

# Embassies' role in furthering trade and investment

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## ABSTRACT

In any diplomatic tie, embassies of the concerned countries play a significant role in furthering trade and investment. Trade and investment are the economic benchmarks that impact the stability of the country. In this vein, the diplomatic relations bear a significant role in furthering economic diplomacy in order to sustain the long-term relationships between the countries concerned. Economic diplomacy may be counted in terms of the FTAs, RTAs, other trade agreements; multilateral trade issues followed by the WTO; FDI promotion and investment and other accords; Joint Commissions in the form of business councils and EP groups; Brand image for tourism promotion; Aid and technology transfer and the S & T agreements; Trade promotion networking with business and the linkages with World Bank, IMF, UNCTAD, etc. Countries promote themselves for furthering trade and invite tourists to boost their economy.

## Keywords:

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## INTRODUCTION

In any diplomatic tie, embassies of the concerned countries play a significant role in furthering trade and investment. Trade and investment are the economic benchmarks that impact the stability of the country. In this vein, the diplomatic relations bear a significant role in furthering economic diplomacy in order to sustain the long-term relationships between the countries concerned. Economic diplomacy may be counted in terms of the FTAs, RTAs, other trade agreements; multilateral trade issues followed by the WTO; FDI promotion and investment and other accords; Joint Commissions in the form of business councils and EP groups; Brand image for tourism promotion; Aid and technology transfer and the S & T agreements; Trade promotion networking with business and the linkages with World Bank, IMF, UNCTAD, etc. Countries promote themselves for furthering trade and invite tourists to boost their economy.

Identification of new products and markets is another manner in which the embassies conduct themselves. Embassies must look for areas where the collaborative efforts may be waged in furtherance of the diplomatic ties.

Identification of public-private partnerships (PPPs) in diverse sectors should be prioritized. Implicitly, the areas should be identified where the countries from across the border may bolster trade and investment.

Regulatory environment needs to be monitored from close quarters such that a favorable environment is created for furthering trade and investment. Tariff and non-tariff barriers should be removed to as much extent as it is possible thereby facilitating a congenial environment for trade and investment between the partners. Export promotion may be furthered with the removal of such barriers.

Embassies may also play a significant role in reducing the “conversion rate” as far as the currencies are concerned and this would facilitate the trade promotion and investment opportunities.

Foreign Direct Investments (FDIs) and Foreign Institutional Investments (FIIs) may also be bolstered with the support of the affirmative policies of the embassies.

Another area worth investigation relates to technology transfer between the countries where the companies in the private sector may be supported through funding mechanisms.

Unorganized sector in the economy plays a significant role. Embassies should identify the ways and means of bringing the unorganized sector in the mainstream.

Areas of cooperation should be identified between the trading partners. For instance, if the country A is possessing an expertise in the steel industry and country B is possessed with expertise in the rubber industry, both the countries should forge ahead in identifying areas of mutual interest and cooperation.

In the sphere of aid management between countries where one country is dominant and superior than the other, embassies should endeavor to support the lesser-privileged country in whatever means possible.

Promoting peace in the regions is another area of concern for the embassies.

Embassies should endeavor to create more jobs through bilateral trade and investment.

Finally, in the cultural sphere, the embassies may conceive of plans for furthering cross-cultural learning.