

The Business of Expansion

How international businesses are harnessing growth and building resilience in an uncertain world



Introduction

Even against today's uncertain backdrop, businesses continue to see overseas expansion as a critical driver of growth. However, global uncertainty is reshaping expansion plans, as businesses increasingly look to strike a balance between stability and opportunity.

That message came through clearly from a new HSBC study of 2,700 businesses that have either expanded overseas in the past two years or have plans to do so in the near future.

This survey focuses on companies with annual turnover of USD50 million to USD2 billion, offering new insights into the goals, drivers and strategies of this group of internationally-minded businesses.

Based on responses from 18 markets, the study found that expanding into new markets remains a core strategic objective for ambitious decision-makers. While recent upheavals in global trade and geopolitics have forced some businesses to delay their plans, many more are accelerating their expansion. These businesses are not waiting for conditions to return to a previous steady state; they are taking action to seize new opportunities and position for the future.

For those looking to navigate the challenges of overseas expansion in the current environment, regional corridors and stable economies are seen as the most attractive opportunities.

Economic, regulatory and financial challenges rank among the top barriers to overcome. In response, businesses are deepening their use of partnerships and exploring new technology tools, including artificial intelligence (AI) to prepare their expansion plans and reduce execution risks.

This report offers practical insights into how international businesses are adapting their expansion plans, highlighting five themes:

- 1. Expansion ambitions** – An urgent priority
- 2. Corridors** – Diversification in action
- 3. Drivers** – Momentum with stability
- 4. Barriers** – Coping with uncertainty
- 5. Tools for success** – AI and partnerships as enablers



1

Expansion ambitions



An urgent priority

International expansion remains a critical strategic focus for businesses navigating today's shifting trade landscape.

Over three quarters (77%) of the 2,700 respondents in our survey have plans to expand overseas in the next two years. Appetite for expansion is especially pronounced among respondents in high-growth markets, including Mexico, Southeast Asia, the United Arab Emirates (UAE) and India. Developed markets, however, are no exception: UK businesses also rank among the most expansion-minded.

Far from dampening global ambitions, changing market conditions — including tariff barriers — are pushing businesses to diversify their operations.

Our study underscores the urgency: almost half of the businesses in our sample (48%) report that tariffs have hastened their international expansion plans, while just one in five (20%) say they have held back as a result.

This sense of urgency is particularly pronounced in emerging Asia, where businesses have been grappling with shifts in global supply chains as a result of tariff uncertainty. The US in 2025 announced high tariffs on imports from many countries in South and Southeast Asia, triggering a period of prolonged uncertainty with negotiations ongoing throughout much of the year.



Across our global network, we are seeing a decisive pivot in boardroom thinking, with businesses increasingly viewing geographic diversification as a hedge against trade uncertainty rather than a casualty of it."

Vivek Ramachandran,
Head of Global Trade Solutions,
Corporate & Institutional Banking, HSBC

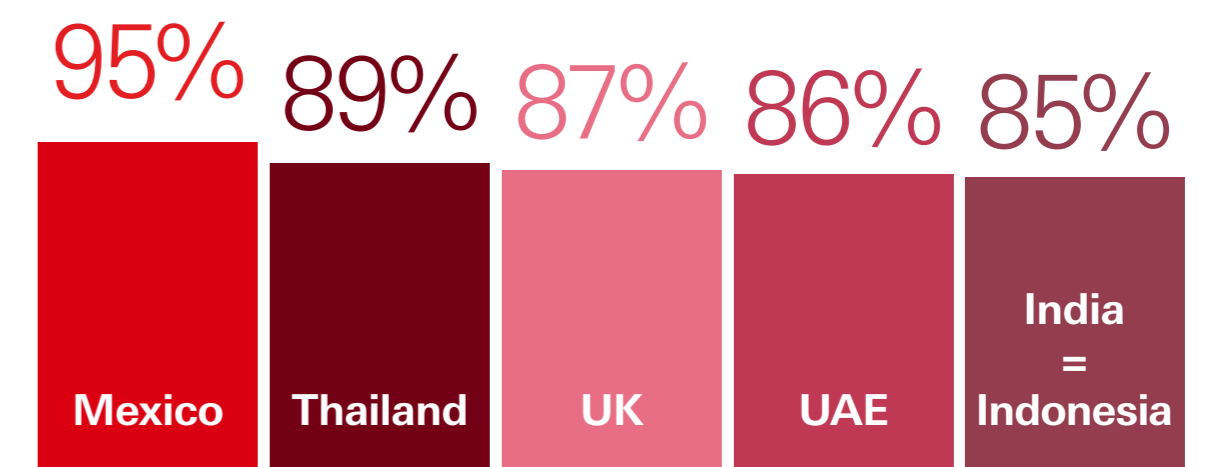
While tariffs have complicated international expansion for many businesses, they have not derailed it. Notably, our study found that a majority of US businesses remain enthusiastic about overseas growth.

Across all sectors, technology, media and telecoms (TMT) companies are most likely to harbour international ambitions, with 81% looking to expand in the next two years. This speaks to the growth mindset of many technology companies amid a global race to capture market share for new technologies, including artificial intelligence (AI). Four in five conglomerates and commercial real estate businesses are also looking overseas, indicating continued confidence in international business models in those sectors.

Which of the following best describes your organisation's international expansion plans in the next two years?



Top five markets with plans to expand overseas in the next two years



2

Corridors



Diversification in action

Asian markets and regional trade corridors have moved firmly into strategic focus as businesses respond to evolving global trade dynamics.

Of the businesses with plans to expand overseas in the next two years, 85% are targeting opportunities in Asia Pacific. At a time of geopolitical tensions and rising trade barriers, this confirms Asia's enduring appeal for ambitious businesses. Asia Pacific is also prominent in the ambitions of US-headquartered companies: 60% are now targeting Asia Pacific for expansion over the coming 24 months.

Singapore is the leading destination, ranking as the most desirable market across 22 possible responses. This underscores the city's appeal as a gateway to opportunities across Southeast Asia and as a sophisticated corporate centre – it is the world's third-largest foreign exchange trading centre, for example.¹ Malaysia and Australia are also gaining traction among regional businesses as trade ties deepen and supply chain linkages strengthen. Both are parties to the ASEAN, Australia, New Zealand Free Trade Agreement, which was upgraded in 2025 following negotiations two years earlier.²

Businesses in Asia Pacific are overwhelmingly focused on regional expansion, with Southeast Asian markets ranking as the top targets for businesses based in mainland China, Malaysia, Australia, Korea, Japan, Indonesia, Philippines, Singapore and Thailand.

Businesses in mainland China are looking south, with Singapore, Australia and New Zealand ranking high on the list of target markets. This tallies with recent trade deals: the ASEAN-China Free Trade Area was expanded with version 3.0 in October 2025.

Other regions tell a similar story. European-headquartered companies are also prioritising opportunities closer to home. Businesses in France and Germany are especially focused on continental Europe. In the Americas, Canada and Mexico both feature prominently as expansion targets for US businesses, while Mexican businesses are also prioritising the US, highlighting the growth of near-shoring strategies in the region. The US-Europe corridor also remains active: the US is by far the top target for UK businesses over the next two years, while Europe also features among the top targets for businesses in the US and Mexico.



¹ <https://sbr.com.sg/economy/news/singapore-emerges-third-largest-fx-hub-trading-hits-189t-in-2025>

² <https://asean.org/entry-into-force-of-the-second-protocol-to-amend-the-agreement-establishing-the-asean-australia-new-zealand-free-trade-area-aanzfta/>

Expansion patterns differ across sectors. Australia is the top expansion target for the energy, materials and power sector, while New Zealand ranks top for healthcare, with 26% of respondents eyeing opportunities there. Singapore ranks first among consumer businesses, underlining its attraction as a springboard to opportunities across Southeast Asia.

Professional services businesses are also increasingly drawn to this region: Singapore and Malaysia are equally popular targets, with 19% looking to expand in each country, ahead of Australia (18%) and Japan (14%).



Asia offers multiple pathways for diversification and access to a growing customer base. This region is central to the efforts of international businesses to de-risk supply chains or enter new markets.”

Jo Miyake

Head of Banking, Asia and Middle East and Interim Head of Banking, Europe and Americas

Top targets for expansion by market of headquarters

		1	2	3
EMEA	France	● EU (23%)	● Singapore (23%)	● Mainland China (18%)
	Germany	● EU (56%)	● Singapore (17%)	● Canada (17%)
	UAE	● Singapore (27%)	● EU (22%)	● Canada (19%)
	UK	● US (35%)	● Canada (25%)	● EU (19%)
Americas	US	● Canada (30%)	● EU (27%)	● Mexico (22%)
	Mexico	● US (23%)	● Australia (21%)	● EU (20%)
Asia Pacific	Australia	● Malaysia (32%)	● New Zealand (32%)	● Singapore (21%)
	Hong Kong	● Mainland China (30%)	● Singapore (23%)	● New Zealand (21%)
	India	● Australia (24%)	● EU (24%)	● Middle East (23%)
	Indonesia	● Malaysia (30%)	● Japan (23%)	● Hong Kong (23%)
	Japan	● Malaysia (20%)	● EU (18%)	● Mainland China (18%)
	Mainland China	● Singapore (26%)	● New Zealand (24%)	● Australia (23%)
	Malaysia	● Thailand (25%)	● Indonesia (24%)	● Australia (23%)
	Philippines	● Singapore (28%)	● Australia (23%)	● Hong Kong (17%)
	Singapore	● Australia (27%)	● Malaysia (27%)	● Mainland China (20%)
	South Korea	● Singapore (26%)	● Hong Kong (16%)	● Japan (14%)
	Thailand	● Malaysia (31%)	● New Zealand (27%)	● Singapore (26%)
	Vietnam	● South Korea (39%)	● Japan (19%)	● Singapore (13%)

● EMEA ● Americas ● Asia Pacific

3

Drivers



Momentum with stability

Deciding when and where to expand is an important strategic decision for any business. While motivations will depend on the unique circumstances, our study highlighted two common drivers: growth and resilience.

The search for growth is the primary catalyst for expansion globally, with 38% of businesses identifying international ambitions as one of their top three drivers. International expansion is seen as a means to access new markets and new customers, ultimately contributing to commercial success.

Supply chain management ranks a close second, selected as a top three driver by 35% of respondents. Businesses headquartered in mainland China, Hong Kong and Japan are the most likely to be looking overseas to support their operations, reflecting the acute operational pressures created by shifting trade policies across Asia.

At a sector level, consumer businesses are disproportionately focused on supply chain resilience, while TMT firms are predominantly motivated by growth. This reflects the consumer sector's elevated exposure to supply chain disruptions as a result of trade policies or geopolitical frictions, while highlighting the tech sector's continued focus on expanding user numbers and revenues ahead of profitability. For healthcare companies, human resources are a primary driver, underscoring the sector's dependence on skilled workers when entering new markets.



When it comes to selecting where to expand, businesses are looking for the right combination of stability and opportunity. Economic stability is the number one attraction for businesses when evaluating new markets, selected as a top three factor by 25% of respondents. In an unpredictable world, this underscores a focus on risk management as businesses look to balance growth and resilience.

For professional services firms, access to a skilled workforce is equally decisive, while conglomerates and consumer businesses tend to prioritise market size and growth potential. The state of technology and infrastructure readiness is a key factor for the TMT sector.

Notably, cost considerations and tax incentives rank lower in the decision matrix, suggesting that businesses are prioritising long-term market fundamentals over short-term financial incentives.

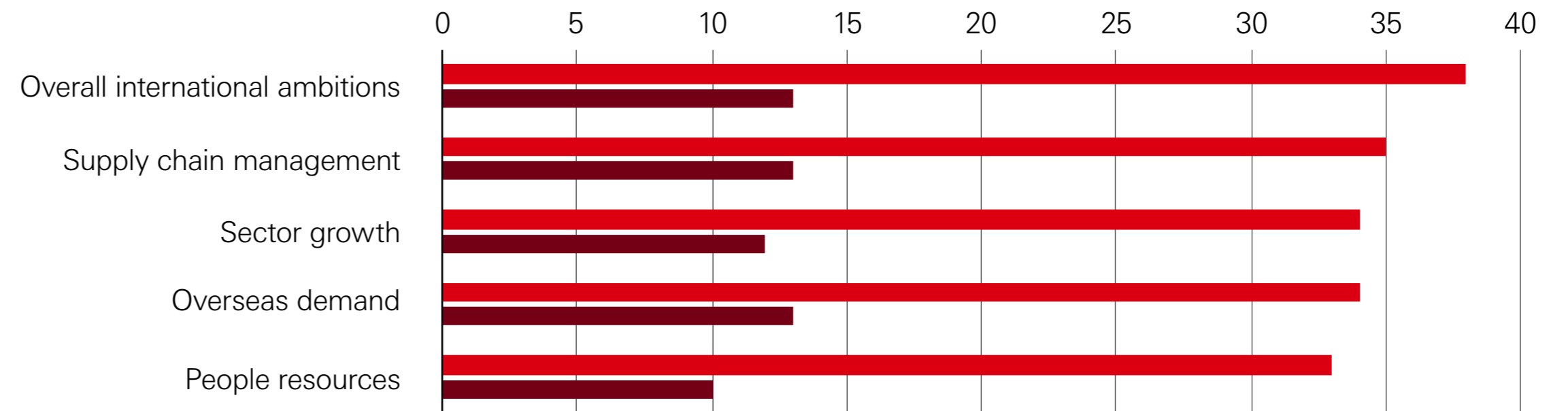


Expanding overseas is not just about chasing new revenues. Many businesses see expansion as a source of stability, diversifying their international presence to shore up their supply chains or build resilience against future shocks.”

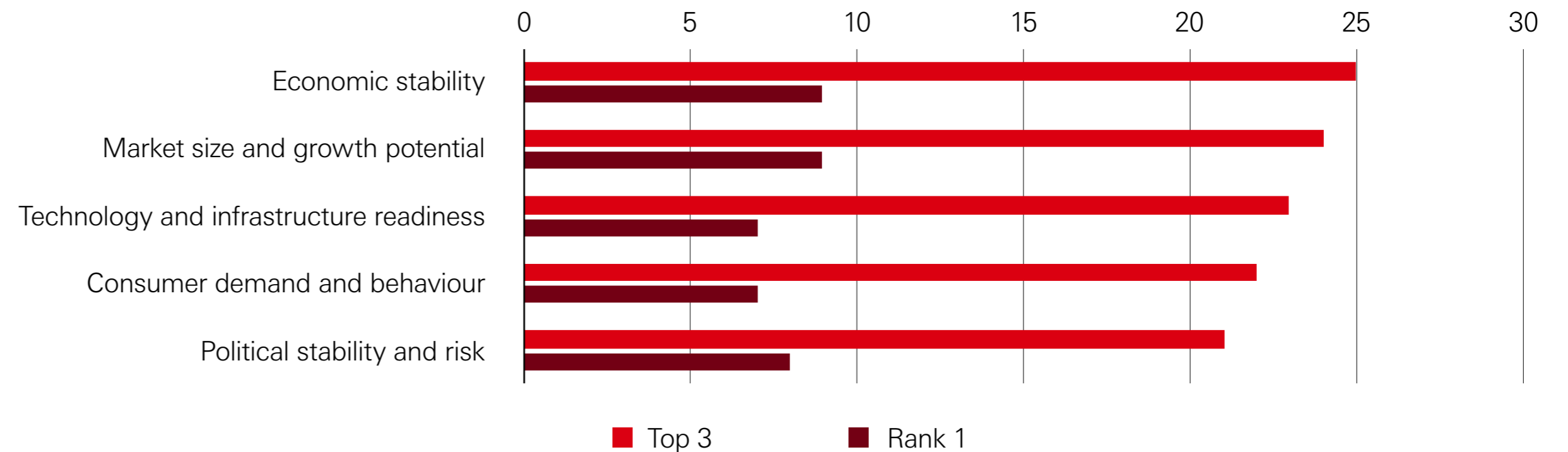
Jo Miyake

Head of Banking, Asia and Middle East and Interim
Head of Banking, Europe and Americas

What have been the main triggers for your organisation’s international expansion in the past or in your future plans?



What are the key factors your organisation considers when deciding which new market to expand into?



4

Barriers



Coping with uncertainty

The uncertain global environment is a challenge for businesses with international ambitions, and many are looking for greater clarity to make strategic decisions with confidence.

Economic conditions represent the single biggest obstacle, cited by 35% as a top three barrier to expansion. Regulation and trade policy is a primary concern for 34%, as are political factors, reflecting the impact of uncertainty.

This echoes the findings of our most recent [Global Trade Pulse survey](#), which highlighted the strategies businesses are adopting to respond to ongoing uncertainty.

These barriers are not uniform across sectors. While transport and industrials businesses and conglomerates see trade and regulatory complexity as the top constraint, professional services and TMT firms are relatively less concerned, reflecting their reduced exposure to the trade of physical goods.

Financial challenges present a separate but significant layer of complexity. Access to appropriate banking services is an important consideration for businesses expanding internationally, and this challenge is particularly acute in mainland China and Hong Kong, where businesses are often dealing with cross-border payments and different regulatory regimes, and are looking for

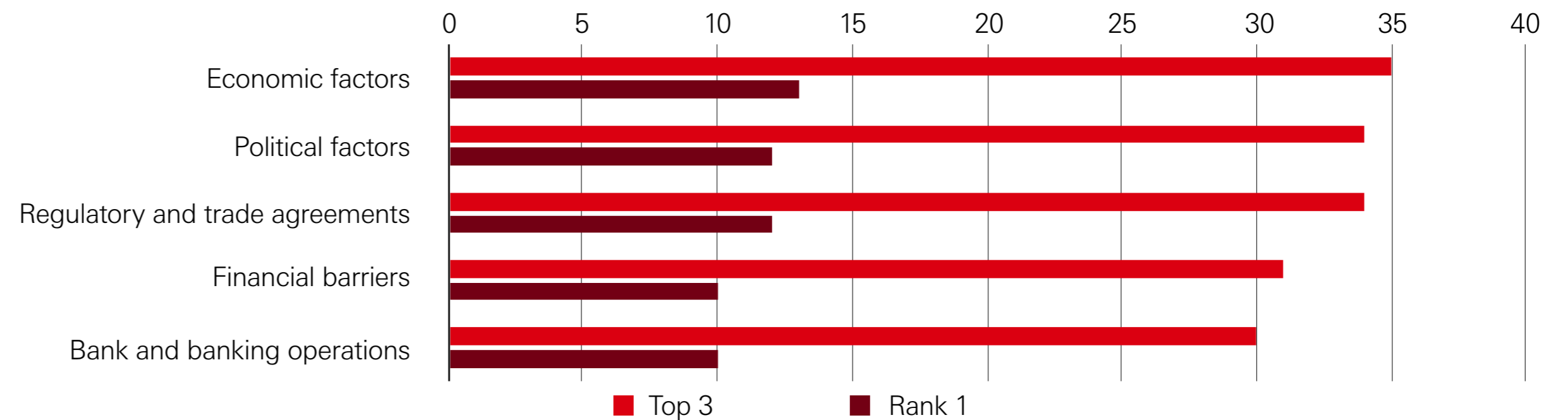
real-time visibility and reporting across multiple accounts, currencies and entities. Diversified conglomerates and TMT businesses also see banking operations as a major friction — a reminder that even mature and well-funded companies face structural obstacles when it comes to integrating new markets.



Uncertainty can no longer be dismissed as a temporary disruption, it has become a structural feature of the international business environment. Ambitious businesses continue to see international expansion as a tool for growth and operational resilience, and are increasingly looking for a deeper understanding of the target market to support their strategic decisions.”

Noor Adhami
Head of Global Network Banking,
Corporate & Institutional Banking, HSBC

What do you consider to be the most common barriers to international expansion for your organisation?



5

Tools for success



AI and partnerships as enablers

As businesses expand into new markets, they are collaborating with partners and leveraging technology to overcome obstacles and facilitate growth.

Organic growth is the most popular strategy for international expansion, with a focus on new customer segments ranking ahead of new products or new distribution channels. Nearly half of businesses (47%) identify partnerships — spanning joint ventures, strategic alliances and franchise arrangements — as their preferred route into new markets, compared to just 26% considering mergers and acquisitions. This reflects a preference for collaborative, lower-risk entry strategies in an uncertain environment.

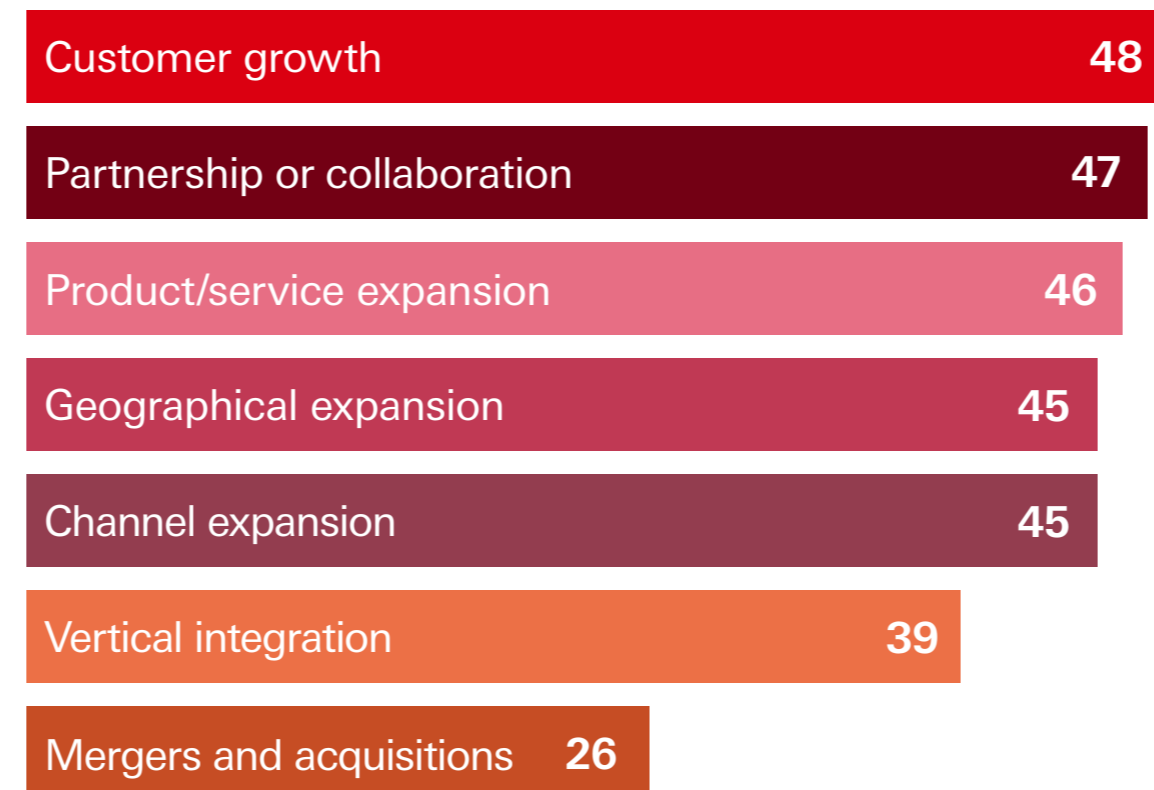
Technology is playing an increasingly prominent role in how businesses navigate expansion decisions. Some 41% now use AI tools as a primary source when researching new markets, with decision-makers drawing on an average of 3.1 AI tools when evaluating potential partners. The reliance on digital and AI-driven research is particularly pronounced among mid-market enterprises, while larger organisations are more likely to complement online sources with consultants and in-market visits.

The importance of technology shows up throughout our survey. The state of technology and infrastructure readiness is a top-three factor in the choice of markets for expansion,

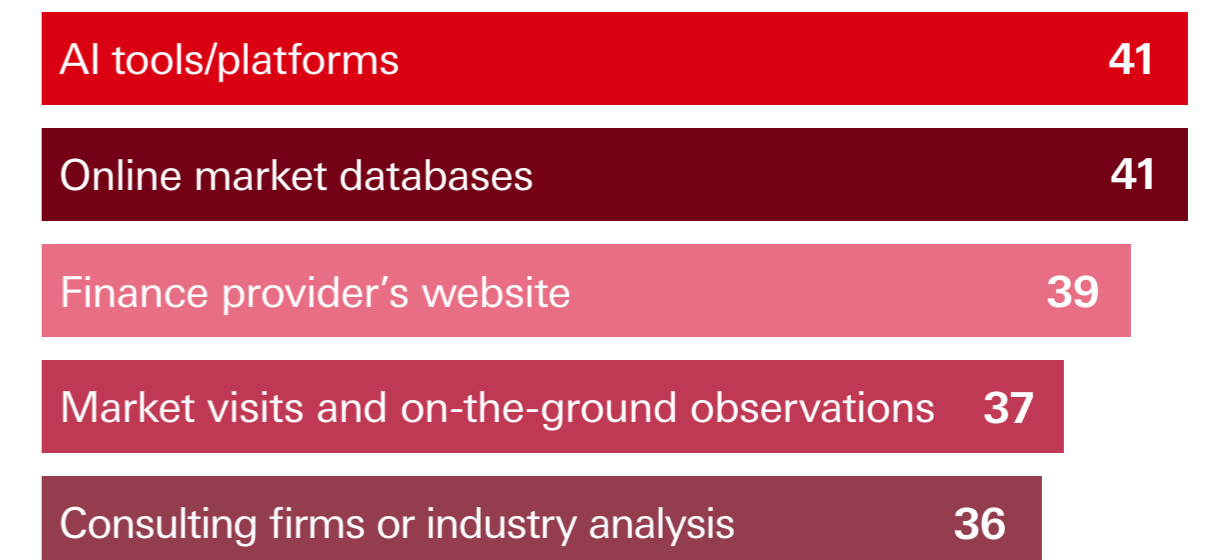
ranking ahead of customer demand. This underscores the growing significance of digital infrastructure for businesses looking to expand overseas.

At the same time, a relatively low 26% of businesses in our survey see technological barriers as a hurdle to their international expansion. With new AI offerings coming online at a rapid pace, ambitious businesses overwhelmingly view technology as a tool for growth.

What is your company's main model(s) for expansion?



Primary sources of information when researching and selecting market expansion



Technology is a critical part of every business decision – and international expansion is no different. Businesses everywhere are leveraging new tools, including AI, to shape their strategic plans and reduce operational risks. As they explore new markets, this can translate to a powerful competitive advantage.”

David Rice
Chief AI Officer, HSBC

Conclusion: Seizing the initiative

In an uncertain world, our study provides real evidence that international growth remains a strategic priority for ambitious businesses. Decision-makers continue to see overseas expansion as a way to grow revenues and target new customers, contributing to overall commercial targets.

Resilience is also a powerful motivator. In an uncertain geopolitical climate, many businesses are looking overseas to broaden their customer base or make their supply chains more resilient.

Risk mitigation is a theme for international expansion, too. Rather than pursuing growth at all costs, businesses are prioritising stable economies and nearby markets. Regional expansion is emerging as a key trend.

International businesses are also leveraging technology and partnerships to navigate new markets and ease the frictions of venturing overseas. This includes a widespread adoption of AI tools, often complemented by expert advice.

Despite the uncertain backdrop, our study shows that businesses are not waiting for trade conditions to stabilise before taking action. International growth is being treated not as an option, but as an urgent strategic priority and uncertainty is the new normal.



HSBC: Your global relationship manager

Wherever you are on your international journey, HSBC is ready to partner with you to unlock your international growth ambitions. Our sector expertise, local market knowledge, and tailored solutions can help you navigate complexity, accelerate expansion, and achieve your strategic goals.

HSBC Global Network Banking serves headquarters and subsidiaries in over 50 markets, delivering a holistic global banking experience anchored by one network. Our local expertise – with an on-the-ground presence in many of the growing regional corridors featured in this report – allows us to respond to changing market conditions and support your cross-border financial requirements as they evolve.

In Southeast Asia, for example, HSBC has established dedicated China and ASEAN corridor specialists in Singapore to enable seamless cross-border flows for international corporates. The bank has dedicated China desks in more than 20 countries, including Australia, where it is the only international bank

offering integrated multi-currency pooling across AUD, NZD, USD and RMB.

Across our global network, we act as a trusted banking partner to international businesses, offering cross-border payments and cash management solutions while integrating easily with their existing technology infrastructure. Our treasury solutions support digital automation across multiple markets, with easy API connectivity and seamless integration with our clients' existing ERP and accounting systems.

If you're looking to grow your operations in new markets, our global relationship managers can help connect you to opportunities. Discover how trading in or with these destinations could help you boost the growth of your business, with insights into the economy, infrastructure, culture and more.

Speak to your Relationship Manager or visit our Corporate & Institutional Banking website to explore how we can support your journey.

Methodology

This study, a mix of quantitative and qualitative methods, took place over a period of 18 months across 18 markets, concluding in Q1 2026, and was conducted by Intuit Research. This study is not a product of HSBC Global Investment Research.

The quantitative survey comprised 2,703 financial decision-makers who expressed plans to expand to new markets in the next two years or had done so in the past two years. All respondents represented businesses with annual turnover between USD50 million and USD2 billion across a mix of sectors, including: consumer; technology, media and telecoms; energy, materials and power; healthcare; commercial real estate; transport and industrials; conglomerates; professional services; and institutions. Responses were collected in December 2025 and January 2026. The sample was spread equally across all markets with at least 150 responses from each of the following: Australia, Mainland China, France, Germany, Hong Kong, India, Indonesia, Japan, Malaysia, Mexico, the Philippines, Singapore, South Korea, Thailand, Vietnam, the UAE, the UK and the US.

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