

Foreign direct investment (FDI) is indeed a kind of investment that businesses, including multinationals, who set up factories and offices there to manufacture or market their goods and services internationally. FDI is a significant component of the global business environment and is particularly important for some countries. In the latter case, instead of constructing one's own manufacturing facility, distribution system, or retail locations, individuals or sometimes even commercial groups spend money in foreign countries by purchasing shares. FDI is meant to secure operational control; it must be distinguished from private investments, which include the purchasing and selling of financial assets.