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US businesses?' canvassed the views of 250 US-based C-Suite Executives to explore the motivations and challenges of US-headquartered multinationals in taking their ...

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Respondents were asked into what regions their organizations had invested in the last two years, as well as where they planned to invest in 2017/18.

- The results showed that the developed economies of **Northern and Western Europe** (including France, Germany, the UK and Ireland) as well as **the rest of North America** (i.e. Canada) remain the most favoured destinations for investment over the next two years for half of the businesses surveyed, though that represents a notable decline from even higher investment activity levels over the preceding two years.
- Despite the FDI downturn, the emerging markets of **South America** also remain a destination of choice for over a third (36.4%).
- However, a significant uplift in interest was recorded for **Australia and New Zealand, potentially a precursor for resurgent sentiment toward the Asia Pacific (APAC) region** with 9.2% more respondents saying that they would invest in the region over the next two years than had done over the last two years.
- A smaller increase (+3.2%), but still one that bucked the global downward trend, was also recorded for **Eastern Europe**, where a number of markets are emerging as nascent innovation and technology hubs

In addition, the survey asked what motivated US-businesses to explore new foreign markets and what challenges they had faced.

- The most common motivators were to **open new markets and gain market share** (45.6%) and **expand existing operations** (42%). However, just over a quarter were looking for new resources to enhance their business: to find **new talent and skills** (28.8%) and **new sources of capital** (26.8%).
- Having entered a foreign market, there was some uniformity across respondents in the challenges they faced. Getting the business established with **banking and accounting records** (31.6%), **identifying premises and/or a process agent** (31.2%)

and selecting and incorporating the right entity type (30%).

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TMF Group, said: "It's encouraging to note that, while overall outbound FDI may drop slightly, US-businesses are still actively exploring new markets to pursue their corporate growth.

"After all, the world is full of business opportunities; new markets to enter, new demand to satisfy. Companies are only limited by their ambition."

He continued: "Of course, the challenge of getting established in a new market will be more or less complex according to jurisdiction: everything from selecting and incorporating a new entity, establishing banking and accounting processes and records to complying with local data protection laws. Detailed market knowledge is vital."

Reflecting on their experiences respondents were asked if they could give a peer – considering international investment or expansion – one piece of advice, what it would be.

- More than a third (36%) stressed **the importance of research and pre-planning:** to be clear on your reasons for investment or expansion and to thoroughly investigate and understand the territories political, economic, social and legal landscape.

Diaz concluded: "The importance of local knowledge when entering a new market cannot be underestimated. Whether you are looking to extend or enhance existing operations or looking for new opportunities, it is important to fully understand the local complexities of any given market to make sure your operations are – and remain – fully compliant with what could be a rapidly changing regulatory landscape."

To find out more about TMF Group and to download the full report: [tmf-group.com/venturefurther](https://tmf-group.com/venturefurther).

TMF Group will also host a webinar on the Venture Further study and the trends

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