

## **Imran Arif**

**Title:** International Mobility and Economic Complexity: The Role of Business Travel

**Abstract:** This paper explores the role of international business travel in transferring knowledge and enhancing economic complexity, defined as a country's ability to produce high-quality and sophisticated products. While foreign direct investment and trade have traditionally been seen as the primary channels for knowledge diffusion, cross-border movements of individuals—specifically business travelers—are gaining recognition for their role in knowledge transfer. Business travel facilitates the exchange of tacit knowledge, which often requires face-to-face interaction, particularly when the knowledge involved is complex. Using panel data from 113 countries (1995-2020) and a system GMM estimator, the findings show that business travel significantly boosts economic complexity. However, the effect diminishes with increased travel intensity, indicating potential diminishing returns. Additionally, the analysis suggests that democratic institutions enhance the benefits of business travel by fostering the adoption of new knowledge. This paper contributes to the literature by identifying business travel as a key driver of economic complexity, promoting the flow of innovation across borders, especially in a global environment increasingly dependent on the transmission of complex knowledge.