Foreing trade

Concepts

Customs destination

Differences between Foreign Trade and Foreign Investment

Types of Foreign Trade

There are three different types of foreign trade, which are as follows:

- **Import trade:** It is the purchase of goods and services by one country from another country. Here the flow of goods is from a foreign land to the home nation. Countries import goods and services when they need raw materials for producing goods or when they need a finished product for domestic consumption.
- **Export trade:** It is the selling of goods and services to another country. Here the flow of goods is from the home nation to a foreign land. Countries export goods and services to another nation when they have that particular commodity in abundance.
- **Entrepot trade:** This process is also called re-export. In this form of trade, a business purchases goods or services from one country, reprocesses those products, and then sells them to another country.

Differences between Foreign Trade and Foreign Investment

Benefits of Foreign Trade:

Foreign Trade has many benefits for all the countries involved in it. Some of the advantages of exchanging goods in the international market are as follows:

•**Foreign Exchange:** Foreign Trade helps countries get access to foreign currency and boost up their reserves. This currency is essential when it comes to paying for imports of goods and services.

•**Consumers get more options:** People from one country enjoy superior quality goods and services from other nations. They would not have gained access to these products were it not for International trade. These products can also help them improve their standard of living in the long run.

Differences between Foreign Trade and Foreign Investment

Benefits of Foreign Trade:

•**Optimum use of a nation's resources:** No country can fulfil all its consumption needs independently. They have to depend on other nations for specific products. International trade allows them to procure raw materials/finished products that they don't have. It helps countries focus on producing what they are good at and help increase efficiency in the production process of those products.

•**Economic Benefits:** International trade generates employment opportunities for organisations and countries involved in the export/entrepot of goods and services. It also helps to improve the Gross Domestic Product for that country.

- **Foreign Investment**
- Foreign Investment is the inflow of capital into a country through individuals/institutions from a different country. The flow of capital is from one organisation, with its headquarters in a foreign nation, into another company that belongs to the home nation. The investment helps companies based abroad to set up their offices or manufacturing units in another country. Since the foreign entity gets a stake in the domestic company in exchange for providing capital, they have to follow local government rules and regulations regarding such investments

Types of Foreign Investment

- There are three different ways in which a company belonging to one country can invest in another country. These methods of investment are as follows:
- **Foreign Direct Investment:** This type of investment involves a foreign company infusing capital into another country's business or production units.
- **Foreign Portfolio Investment:** When an organisation based outside the country invests in the securities market of that country, it becomes a foreign portfolio investment.
- **Foreign Institutional Investment:** This is a form of investment by a foreign-based company in the passive holdings of an entity in another country.

Benefits of Foreign Investment

- The main advantages of foreign investment are as follows:
- **Economic growth:** Infusion of foreign capital helps domestic companies increase production and generate employment. It can also boost consumption in the market since the workforce in those companies will have greater purchasing power. It contributes to the overall growth of a country's economy.
- **Resource transfer:** Foreign investment brings capital and helps the domestic workforce get access to new technologies and skills. It will help in improving their productivity while also developing the quality of goods and services produced.
- **Cost benefits:** Foreign investment can help domestic companies improve production efficiency and reduce costs via access to better technologies.

Differences between Foreign Trade and Foreign Investment

The main differences between Foreign Trade and Foreign Investment are as follows:

Foreign Trade	Foreign Investment
Meaning	
It involves the exchange of goods and services between two countries in the international market.	It involves the investment made by a foreign company into another company based in a different country.

Differences between Foreign Trade and Foreign Investment

The main differences between Foreign Trade and Foreign Investment are as follows:

Purpose	
The main purpose of foreign trade is as follows: • To help countries access goods and services that they need from international markets. • To sell their products in those markets and earn foreign exchange.	The primary purpose of foreign investment is as follows: • Gain access into the market of another country by providing capital and getting a stakeholding in a local company. • Use that access to conduct business and make profits.

Differences between Foreign Trade and Foreign Investment

The main differences between Foreign Trade and Foreign Investment are as follows:

Benefit	
Access to international markets for domestic companies.	Access to long term capital to a company via foreign investors.
Flow of resources	
Foreign trade enables both inflow and outflow of raw materials/finished products between countries.	The foreign investment enables the inflow of capital and technologies into a country from abroad.

Differences between Foreign Trade and Foreign Investment

The main differences between Foreign Trade and Foreign Investment are as follows:

Types	
The three types of foreign trade are as follows: • Import • Export • Entrepot	The three types of foreign investment are as follows: • Foreign Direct Investment • Foreign Portfolio Investment • Foreign Institutional Investment

CAFICON M.R.
"CAPACITADORA FISCAL Y CONTABLE HERNÁNDEZ Y ASOCIADOS"

Internation Trade

Ocean Logistics

Flow of Marine Transporation

FCL

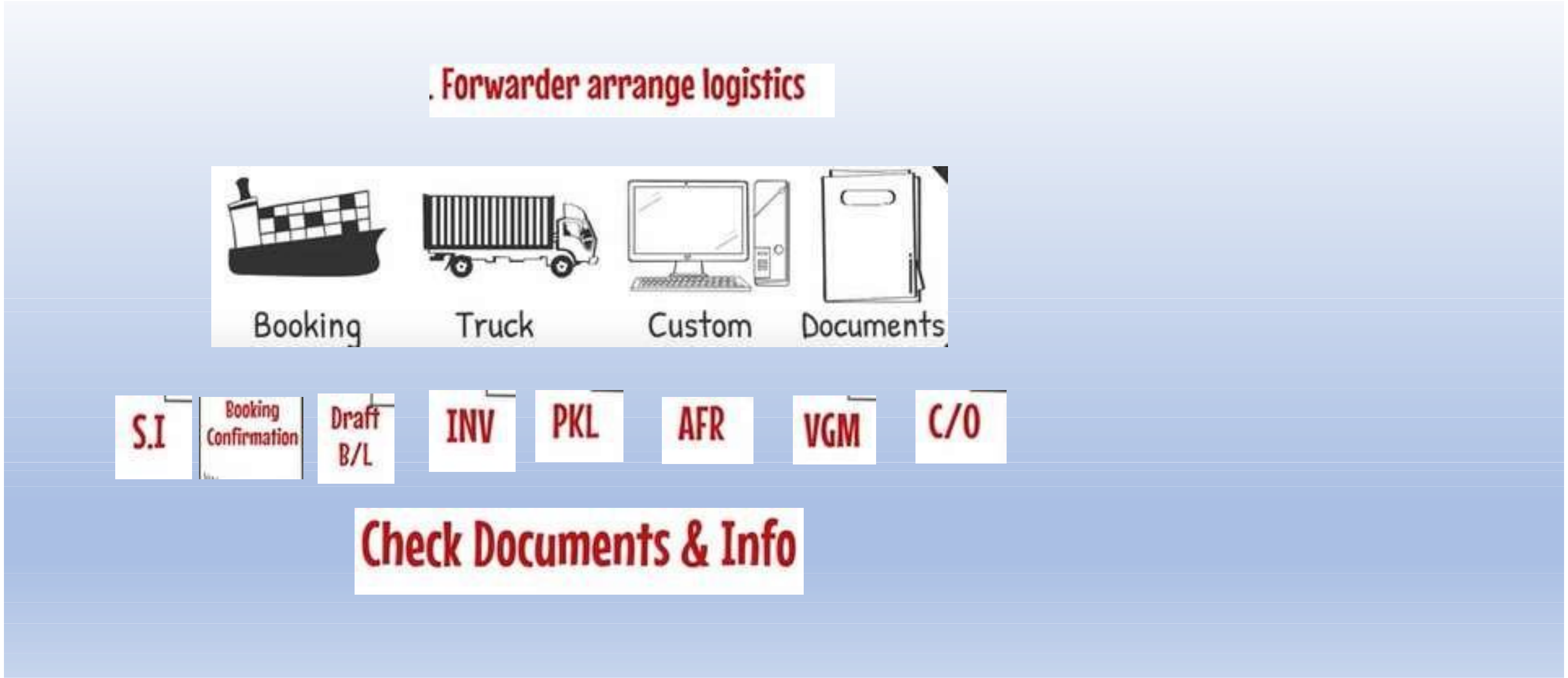
Booking to Forwarder

40'HC x 3
Pick Up: 4th May
POL: BKK
POD:TYO
Cut Off: 5th May

ETD: 7th May
ETA: 19th May
FT: 2 weeks
Direct

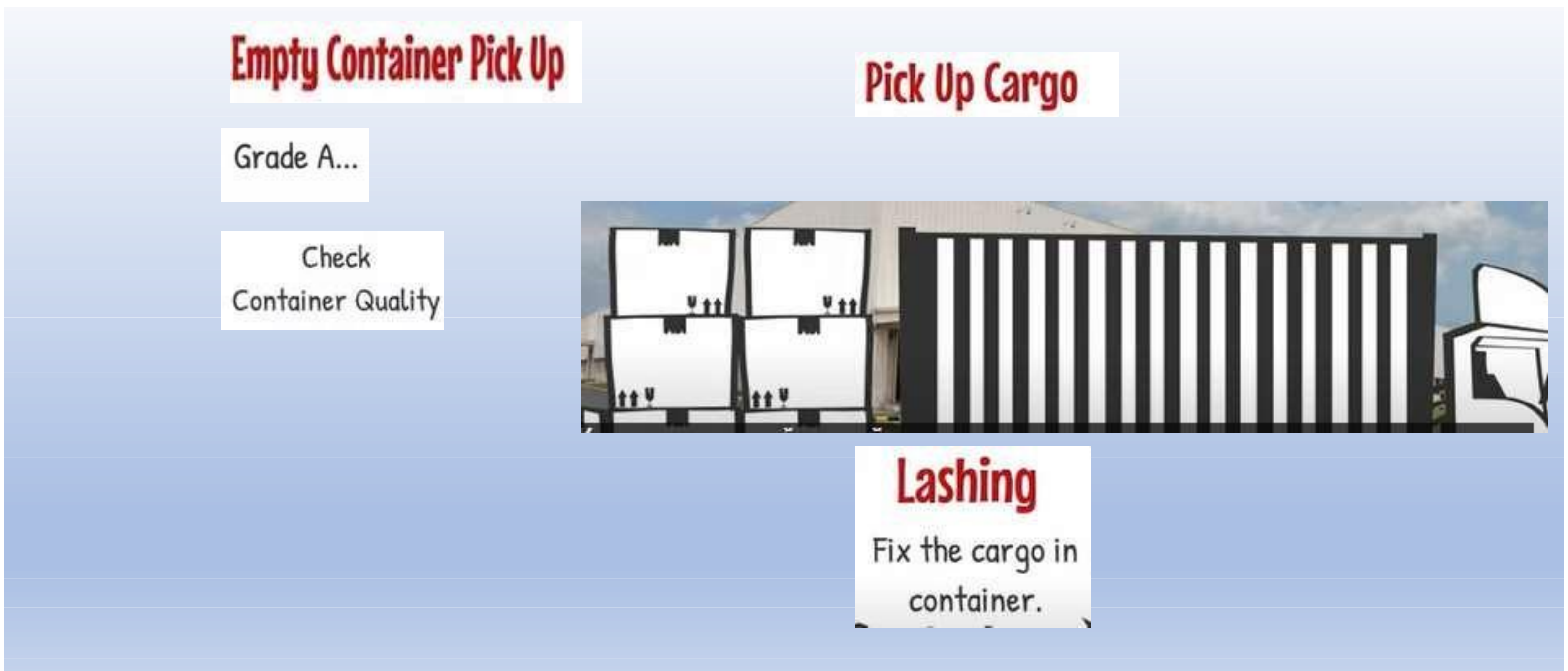
Internation Trade

Comercio Internacional



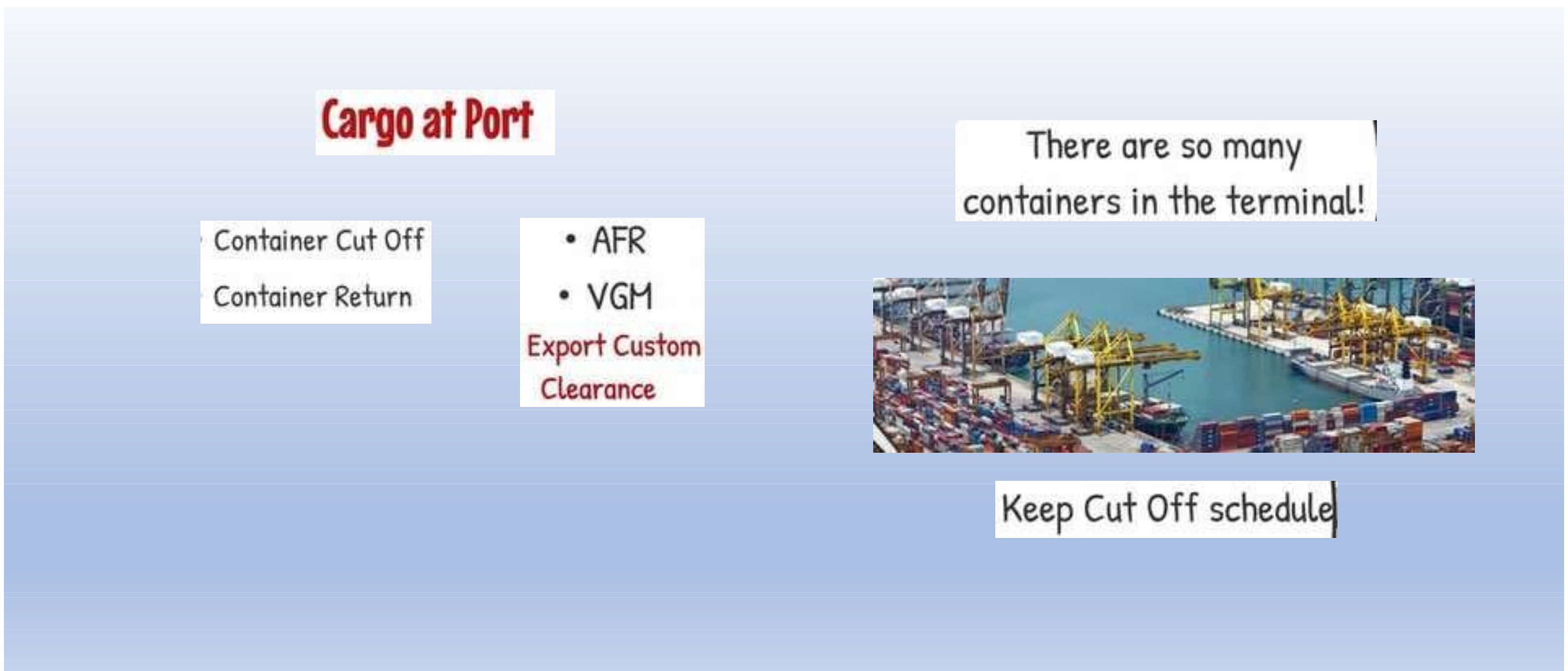
Internation Trade

Comercio Internacional



International Trade

Comercio Internacional



International Trade

Comercio Internacional

Internation Trade

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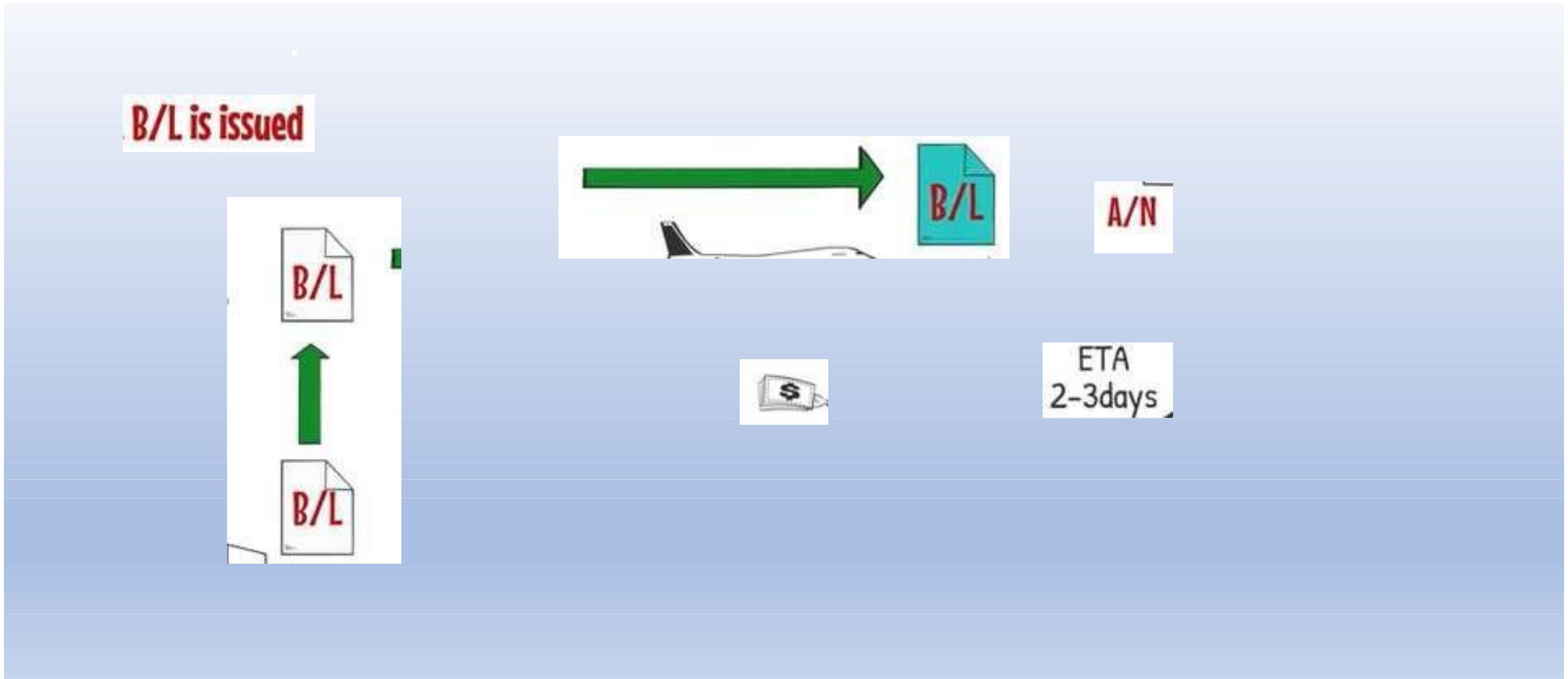

International Trade

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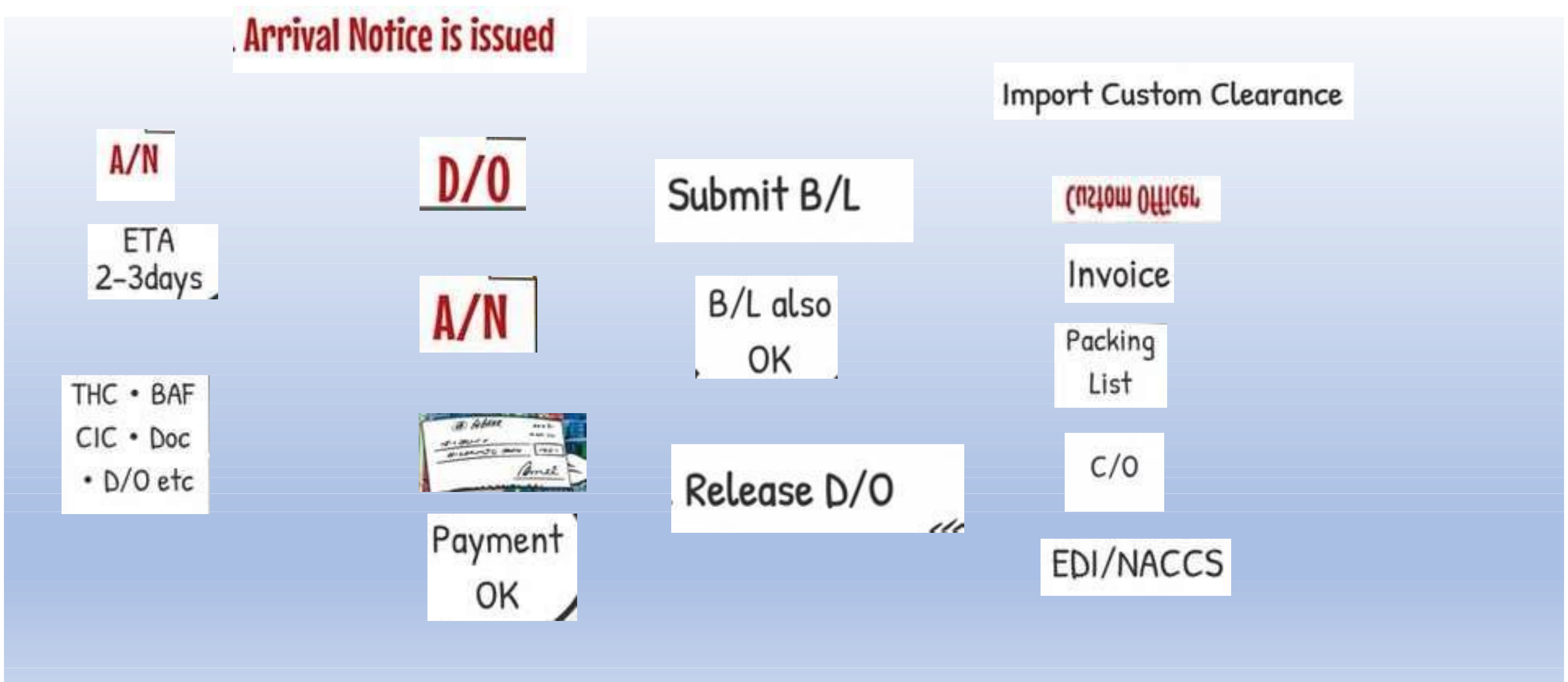

International Trade

Comercio Internacional

Container Relase

Cargo Delivery

OK