

**Vivekanand College, Kolhapur (Autonomous)**

**Department of BBA**

**Subject- International Business**

**Topic- International Capital Movement**

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# International Capital Movement

## MEANING-

- A relatively capital-abundant country like the United States can export either capital-intensive commodities or export capital itself.
- The conditions of capital-scarce countries require them to either import capital-intensive goods or procure the desired flow of capital from abroad.
- The movement or flow of financial resources from one country to another either for the adjustment of BOP disequilibrium or for expanding the production frontier in a country denotes international capital flow or movement.
- Globalization is a key factor of international capital movement/flow.
- Why we need it?



# Factors Affecting to International Capital Movement-

- *Rate of Interest-*
- *Marginal Efficiency of Investment*
- *Speculation*
- *Foreign Capital Policy*
- *Economic & Political Condition*
- *Tax Policy*