within the components of the nation's national wealth. If ownership of such resources has been transferred to foreign parties (investors) without achieving any fair economic benefits to the state\host state at the level of its national economy instead of those resources, it means, a decline in the national wealth volume of that state due to the transfer of ownership of certain amounts of a country's natural resources to foreign parties, without achieving any fair economic benefits to the state\host state or alternative economic goods which their economic value can be equal to the international market value of those amounts at the date of transfer of ownership. This type can be called depletion of national wealth resulting from non-acquisition of the state any fair and alternative economic benefits for natural resources that have been transferred to foreign parties.

Based on the above , the researcher defines the issue of depletion of N-RNRs (that are considered as part of the national wealth components of the host country) by foreign investors, as an economic phenomenon as follows: It is an economic phenomenon that result in a reduction of the N-RNRs of the host State by a certain amount - which is one of the components of the national wealth of that state- as a result of the transfer of ownership of that amount to foreign parties, without achieving any fair economic benefits to the host state or alternative economic values , which their economic value can be equal to the international market value of that amount at the date of transfer of ownership.

Issues and challenges that contributed to the production of this initiative " Depletion approach as a complementary approach to traditional methods ".

The economy of many countries depends on extracting N-RNRs such as coal, gold, oil, natural gas, etc., with the support of foreign investors, especially in developing countries, due to the lack of adequate funding and experiences for extraction operations , as well as the high risk associated with these operations. Many developing countries allow foreign investors to invest in the field of extraction of those resources in exchange for a share of those extracted resources . In accordance with contracts and agreements concluded within the framework of international cooperation, mutual interests and internationalization of business. The problem arises when economists – in the host country – want to evaluate the impact of these investments on their countries' economies. They will depend on their traditional method such as change in economic growth rates (balance of payments , trade balance, the level of per capita income, GDP and GNP, the level of unemployment , national income and hard currency balances of their countries – resulting from the sale of their share of the extracted resources) with no consideration the economic sacrifices incurred by their countries in order to complete these deals. In effect, there are many challenges and issues that may hinder the evaluation process of the impact of these investments on the economies of host countries, which may create some sort of uncertainty about the results of the evaluation process. Whereas the results will be confused and incomplete, especially when using the traditional methods in evaluation. As these methods focus on the axis of gains and ignore the axis of economic sacrifice incurred by the host countries , especially at the level of their national wealth. As a result, this initiative has come to address this deficit in that axis. The approach of depletion will be the only way which can be accepted as a logical and complementary approach to the evaluation process in the axis of the economic sacrifices incurred by host countries . It takes into account the economic sacrifice incurred by the host countries at the level of their national wealth. In order to conduct a comprehensive evaluation of the impact of those investments on the economies of the host countries, negative(sacrifices) and positive(gains) aspects should be shown and to achieve that , the depletion approach should be used as a complement to traditional methods. Economists should know that: Traditional methods ignore the issue of depletion of the host nation's national wealth . They are not comprehensive , they are not enough , they are insufficient for comprehensive evaluation purposes. There are many challenges and issues that will force economic analysts to adopt the approach of depletion , as a complement approach to the traditional methods known to them, in order to obtain a clear and comprehensive view on investment deals. There are many difficulties and challenges that will confuse the process of evaluating the results of foreign investments by relying on the traditional methods- change in indicators of economic growth - which will make them convinced of the need to search for other complementary methods those challenges and issues are :

Lack of criteria for determining fair quotas for both the host country and the foreign investor:

It would be very difficult to determine a fair share of the resources extracted for both the host country and the foreign investor. The host country will sacrifice part of its national wealth "share of the foreign investor" in return for a share of those resources extracted , and the foreign investor will incur the cost of extracting those resources in return for a share . Both parties will sacrifice. Mostly, the shares listed in the agreements and contracts are in favor of the foreign investor.He\she has the economic power "money " and excessive experience that makes him\her able to impose his\her conditions. It should be noted that, the quota determination process is often not in accordance with the standards of justice. They are determined according to agreement and negotiations between the parties. Since there are no reliable criteria that can be relied upon to determine of the fair shares. The quotas must be determined according to the sacrifice incurred by both parties , this is difficult to achieve in practice. As a result, an evaluation of the impact of FDI on the economies of the host countries will be unfair or misleading by using traditional methods, that are contrary to the method or approach of depletion. The impact of unfair quotas on the national wealth of the host country cannot be demonstrated by traditional evaluation tools. Only the depletion approach will be able to show the effect of the amount of such unfair quotas on the national wealth of the host country as opposed to other methods. As this approach will show whether these quotas are unfair or not for the host State .

Sacrifice associated with change in the national wealth components of the host country :

N-RNRs are one of the components of the nation's national wealth and an important source of income in many countries. These resources have no value or benefit unless they are extracted from their main sources for sale or use locally. When exported abroad, they change to another component, which is the hard currency, which is often used in the implementation of economic development programs or keeping them as cash balances" cash reserves " . Evaluation of the impact of FDIs on the economies of host countries without taking into account the following elements (the cost of opportunity" if no changes" , economic cost and economic savings" in case of change") will result in an illogical evaluation and shaded results. The evaluation process by Reliance on the change in economic growth rates and the host country's hard currency balances – resulting from the sale of those resources – ignores those elements, while the depletion approach takes into account those elements. As the change in the components of the national wealth of the host country will result in the incurring economic cost, that is the value of the share of the foreign investor. This share, according to the approach of depletion is a reduction in the volume and value of the national wealth of the host country. Also economic savings achieved by the host country, which are the costs of extraction of N-RNRs incurred by the foreign investor. The cost of opportunity is to deprive the state of a certain amount of hard currency, which can contribute to the completion of economic development programs due to non-acceptance of foreign investment deals. Investment decisions should be made based on those elements, and this may contribute to finding logical reasons for the results of the evaluation process.

Motives of the host country:

Investor motivation is to achieve the greatest economic gains, while the host country's motives are often for economic reform and to address some of the economic issues , where the foreign investment is the best way to do so, such as improving the balance of payments situation, addressing the problem of local savings deficit from providing adequate funding for domestic investment, reducing the level of unemployment… etc .(Badash,2008:53-58). Political motives may be for further gains in addition to economic gains. These motives directly affect the investment decisions – the conclusion of agreements and the signing of investment contracts. These motives may serve as the compelling conditions that force the host country to accept the unfair conditions of the foreign investor. Such motives may also affect the results of the evaluation of the impact of such investments on the economies of the host country. Here it is worth noting that. The use of traditional methods of evaluation without depletion approach as a complementary approach to the evaluation process means ignoring the economic sacrifice incurred by that country as a price to achieve those motives, which is the depletion of its natural resources or the depletion of its national wealth. Economic analysts will look at the positive aspects of these investments and use those motivations to justify failures in terms of depleting the national wealth of the host countries "its natural resources". While the proposed approach to evaluate "depletion approach" will indicate the amount of sacrifice incurred by the host country to achieve its motives. It may show the negative aspects of investment deals by showing the amount of national wealth depleted by foreign investors as a result of achieving these motives.

The ability of the host country to operate and manage revenues:

In our world today, there are failed and successful countries, in terms of the ability to exploit , operate and manage the economic returns resulting from investment operations in economic development processes. Failed states will show a bad face for foreign investment, although these investments have had a positive impact and a great economic return. The reason lies in the failure of that state to manage and run the economic return in development programs that can reflect the good face of foreign investment and vice versa. Here, it is not possible to judge the results of foreign investment, whether positive or negative. Also, change in economic growth rates in host countries and their foreign currency reserves cannot reflect the real evaluation of foreign investments and their impact on the national economies and the national wealth of these countries.

Fluctuations of N-RNRs prices in global markets:

The change in the prices of natural resources in the world markets contributes to showing deceptive results regarding the valuation of foreign investments. When prices increase, the economic returns of the host countries increase and this is reflected positively in the indicators of valuation of these investments and vice versa.
Advantages and incentives granted by the host country :

The incentives and benefits granted by host countries to attract foreign investors may mean a reduction of economic returns in other aspects such as taxes and customs duties . These reductions should not be ignored in the evaluation process. Such incentives may could lead to improvements in certain indicators and the collapse of other indicators.

The trade-off between alternatives and difficult economic conditions :

As a result of hard economic conditions, many countries- especially developing countries-often allow foreign investors to work in the field of natural resources extraction in exchange for a share of those resources. Where FDI is seen as the best alternative to financing the extraction process. Although the host country recognizes that there is an economic sacrifice that must be incurred in order to extract those resources. Such sacrifice is often not reflected in the traditional methods used in the evaluation process.

Lack of negotiation skills and the possibility of modifying contracts and agreements :

In the case of dependence on foreign investors in the financing of extraction operations of N-RNRs , it will be necessary for the host country to incur economic sacrifices " loss of part of its natural resources as a price for that ". Such sacrifices may increase if politicians in the host country lack negotiation skills. Some developing countries which lacked the required negotiating skills and institutional environment could therefore fall victim to an asymmetric situation. This failure cannot be demonstrated by traditional methods. Traditional methods may not be an effective way to persuade foreign investors to amend agreements and contracts with regard to the re-sharing of quotas such as the depletion approach.

Traditional methods pay attention to economic gains and ignore economic sacrifices

The main problem that will be faced by the host country is evaluation of investment results. The problem is how to evaluate the impact of the investment deals(in the field of N-RNRs extraction) on the national economy of the host country, whether the deal is positive or negative . In the case of FDI in the field of N-RNRs extraction there are two methods to evaluate the impact of the investment process on the national economy of the host country: (1) traditional way (ignoring the depletion), depends on the change in indicators of economic growth and economic development ,as well as increase in foreign- exchange balances. Host countries use traditional way as the best method available for evaluation . (2) Innovative way(by the researcher) : depends on measurement of the depletion of national wealth by foreign investment. So the problem can be summarized as follows : (1) Traditional approach is not sufficient , comprehensive and optimal . It depends on criterion of change in indicators of economic growth and increase in foreign- exchange balances to evaluate the impact of FDI on the national economy of the host country . It is not a sufficient and optimal standard. Because it does not reflect the depletion amount of natural resources(as one of the components of the nation's national wealth) from the host nation's national wealth by FDI. The foreign investor's share of natural resources is an economic cost incurred in order to extract such resources and , it is economic savings and benefits achieved by the host country as a result of such investment , that must be included in the evaluation process.

Where the increase in the amount of foreign exchange reserves of the host country resulting from FDI in the field of N-RNRs extraction will result in significant depletion in the amount of the national wealth of that State, specifically in N-RNRs as one of the components of the host country's national wealth. In other words, increase in one of the components (foreign exchange reserves) and decrease in another component (N-RNRs). (2) Evaluation by the concept of depletion: This approach ignores the change in indicators of economic growth of host country resulting from FDI in the field of N-RNRs extraction . But it is interested in economic sacrifices incurred by host country " host state's national wealth depletion ". This approach also suffers from a deficiency in theoretical construction "complete theory . In other words, there is no an accounting branch\ specialty that deals with such issues ". The researcher believes that the logical explanation for the reason underlying this problem is that the authorities in the "semi-democratic" developing countries are discouraging researchers to conduct studies on these issues related to foreign investment, especially if the aim of the investments is to strengthen their position and authority by relying on the superpowers. For the purpose of constructing the theoretical framework, the following items should be identified and discussed, the definition of national wealth and its components , the concept of depletion , how to measure the depletion , these items hide a lot of controversy. The depletion approach may give serious indications about FDI , that may not be shown by other approaches to the evaluation of FDIs.

Previous studies in the field of evaluation of FDIs:

Based on the effort exerted by the researcher for many years , it turns out that. There is no study on the impact of FDIs(in the field of N-RNRs extraction) on the national wealth of host countries by using the concept of national wealth depletion of the host country. Where existing studies included the evaluation of the impact of these investments on the economic growth of host countries . By looking at the content of those previous studies, it was found that, there is interest by researchers to evaluate the economic gains(The positive impact of FDI) and neglect the economic sacrifices incurred by host countries .For example: Studies by Laskiene and Pekarskiene (2011) have shown that FDI has a positive effect on the investment of host country’s labour productivity. FDI flows have a strong impact on labour productivity growth, but the growth of productivity is not the same in different areas of economic activity (Barkauskaite and Naraskeviciute,2016:62) . Mucuk and Demirsel (2013) studied the impact of FDI on the unemployment rate in seven developing countries(Barkauskaite and Naraskeviciute,2016:62). Rosa Forte and Rui Moura study in 2013 " The effects of foreign direct investment on the host country's economic growth: theory and empirical evidence…etc. Almost all studies have examined the impact of FDIs on the economic growth of host countries. There is a clear deficiency in studying the negative impact of foreign direct investment on the national wealth of the host countries" national wealth depletion or economic sacrifice incurred by those countries at the level of their national economy "national wealth". This may be due to the lack of a scientific theory or conceptual framework that can be relied upon to complete these studies.

Description of the problem:

With the support of foreign investors in the field of non-renewable natural resources extraction- in exchange for a share of those resources, the economy of many countries such as Libya has become totally dependent on the economic returns of those extracted resources, as economic development programs are implemented through those revenues. But this kind of investment deals is always rejected by some economists. They always provide justifications and arguments, that are not really unjustified and supported by a accurate intellectual framework, that can be used in the evaluation process of the impact of those investments. The most important justification, it is their belief that, foreign direct investments in the field of non-renewable natural resources extraction are nations' National wealth depletion. As a result, this study provided an initiative to create a conceptual and theoretical framework that can be relied upon to evaluate the impact of these investments. Whereas, accounting for evaluating the impact of foreign direct investment in the area of non-renewable natural resources extraction by using the concept of host state's national wealth depletion by foreign direct investments is a specialty to find a logical answer to the following question , for each investment deal is presented for valuation : Is the foreign investor's share of those resources fair or unfair to the host country? . In another meaning, Is foreign direct investment in the field of non-renewable natural resources extraction a depletion the national wealth of the host countries , as many economists believe " opposition opinion " or is the strengthening "enhancement" of their national economies?.

This specialization is a complementary method to the traditional methods- indicators of economic growth, such as Balance of Payments , Trade Balance, The level of per capita income, GDP and GNP, The level of unemployment , National income , hard currency balances resulting from the sale of those resources and contribution of sales of non-renewable natural resources to the host state's revenues from foreign currency - that are used to evaluate the impact of foreign investments in the field of natural resources extraction . It will show the economic sacrifices incurred by the host countries, "the depletion of national wealth, if any ". Traditional methods are certainly concerned with economic gains without the economic sacrifices incurred by host countries. This deficiency will be addressed by this specialty. This specialization has principles and special assumptions\ axioms\ hypotheses emanating from the general theory of accounting, and its methods in accounting measurement and determination of results. Accounting in this area is for the purpose of measuring the economic sacrifice incurred by the host country for foreign investment working in the extraction of natural resources in exchange for a share of those resources , by using the concept of host state's national wealth depletion by foreign direct investments.

The problem can be described by the following two axes:

The first axis (Economic literature) : Shortages in the writings of economic thought:

Through browsing the content of economic thought, "scientific publications" in the local and international references, " in libraries, including electronic libraries", it turns out that the economic thought" which since its inception was specialized in the study, analysis and definition of familiar and unfamiliar economic phenomena"only provided a clear explanation for the term " depletion " , as a general term, in order to distinguish it from the term depreciation. Where the interest was to study the impact of FDI on the economic growth of host countries. This thought did not provide any definition of the issue of depleting the national wealth of host countries by FDIs in the field of N-RNRs extraction. This thought has not yet presented any criteria or bases that can be used to measure the phenomenon of depleting the national wealth of host countries by FDIs. The depletion of national wealth "N-RNRs" by foreign investors has not received enough study and scientific research by scientists in economics. For this reason, there is no scientific theory "conceptual framework" in the content of economic thought that deals with the issue of depletion of national wealth.

The second axis (Practice): Attention and Ignorance:

In practice, economists and evaluators in host countries are often concerned with evaluating the impact of FDI on the economic growth of those countries by examining the change in its indicators as a result of those deals, such as " improvement in the balance of payments and gross domestic product … etc ".They care about the gains and may neglect the economic sacrifices that incurred by their countries to achieve those gains , especially with regard to the impact on the national wealth of those countries. In the field of extraction of natural resources with the support of foreign investors – in return for a share of the resources extracted- these experts are interested in studying the change in indicators of economic growth with the possibility of neglect to evaluate the impact of these investments on the national wealth of their countries, "the issue of depletion ", they may take care of the positive aspects and ignore the negative aspects. This results in what is known as incomplete or non-comprehensive evaluation.Perhaps the reason is that there is no theoretical framework to help them conduct such evaluations.

Accounting for evaluation the impact of foreign direct investment in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs

Through the previous presentation, it can be said that ,FDI in the extraction of N-RNRs may contribute to achieving economic gains at the national economy level of the host country. These gains can be inferred through indicators of economic growth(traditional methods).As well as, host countries for FDIs may incur economic sacrifices at the level of their national economy(national wealth) , which is known as the depletion of the national wealth of the host country by FDIs. Measurement of depletion will not be a difficult process if other variables are identified. Accounting in this area is to demonstrate how to measure depletion.

Accounting in this field is an innovation and initiative by the researcher, which can be considered an enrichment of the thought of national accounting "national accounts of the state" or as a new specialty that will be added to other specialties of accounting. It aims at enriching the thought of national accounting.It has its principles and special assumptions emanating from the general theory of accounting.

As well as, it has its methods in accounting measurement and determination of results. Accounting in this area is for the purpose of measuring the economic sacrifice incurred by the host country for foreign investment working in the extraction of N-RNRs in exchange for a share of those resources by using the concept of host state's national wealth depletion by FDIs.

Objective of the study

This study is theoretical to enrich the economic thought in the field of economics of N-RNRs and FDIs , as well as accounting thought in the field of national accounting, by offering an initiative to evaluate the impact of FDIs on the national wealth of host countries , that depends on the researcher's perceptions and personal diligence . This study aims to send a message to decision-makers , politicians and economists in host countries that : The opening of doors to foreign investors in the field of N-RNRs extraction – "which are part of the components of the national wealth of the state" – may result in economic gains can be proved through the change in economic growth rates of the host country. However, those gains may mask economic damage with respect to the national wealth of that host State- according to what is known as the depletion of the national wealth of the host country by FDIs. This is the negative impact of those investments. Therefore, decision-makers and politicians in the host countries should caution when signing agreements and contracts with foreign investors to avoid or mitigate this negative impact. Their perception and evaluation of the outcome must be inclusive of the economic gains and sacrifices that may result from those deals.

In countries whose economy relies on N-RNRs extracting with the help of foreign investors- in exchange for a share of resources extracted from the earth , which is often the lion's share- distributions (distribution of shares) between the host country and the foreign investor are often unfair, inequality in the distribution of shares could hide behind it economic crises for the host country ,in the long-term. As the positive change in the economic growth rates of the host country during the investment period does not necessarily mean that the host country achieved success from those investment deals .That success could hide future economic problems caused by the depletion of "natural resources" the national wealth of the host country - as a result of those unfair quotas- when their natural resources are depleted from their sources. Where those resources are not renewable, and the income source of that country will disappear and it will be unable to achieve its revenues in the future , especially it relies on those resources to achieve those revenues. Unfair quotas accelerate the depletion of those resources, this may affect the sustainability strategies of that country. The FDIs in the field of N-RNRs extraction and the large concessions and benefits offered by host countries may contribute to achieving excellent indicators of short-term economic growth, but it may conceal unforeseen economic damage in the long term, especially in light of the unfair distribution of extracted resources.

This study also aims at showing how to evaluate the impact of FDIs – in the field of N-RNRs extraction – on the national wealth of the host country , by using the concept of depletion. This study will be interested in calculating the amount of depletion - host state's national wealth depletion – resulting from the extraction of these resources by the foreign investor in exchange for a share of those resources.

This study suggests that the depletion approach should be used as a complementary tool in evaluating the impact of FDI on the national wealth. As a result of this suggestion, this study tries to answer the following question: I**n theory, how can the approach of depletion be used in evaluating the impact of FDIs on the national wealth of the host country?**

Importance of the study

The importance of this study lies in the following:

This study will be considered the cornerstone and starting point for many studies and researches in the field of evaluating the impact of FDIs by using the concept of depletion, especially in the field of national accounting for FDIs , economics of N-RNRs and FDIs in the field of N-RNRs extraction. This study will help economists and evaluators to achieve a more comprehensive evaluation of economic gains and sacrifices of the host country, associated with investment deals in the field of N-RNRs extraction. This study will help decision-makers and politicians in the host country to be cautious when signing agreements and investment contracts by studying the terms of agreements and contracts in such a way as to ensure equitable distribution of quotas of extracted resources. The depletion approach used in this study may serve as a guide for decision-makers and politicians in determining the fair quotas, which will reduce the depletion or prevent it.

This study will help – directly or indirectly – the state legislatures in the development process of investment laws to protect their national wealth from depletion or prevent it in line with the requirements of sustainability.

Methodology of the study:

There is an idea in the researcher's mind with rational justifications that must be submitted to the people (especially economists and decision-makers in the state) , in order to take advantage of it in the development of the evaluation process of the impact of FDIs results in the field of natural resources extraction, in a more comprehensive way. This study is based on the method of discussing the problem and suggesting a solution. The study is divided into two parts: the first part deals with the discussion of the problem and the second part deals with solving the problem. This study can theoretically enrich the accounting and economic thought in the field of FDIs evaluation , national accounting . Due to the lack of clear writings in economic and accounting literature on the subject of the depletion of national wealth (natural resources) by FDIs . The methodology of this study will depend on the personal diligence of the researcher in trying to formulate a theoretical framework according to his personal perceptions regarding the problem and method of addressing it. As well as the study will depend on some of the contained information in the accounting , economic literature, in books, researches and studies to support the formulating process of the researcher's ideas that will rely on the analysis and logical justifications .

Solving The Problem" The Initiative"

To evaluate the impact of FDIs in the field of N-RNRs extraction, economists rely on the change in indicators of economic growth, which deal with the economic gains achieved by the host countries of those investments without attention to the sacrifices incurred by these countries at the level of their national wealth. In other words, interest in studying and evaluating the gains and neglecting the sacrifices. This means that the evaluation process is not comprehensive. The problem relates to the comprehensiveness of evaluation. In order to complete the evaluation process to be more comprehensive, this initiative is presented as a tool to evaluate the impact of those investments by using the depletion approach, in order to reach a comprehensive evaluation that takes into account the gains and sacrifices . Traditional indicators can not reflect the hidden economic damage. The initiative in this area is no more than comparing economic gains with economic sacrifices- According to a conceptual framework based on a set of logical justifications- to show the final impact on the national wealth of the host country, which relies on FDIs to finance the extraction operations of N-RNRs .

Accounting for evaluation the impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs ,its definition , objectives and importance

In order to understand the content of this specialization, it is necessary to know its meaning and to define its objectives and importance. These are the main pillars on which the rest of the theoretical construction depends.

Its definition

It is a specialization concerned with measuring the economic gains achieved by the host countries and the economic sacrifices incurred by these countries at the level of their national wealth to determine whether the economic impact of FDI in the of N-RNRs extraction is positive or negative "enhancement or depletion" at the level of the national wealth of host countries.

Its objectives

This specialization aims to: Measuring the impact of FDIs(in the field of N-RNRs extraction) on the national wealth of host countries by comparing the value of economic gains achieved by the host countries with the value of the economic sacrifices incurred by that country at the level of its national wealth, to determine the value of depletion or enhancement of national wealth resulting from the investment deal. This specialization gives the host country an accurate indication of the impact of investment deals on its national wealth. This approach is complementary to other traditional methods used in the evaluation process. As a result, through this specialization, investment deals will be subject to a comprehensive evaluation that includes measuring economic gains and sacrifices.

Its importance

The importance of this specialization lies in the following:

(1) This specialization is an innovative scientific tool .It has assumptions , principles and logical justifications. This specialization will contribute to the evaluation of the impact of FDIs (in the field of extraction of N-RNRs) on the national wealth of host countries, which can be used as logical argument to justify the views of opponents and supporters of investment deals in this area.

(2) This specialization will help officials in host countries the rational economic decision-making, with regard to their economic resources, and development of their negotiating skills in the field of contracting with foreign investors regarding the extraction of these resources.

(3) This specialization is a complementary tool to other tools used to evaluate the impact of FDIs, which are concerned with the change in economic growth indicators of host countries. Through this specialization, negative or positive changes(depletion and enhancement) in the value of the national wealth of the host country resulting from FDIs in the field of N-RNRs extraction can be identified .

(4)The results of this specialization can be used as a logical argument to convince foreign investors to amend agreements and contracts concerning the re-agreement on the resource -sharing extracted for the achievement of justice in this area.

Basic assumptions "axioms" needed for the evaluation process :

(1) Evaluation the impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs must be at the level of the national economy" national wealth" of the host country.

(2) The foreign investor's share of the extracted N-RNRs is the cost of extracting for the host state 's share of the extracted N-RNRs. In another meaning, the foreign investor's share of the extracted N-RNRs is an economic sacrifice incurred by the host State for the extraction of those resources.

(3) For the purpose of measurement and valuation, international market prices for N-RNRs should be used, for example, OPEC prices for oil and gas on the date of export outside the host country or domestic use within the boundaries of the host country should be used in the measurement and evaluation process.

(4) The costs of extracting the share of the host country incurred by the foreign investor are economic gains or savings that should not be ignored in the measurement and evaluation processes.

(5) Not to exclude any other economic benefits achieved by the host country- at the level of its national economy or national wealth -from the foreign investor from the evaluation process. Which in fact are considered costs incurred by the foreign investor, and economic savings achieved by the host country , those costs that would have been incurred by that State, if it relied on its own potential without relying on the foreign investor ,such as import of materials, equipment, machinery and consultancy services from outside the borders of the host country or from foreign institutions within the borders of the host country , salaries of foreign experts and non-national workers and other payments to non-national institutions within the borders of the host country. Also, fixed asset depreciation of foreign investor .

(6) Not to condone or ignore any " not to exclude any" direct costs incurred by the foreign investor within the borders of the host country- which contribute directly to the strengthening of the national wealth of the host State- from the evaluation process , such as taxes and customs duties, purchase of goods and services (with the need to determine the profit margin), salaries of national workers and their medical insurance and training expenses.

(7) The share of the host country from the resources extracted is not considered an economic gain for that country, it is essentially part of its national wealth. Therefore, it should be excluded from the evaluation process.

(8) N-RNRs are one of the components of the host nation's national wealth according to a rule of Knowledge of the unknown .

(9) The components of the national wealth of the host country are in accordance with the concept and requirements of the gross national product, that in terms of exclusion of foreign impact.

(10) Depletion means that the host country does not achieve economic benefits equivalent to the international market value of the foreign investor's share of the extracted natural resources.

Accounting for evaluation the impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs and the general theory of accounting

The general theory of accounting is the main source of all the principles, assumptions and concepts on which the practical application in the field of accounting depends(Mohamed,1980-79:34). With the emergence of the accounting specialization for evaluation the impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs, there will be a need to show the extent to which the contents of the general theory of accounting can be applied to achieve the objectives of this specialization in the practical application area.

One of the most important assumptions of the general theory of accounting, as is known(Hendriksen,1970; Sterling ,1970; Mohamed,1980-79: 34) both the entity assumption, the continuity assumption , the objectivity assumption. One of the most important principles of this theory,as is known , both the timeliness principle ,the verifiability principle , the consistency principle , the monetary principle,the materiality principle ,the matching principle, the realization principle . In this section the researcher will test the extent to which the assumptions and principles can be applied for the purposes of preparing accounting data for in the area of this proposed specialization .**The entity assumption** : The economic entity assumption is an accounting principle that states that all transactional data associated with a specific entity is assumed to be clearly attributed to the entity, and does not include other transactional data associated with the entity’s owners or business partners (Myaccountingcourse, n.d.; also see : Hermanson et.al,1998: 40). An accounting principle/guideline that allows the accountant to keep the sole proprietor's business transactions separate from the owner's personal transactions even though a sole proprietorship is not legally separate from the owner(Accounting Coach,n.d.) . In the area of this proposed specialization, in practice, there is no problem with regard to compliance with this assumption. Once the contract or agreement has been signed, an economic entity will be established with its own funds which will be separate from the other funds of the foreign investor and the host country" in case of participation in the financing process". Accordingly, there will be a book set to record and substantiate all financial transactions of that entity. **The continuity assumption:** This assumption means that the economic entity (company, organization, firm , project,… etc.) will continue to perform its work and activity for an unlimited period of time. As a result, the life of that entity must be divided into several periods of time called accounting periods to evaluate and measure the outcome of that entity's activity(Mohamed,1980-79:35;Wood,1979:82) . In the area of this proposed specialization, in practice, it can be assumed that extractive processes continue indefinitely. As a result, the life of investment project can be divided into several periods of time to evaluate and measure the impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs. **The objectivity assumption**: states that accounting information and financial reporting should be independent and supported with unbiased evidence. This means that accounting information must be based on research and facts, not merely a preparer’s opinion. The objectivity assumption is aimed at making financial statements more relevant and reliable(Myaccountingcourse,n.d.).It refers to the need to avoid personal opinions that are not based on scientific standards regarding the recording of financial data and the preparation of reports(Mohamed,1980-79:36) . Foreign investors are mostly committed to this assumption. They adopt high-level accounting systems, as well as internal and external control systems that can detect any irregularities. **The timeliness principle**: The organization should report on a regular schedule so that information is available in time for stakeholders to make informed decisions(GRIG4,n.d).It refers to the provision of information to users quickly enough for them to take action(Accounting tools,n.d.). Assuming that the project is continuing to perform its activity, there is a need to set a specific timing for the start of the project activity and the end of the performance period of that activity, this is called the accounting period. In the area of this proposed specialization, in practice, the researcher believes that a quarter of a year will be better for the host country to carry out measurement and evaluation. In this specialization, the accounting periods should be short (not less than quarter a year and not more than half a year), so that the host country can take the necessary measures to deal with any adverse conditions. **The verifiability principle**: means that all financial transactions and supporting documents shall be subject to internal and external auditing. The verifiability principle states that it should be possible for an organization's reported financial results to be reproduced by a third party, given the same facts and assumptions(Mohamed,1980-79:36) . In the area of this proposed specialization, in practice, the foreign investor and the host country usually appoint a third party as an "independent external auditor" to review all financial transactions and activity results, as well as the existence of internal control systems to ensure the rights of all parties. **The consistency principle**: states that, once you adopt an accounting principle or method, continue to follow it consistently in future accounting periods. Only change an accounting principle or method if the new version in some way improves reported financial results (Accounting tools,n.d.;Wood,1979:86). In the area of this proposed specialization, in practice.

This principle is very important, as changing the ways and methods of accounting leads to different results from one period to another. Instability affects the processes of comparison and evaluation. **The monetary principle**: assumes business transactions or events can be measured and expressed in terms of monetary units and the monetary units are stable and dependable. In other words, the language of business and finance is money. It doesn't matter what currency it is as long as it's stable and can be comparable to other currencies (Myaccountingcourse, n.d.; Wood,1979:82) . **The materiality principle**: states that financial reports only need to include information that will be significant (material) to their users. For example, an audit report would not need to specify the number of paper clips used by a bank. For a large corporation, an expenditure of a few thousand dollars would not be material, but for a smaller company it might be(Investorwords). Transactions or events that are deemed to be not material can be ignored because they won't affect how investors and creditors view the financial statements to make their decisions. Non-material transactions are usually small or have very little impact on the overall company bottom line(Myaccountingcourse, n.d.; Wood,1979:84) . In the area of this proposed specialization, in practice, It will be necessary to ignore financial transactions with small amounts that will not affect the evaluation process. **The matching principle**: The objective of this principle is to compare the revenues of a certain period with the costs of that period for the purpose of extracting the results of the project activity for that period (Mohamed,1980-79: 38) . In the area of this proposed specialization, in practice, the economic gains achieved by the host country - at the level of its national wealth - during a given period will be compared to the economic sacrifices incurred by that country during that period to evaluate the impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs. **The realization principle**: In accounting ,revenue is normally regarded as being earned at the time when the goods or services are passed to the customer and he incurs liability for them ,i.e. this is the point at which the revenue is treated as being realized (Wood,1979:83). In the area of this proposed specialization, in practice, if the foreign investor's share of the extracted resources was known during a certain period (valuation period), the economic sacrifices incurred by the host State can be determined. **The realization principle,** here indicates the need to know the share of the foreign investor. Where that share is one of the important elements to complete the evaluation process. When N-RNRs are extracted, it is possible to know the share of both the host country and the foreign investor of those resources, as well as other gains and sacrifices.

Procedures of Accounting for evaluation the impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs

Generally, accounting procedures are the main means by which data and accounting information are obtained, which provides a financial description of the various project activities and the results of such activities; and because accounting in this area of new specializations, which has special features, so there is a need to clarify the procedures that achieve the objectives of this specialization.

First: Procedures for determining economic sacrifice.

Economic sacrifice is the foreign investor's share of N-RNRs extracted, in accordance with the contract or agreement concluded between the parties, evaluated at the international market price. It represents the sacrifice incurred by the host nation at the level of its national wealth (its national economy) in order to extract those resources from their main sources by relying on FDI as a means of financing extraction operations. It is possible to determine and calculate the economic sacrifice through prices in the world markets and the quantities produced, the following actions should be taken:
(1) Registration of prices of natural resources in the world markets - internationally recognized as OPEC - on a daily basis in the official statements maintained by the host country bodies and authorities "Ministry of Economy", and the calculation of the average price for the evaluation period, "three months, for example," and with the beginning of the second evaluation period, the ministry of economy must do the same.
(2) Determining the share of the foreign investor and the host country from the resources extracted in accordance with the agreement- for the evaluation period , through the daily production statements, which can be obtained from the official records of the foreign investor. Such records must be subject to the supervision and control of the authorities of the host State.

Second: Procedures for determining economic gains.

Economic gains are the gains achieved by the host country at the level of its national economy, which are the enhancement of its national wealth by relying on foreign investors to finance the extraction operations of N-RNRs. These gains can be determined and calculated -for the evaluation period ,through the financial statements of the foreign investor, which must be approved by neutral parties such as external auditors.

Measurement of depletion

To measure depletion at the national wealth level of the host country. It will be necessary to identify and calculate the economic gains that contribute to increasing the national wealth of that country, as well as to identify and calculate the economic sacrifice that contributes to reducing the national wealth of that country. If the value of the economic sacrifice is higher than the gains, it means that the national wealth of the host country has been depleted by the difference between the values and vice versa. The definition of economic gains and sacrifices in this area can be defined as follows:

Economic sacrifice.

It is the value of the foreign investor's share of the natural resource estimated at international market prices. It represents the value of the decline in the amount of national wealth of the host country, as N-RNRs are part of the host nation's national wealth and one of its main components.

Economic gains .

They are the total costs incurred by the foreign investor to extract N-RNRs from their main sources, which contribute directly or indirectly to increase the value of the national wealth of the host country and maintain it. They are divided into two types:

Direct economic gains .

They are the total costs incurred by the foreign investor to extract N-RNRs from their main sources, which directly contribute to the enhancement and increase the value of the national wealth of the host country. They are paid to individuals, companies, institutions and national bodies, such as national salaries (citizens salaries and all other incentives and training costs paid to them) , profit margin achieved by institutions, organizations and national companies as a result of the foreign investor purchases of goods and services , taxes, customs duties and other fees paid by foreign investor to national bodies and institutions …etc.

Indirect economic gains (Economic savings) .

They are the total costs incurred by the foreign investor to extract N-RNRs from their main sources, which indirectly contribute to preserving the value of the national wealth of the host country from depletion. Which was supposed to be incurred by the host country, if it relied on its own potentials to finance the extraction process. By relying on the foreign investor to finance the extraction operations, the host country has been able to achieve savings in its national wealth and maintain it, such as salaries of foreigners, full payments to foreign bodies, companies and institutions in order to purchase goods, services, equipment, raw materials ... etc, fixed assets depreciation.

A statement of the impact of FDI – in the field of extraction of N-RNRs – on the national wealth of the host country (gains and sacrifices).

To evaluate the impact of FDI in the field of N-RNRs extraction by using the concept of depletion , the economic sacrifices incurred by the host State must be determined, as well as the economic gains achieved by that State in order to measure the final effect of the investment deal on the national wealth of the host country .The difference will represent a depletion or enhancement of national wealth. The following example will explain how to evaluate and measure the effect of an investment deal on the national wealth of a host country. Assuming that: The Libyan state contracted with Exxon Mobil "American oil production company ", with full funding from that company in exchange for a share of oil extracted from a well in the Libyan desert . The extracted oil is distributed as follows: 55% American company share, 45% Libyan state share. During the first quarter of the year, the quantity extracted from the well was 450000 barrels. Average price per barrel for that period $ 65 according to OPEC prices.

The costs incurred by the American company for that period according to its accounting books were as follows: $ 500000 fixed assets depreciation. $ 2000000 salaries of Libyan employees and workers.$ 6000000 salaries of foreign employees and workers.$ 5000000 the value of purchasing goods, services, equipment and raw materials from Libyan companies, institutions and organizations, used during the period (Profit margin is estimated at 15%).$ 2500000 the value of purchasing goods, services, equipment and raw materials from foreign companies, institutions and organizations, used during the period.$ 3000000 Taxes, customs duties and other fees paid to the Public sector organizations in Libya. Through the previous data. The impact of the company's activity on the national wealth of the Libyan state can be determined as in Table 1:

The economic sacrifices	The value is in US dollars	**The economic gains**	The value is in US dollars
Value of foreign investor's share of extracted oil	16087500	**Direct economic gains**	
		Salaries of Libyan employees and workers	2000000
		Profit margin achieved by Libyan companies , institutions and organizations	750000
		Taxes, customs duties and other fees	3000000
		Indirect economic gains (Economic savings)	
		Fixed assets depreciation	500000
		Salaries of foreign employees and workers	6000000
		Goods, services, equipment and raw materials from foreign companies	2500000
Depletion of national wealth of the Libyan state			1337500
Total	16087500	Total	16087500

Table No.1 The impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs.

In this deal, there is a depletion of the national wealth of the Libyan state by $ 1,337,500 during the first quarter of the year.

Accounting treatment in case of participation in the financing process.

In case of a partial contribution" participation " to the capital, the accounting treatment is not very different. Where the percentage of participation in capital- used in extraction operations , should be determined for both the host country and the foreign investor in order to accurately identify economic gains and sacrifices. All costs are divided into two parts according to the concept of the ratio of the part to the whole " for example, 30% is the share of the host country in the capital, 70% is the share of the foreign investor in the capital ". Therefore, all the direct economic gains(costs) referred to above should be determined according to the rate of participation of the foreign investor in the capital .

While indirect economic gains(costs) are addressed as follows: The host country's share of these costs is not considered an economic gain and should be classified as an economic sacrifice of the host country (in particular, paid to foreign parties, in addition to fixed assets depreciation). The foreign investor's share of these costs is considered an economic gain for the host country, which should be included in the indirect economic gains "economic savings" .

The following example will explain how to evaluate and measure the effect of an investment deal on the national wealth of a host country: Assuming that: The Libyan state contracted with "Russian Oil Production Company".

With partial funding from the Libyan government of 35% of the capital. The extracted oil is distributed as follows: 45% Russian company share, 55% Libyan state share. The daily production rate is 400 barrels. Average price per barrel for that period $ 70 according to OPEC prices during the first quarter of the year . The cost of production is $ 50 per barrel according to its accounting books, distributed as follows: 12% fixed assets depreciation, 8% salaries of Libyan employees and workers,15% salaries of foreign employees and workers,30% the value of purchasing goods, services, equipment and raw materials from Libyan companies, institutions and organizations(Profit margin is estimated at 20%) ,20% the value of purchasing goods, services, equipment and raw materials from foreign companies, institutions and organizations,15% Taxes, customs duties and other fees paid to the Public sector organizations in Libya. Through the previous data, the impact of the company's activity on the national wealth of the Libyan state can be determined as in Table 2.

The economic sacrifices	The value is in US dollars	**The economic gains**	The value is in US dollars
Value of foreign investor's share of extracted oil	1134000	**Direct economic gains**	
		Salaries of Libyan employees and workers: The foreign investor's share	936000
		Profit margin achieved by Libyan companies , institutions and organizations: The foreign investor's share	70200
		Taxes, customs duties and other fees: The foreign investor's share	175500
		Indirect economic gains (Economic savings)	
Fixed assets depreciation: The Libyan state 's share	75600	Fixed assets depreciation: The foreign investor's share	140400
Salaries of foreign employees and workers: The Libyan state 's share	94500	Salaries of foreign employees and workers: The foreign investor's share	175500
Goods, services, equipment and raw materials from foreign companies: The Libyan state 's share	126000	Goods, services, equipment and raw materials from foreign companies: The foreign investor's share	234000
Enhancement of national wealth of the Libyan state	301500		
Total	1731600	Total	1731600

Table No.2 The impact of FDI in the area of N-RNRs extraction by using the concept of host state's national wealth depletion by FDIs.

In this deal, there is an enhancement of the national wealth of the Libyan state by $ 301500 during the first quarter of the year. Enhancement of host state's national wealth. When the value of economic gains achieved by the host country is higher than the value of the economic sacrifice incurred , at the level of its national wealth, the difference will represent the value of enhancing the national wealth of that country.

Recommendations

Through experience and practice. The production of oil and gas from wells often lasts for many years and because of the volatility of the prices of these resources in the global markets and the costs of production from time to time, , and in order to protect the national wealth of host countries from excessive depletion , the researcher recommends the need to adopt a system of flexible contracts, which aims to protect the national wealth of host countries from excessive depletion, by requiring limits of depletion that should not be exceeded. The method proposed in this study, which should be adopted by host countries to evaluate the impact of FDIs on their national wealth, its results could serve as a guide in determining fair quotas in the future- in the next productive periods. Where host countries should adopt effective methods of determining the foreign investor's share of N-RNRs that must be agreed upon and included in the concluded contracts. The quotas should be determined on the basis of reducing or minimizing depletion as much as possible , such as stipulating, in contracts, not to exceed the depletion of a certain value agreed upon.

Adopting this approach by host countries may motivate them to look for other ways and alternatives to finance extractive operations such as borrowing from other countries or from the World Bank or relying on national businessmen. By comparing the cost of debt(interest) with the value of depletion .Host countries can take the necessary measures and rational decisions to protect their national wealth from depletion. Is not always , financing through FDI is the best way to extract N-RNRs. This way may appear to be positive in some indicators and conceals economic damage in the long term.

Investment contracts should be flexible (adjustable), and short-term, should be studied extensively by experts in this area. The amendment means trying to reach fair and satisfactory shares for the parties, that bring satisfactory profit to the foreign investor and prevent or limit or reduce the excessive depletion of the national wealth of the host country. The method suggested in this study can be used as a means to convince the investor to amend the terms of agreements and contracts in order to determine fair quotas,that contribute to achieving equity regarding the distribution of quotas.

Conclusion:

In theory, the impact of FDIs in the field of N-RNRs extraction can be evaluated by using the concept of depleting the national wealth of the host country by FDI, by relying on the theoretical structure and the conceptual framework of this specialization proposed in this study. As the requirements for applying this idea will be available to evaluators to complete the evaluation process. This study provided a detailed explanation of the failure problem of economic and accounting thought to meet the requirements of the comprehensive evaluation. Namely, the inability of traditional methods of evaluating the results of investments in a comprehensive manner. As a result, this study has presented as a proposed initiative to address this problem. As it has been proven that N-RNRs are one of the components of the nation's national wealth- according to the rule of Knowledge of the unknown- with the possibility of accounting measurement. The concept of depletion has clearly determined and defined, through which the conceptual" theoretical " framework of this initiative has established , confirmed . The suppositions, principles and concepts on which this specialization depends are derived from and consistent with the general theory of accounting. As a result, this initiative could be considered a new specialty that enriches accounting thought in the field of national accounts.

In cases where the national wealth of the host country is exposed to the depletion without the possibility of modifying the contracts and agreements regarding the determination of the fair share of resources extracted to reduce the impact of the depletion on the economies of that country, the only benefit that the State will derive from the application of this specialization is to calculate and measure the value of "depletion" in a correct scientific manner.

It should also be noted that, opponents of the idea of FDIs in the field of N-RNRs extraction cannot insist that this type of investment is a depletion of the national wealth of the host countries unless they use the approach of depletion proposed in this study to prove the validity of their claim or deny that .

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