

# More Indian B2B customers for UK

UK should expect more Indian than Chinese B2B customers in the next 15 years; say PwC economists.

**PRICEWATERHOUSECOOPERS**  The competitive landscape for UK companies is set to transform over the next decade as an influx of Chinese and Indian multinationals is joined by an array of companies from Singapore, Russia Malaysia and South Korea, says a new report from PricewaterhouseCoopers LLP (PwC).

The number of companies from emerging markets choosing to set up operations abroad has increased in the last five years, in part due to the rapid pace of globalisation and the revolution in information and communications technologies. This trend is expected to continue over the next 15 years, as new multinationals from emerging economies rise in prominence on the global economic stage.

## Powerhouses of the future

Some of these new multinationals will become the international powerhouses and will require services all over the world, for example, in order to support their IT and telecoms networks, says the report entitled Emerging multinationals: The rise of new multinational companies from emerging economies.

PwC used econometric techniques to project the amount of new multinationals that will arise from a representative sample of 15 emerging economies over the next 15 years. The countries analysed were: Argentina, Brazil, Chile, China, Hungary, India, Malaysia, Mexico, Poland, Romania, Russia, Singapore, South Korea, Ukraine and Vietnam.

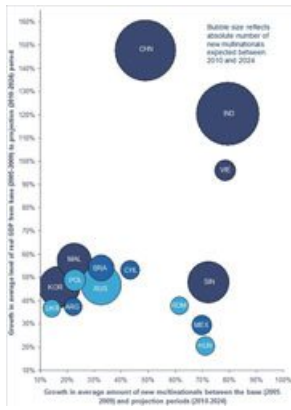
India is expected to produce the most new multinational companies, overtaking China as the emerging world's largest source of new multinationals. Over 2200 Indian companies are projected to open operations outside the country over the next fifteen years. The South American countries in the sample (Argentina, Brazil, Chile and Mexico) are expected to be a relatively smaller source of new multinational companies while the export-orientated South East Asian countries (Malaysia and Singapore), along with oil-rich Russia and the newly industrialised South Korea, are expected to continue to produce large amounts of new multinationals.

## Opportunities as well as threats

The research also provides an insight into the evolution of new multinationals from emerging economies.

Yael Selfin, PwC's head of Macro Consulting, said:

"More new multinationals are moving straight into developed economies as opposed to setting up their first foreign operation in a neighbouring emerging economy. These new multinationals are increasingly likely to be in business services or higher value-add manufacturing sectors as opposed to the more basic natural resource extraction sectors."



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Chris Hemmings, global head of corporate finance, PricewaterhouseCoopers LLP, said:

“These changes bring opportunities as well as threats. UK companies need to work hard to interact and deal with the new players and also to expose their own goods and services to rapidly growing markets around the world. Companies that are able to build early alliances with emerging market multinationals will be safeguarding their business models for the future.”

Source: PricewaterhouseCoopers

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