

Europe Business Expansion Opportunities

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For growing businesses, the UK and Europe offer an attractive blend of opportunity and stability. How can international businesses expand with confidence in this mature and diverse region?

The UK and Europe are firmly on the radar for ambitious international businesses. At a time of global uncertainty, the region is capturing attention among businesses looking for the right balance of growth and stability.

A recent HSBC survey of 3,000 business leaders underlined the appeal, with both the UK and continental Europe ranking among the top three regions seen as rising in economic importance over the next five years.

There are plenty of attractions for new entrants. The UK hosts one of the world's leading financial hubs, as well as a thriving tech and fintech ecosystem, while Europe offers multiple entry points to the world's largest single market, home to around 450 million consumers and 32 million companies.¹ The powerhouses of Germany, France and the UK all rank among the world's seven biggest economies.² And there are opportunities elsewhere, too: Spain was the fastest-growing of the European Union's big four economies in 2025.³

Opportunities are as diverse as the region itself. From pharmaceuticals and luxury goods to advanced technology, the UK and Europe boast established supply chains and specialised talent, as well as mature legal systems and dependable infrastructure.

Despite global uncertainty, international investment is rising. Foreign direct investment (FDI) rose 56% in the European Union in 2025⁴. Greenfield investment into the UK has increased around 40% from pre-pandemic levels.⁵

A separate HSBC study of mid-market businesses shows how the UK and Europe are benefiting from the rise of near-shoring strategies as internationally ambitious businesses adapt to a changing geopolitical landscape.

In this segment, European-headquartered companies are prioritising opportunities close to home, with businesses in France and Germany especially focused on continental Europe, ranking it their top expansion target. German, Indian and US businesses are the most likely to be targeting expansion in the UK, while Europe is a top-three target for businesses in France, Germany, the UAE, the UK, the US, Mexico, India, and Japan.⁶

On a sound financial footing

For expanding businesses, the UK's world-class financial sector is a market opportunity and a source of support. It is the world's leading exporter of financial services,⁷ and the world leader in foreign exchange activity, with a share of 37.8% of global turnover.⁸ The UK is also Europe's leading centre for capital markets finance for companies.⁹ Debt issuance in London totalled USD1.1 trillion in 2025, the highest since 2008.¹⁰

World-leading science and tech clusters in cities such as Cambridge and Oxford,¹¹ coupled with a time

zone that enables trading with both Asia and the Americas, add to the appeal for business expansion. Fintech investment has been especially strong. In 2025, the UK was the world's second-biggest destination for inbound fintech investment, with USD3.6 billion raised.¹²

Europe, meanwhile, offers complementary strengths across a wide range of sectors.

Germany, for example, is looking to increase digitalization in manufacturing under the government's Manufacturing-X initiative.¹³ Green technology is also a priority, accounting for more than 8% of German exports in 2023.¹⁴

France, meanwhile, leads the world for foreign investment in data centres, having attracted USD69 billion in the first nine months of 2025.¹⁵ The country's 2030 plan provides many incentives for high-growth sectors, including artificial intelligence, quantum computing and green technology.¹⁶

In the Netherlands, Europe also boasts a leading logistics hub and a location where global supply chains meet, making it an ideal location for companies considering international expansion.

Funding growth without starving the business

Capturing opportunities in these developed markets means striking a careful balance between funding expansion efforts while also maintaining sufficient liquidity across the company's existing operations.

Treasury management can be a challenge in today's economic landscape. HSBC's latest Global Trade Pulse Survey found that 62% of respondents saw working capital needs increase in 2025. Geopolitics and shifting trade policies are upending supply chains and disrupting logistics, forcing companies to hold more inventory, while delays in sourcing components or delivering products feed through to longer payment cycles.

Expanding in this environment requires robust cash flow projections and liquidity management. Embedded trade processes, integrating finance and logistics into corporate systems, can provide greater real-time visibility and consolidated reporting. Where capital investment is required, working capital financing and bank guarantees may also be necessary.

Here are three ways to mitigate some of the most common hurdles to business expansion in the UK and Europe:

Regulatory requirements can vary across the UK and Europe, creating additional complexity for companies looking to enter the region. Governments, however, are keen to promote solutions. The UK has launched a Regulation Action Plan to tackle complexity,¹⁷ while Germany and France are leading a European bureaucracy initiative.¹⁸

Business entering a new market can look to reduce friction and also ensure they are accessing any relevant government or regulatory initiatives intended to ease market entry by partnering with institutions that have a track record in navigating this complex regulatory landscape.

Mature European markets come with an established set of incumbents. It is often through product quality and design that new entrants to a market may seek to differentiate themselves, but what goes on behind the scenes can be just as important.

Operational efficiencies – including faster payments, working capital, or centralised processes – can translate to a powerful competitive edge.

Research shows that differences in business culture can cause sharp divisions even between

continental European neighbours, such as France and Germany.¹⁹ While new market entrants will be keen to leverage their existing methods, support from an experienced local partner can boost the acceptance and adoption of new products and services.

Addressing common pain points

In the current environment, businesses are looking for clarity around the risks and opportunities related to international expansion.

For many, this begins with ensuring full visibility of their financial position. To deal with international customers, businesses today must manage real-time payments across multiple jurisdictions and currencies. Innovative cash management and payments mechanisms can be critical to success.

Expanding European businesses – including a Spanish pool and wellness company – have turned to HSBC to centralise their treasury functions, using automated cash management solutions and notional cash pooling capabilities to improve efficiency and real-time visibility as part of their international expansion.

HSBC has also helped a major Italian infrastructure company to access sophisticated cross-border financial services such as structured and project financing, trade finance and FX hedging, and cash management, supporting multi-billion dollar projects across multiple jurisdictions.

How HSBC can help unlock your ambitions

Whatever your chosen entry point into Europe's diverse markets, HSBC can work alongside you to unlock opportunities across a wide range of sectors and solutions.

As one of the biggest Europe-headquartered banks by market capitalisation, we have a physical footprint in 12 [MB4.1]European countries and remote coverage in 10 more.

HSBC supports clients expanding into Central and Eastern Europe through our presence in Poland and the Czech Republic, alongside remote coverage across Estonia, Hungary, Latvia, Lithuania, Romania, Slovakia and Slovenia.

Our UK team operates in more than 20 languages and includes dedicated China and India desks. For international businesses, our UK platform supports real-time payments in more than 30 currencies and can link clients to more than 60 international markets through a single relationship manager.

HSBC also serves businesses across continental Europe with direct access to TARGET2 and SEPA Instant for real-time euro-denominated payments, delivered via our platform in Germany. HSBC has more than 6,000 SWIFT relationships, and SEPA reach to 36 countries, allowing it to process 4.5 billion payments annually.

We offer powerful balance sheet capabilities, with our Europe Central Booking Model enabling centrally booked facilities in France and pan-European umbrella facilities, alongside in-country coverage expertise to help clients navigate market-specific characteristics and regulatory complexity.

HSBC Continental Europe's pan-European trade platform supports structured and core trade needs, allowing a single guarantee limit across all 36 markets within the Single European Payments Area (SEPA). It also enables issuance across all our branches in the region in local language and under local laws, reducing complexity and fragmentation for clients.

As European banking regulation evolves, including through the ongoing implementation of the Capital

Requirements Directive VI (CRD VI), HSBC's European operating model helps clients maintain resilient access to banking, liquidity and cross-border solutions across key European markets.

Customers in France and Germany also have access to multi-currency pooling in euros, sterling, US dollars and renminbi to support their cross-border liquidity management.

Sources

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