

press release

Standard Chartered research reveals companies in Europe and Americas identify Asia Pacific as priority market for international expansion

European and Americas Corporates Prioritise Regions Close Home for Growth in a Time of Uncertainty but Expansion into New Markets Remain Key with Asia Pacific Ranked Top

1 September 2020, London, New research¹ published today by Standard Chartered Bank reveals that while corporations in Europe and the Americas are prioritising their home regions of Europe (84%) and North America (74%) as a source of growth, Asia Pacific (55%) remains a target for their international expansion strategies. Other regions of interest include Latin America (38%), Middle East (32%) and Africa (17%)*.

The survey, which delves into CFOs' and treasurers' ambitions, concerns and goals reflected how the COVID-19 pandemic has reshaped many organisations' operating and strategic priorities. Over half (51%)* were worried about its impact on growth outside the home region. This was also indicative in how the top liquidity management challenges identified was supply chain failure.

The most significant perceived challenge to expansion is the ability to understand and comply with local regulations (32%), and technology companies (52%) were most concerned compared to other sectors.

When it comes down to financing international growth, Equity Capital Markets (76%)* were the preferred choice of funding. Alternatively, 44% of respondents from the Americas were inclined to use cash from across the business for funding, compared with 39% amongst Europeans. Likewise, use of venture capital, such as private placements, was more common, with a more established private placement market in the United States than Europe.

Almost one-third (32%) of respondents noted that their top supply chain priority was to diversify their supplier base beyond their home market. This was followed closely with the need to digitise trade (28%). The lowest priority noted within the trade and supply chain priorities outside the home market was environmental, social and governance (ESG) criteria and sustainability issues. Only two percent nominated it as their top supply chain priority, and 18% identified it within their top three priorities. This could be down view that responsibilities for ESG lie elsewhere in the organisation, or that ESG and sustainability objectives are inherent in the business culture.

¹ [Borderless Business: Grow in the fastest growing markets](#). See Notes to Editor for further detail.

Tracy Clarke, Regional CEO of Europe and Americas, Standard Chartered Bank, said:
“During what is a challenging time for corporations all over the world, expansion into new markets remains a key way for corporations of all sizes and industries to diversify and grow their business, both through new customer and supplier relationships.

“This research has shown, by exploring ambitions, concerns and priorities, how the COVID-19 pandemic has reshaped plans for today and the future, and with it, the knock-on impacts for liquidity, trade and even digitisation. What is clear though is that significant opportunities remain.”

Mike Vrontamitis, Head of Trade for Europe and Americas, Standard Chartered Bank, said:
“International trade is a cornerstone of companies expanding their client base and increasing the resilience of their supply chains by diversifying outside of their home market creating prosperity and jobs.

“In a world where resilience is more important than ever companies are focusing on managing foreign exchange volatility as well as digitisation and vertical integration of their supply chains. It is no surprise given the increased geopolitical tensions that companies are also highlighting the need for local advice from experts. It is disappointing to see how few companies have ESG issues as a top priority given the opportunity of a ‘green’ recovery.”

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Notes to Editors

*top three ranked

About the report

The research was conducted between 25th May – 5th June 2020. Three hundred respondents participated, equally split between Europe (UK, Ireland, France, Germany, Turkey, Sweden, Denmark, Finland, Norway) and the Americas (US, Canada, Brazil). Responses were restricted to:

- CFOs and finance directors (30%) and regional/ global treasurers (70%)
- \$500m turnover upwards, of which 28% had a turnover above \$1bn
- Non-financial corporations. Manufacturing (19%) and healthcare (14%) and technology (10%) were the biggest industry participants.

About Standard Chartered

We are a leading international banking group, with a presence in 60 of the world's most dynamic markets and serving clients in a further 85. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

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