

Abstract

This research explores the role of Foreign Direct Investment (FDI) in supporting international trade growth, focusing on how FDI inflows influence trade patterns, market access, and global economic integration. FDI has long been recognized as a key driver of economic development, as it not only brings capital but also facilitates the transfer of technology, management expertise, and access to new markets. This study examines how FDI contributes to the expansion of international trade, especially in emerging and developing economies, and how it shapes trade relationships between countries.

Using a mixed-methods approach, the study combines quantitative analysis of trade and FDI data with qualitative interviews from business leaders, policymakers, and economists. The research assesses the direct and indirect effects of FDI on trade, looking at sectors such as manufacturing, technology, and services. Case studies from different regions illustrate how FDI impacts trade volumes, export diversification, and the integration of local economies into global value chains.

The findings reveal that FDI significantly supports international trade by improving infrastructure, enhancing productivity, and opening up new markets for both host and investor countries. However, the study also identifies challenges, such as the unequal distribution of FDI benefits and the potential for trade imbalances. The paper concludes with policy recommendations to optimize FDI inflows and ensure that they contribute to sustainable and inclusive trade growth.