The purpose of this paper is to empirically investigate whether federalism, as a governmental structural feature, has a presumed positive effect on the inflow of foreign direct investment. To answer this question, all of the available data is utilized. Employing time-series OLS analysis, this paper finds that while administrative federalism has a positive effect on the inflow of FDI, the effects of fiscal and political federalism and either insignificant, or significant only marginally. The contribution of this paper to the scholarly debate concerning FDI is that it finds that not all decentralization policies work equally well in attracting foreign capital into a country.