

WHITE PAPER SERIES

Navigating the Challenges of the American Market

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INTRODUCTION

Despite a devastating global pandemic and related economic anxiety, globalization and the rapid pace of technological advancement continue to create extraordinary opportunities for entrepreneurs and advanced manufacturing businesses of all sizes. These opportunities have fueled manufacturing competitiveness that is fiercer than ever before, and created new challenges for international advanced technology manufacturers vying for economic prosperity. To create sustainable and profitable long-term growth, these companies must transform their organizations to confront the obstacles to collaboration introduced by the pandemic, and address the accelerating trends toward automation, artificial intelligence (AI), advanced manufacturing, digital marketing, and social and environmental consciousness. Business leaders must continue to adapt during these dynamic times to capitalize on rapidly emerging opportunities, and to navigate the challenges of the American marketplace.

The State of the American Market

Recent progress toward controlling the COVID-19 pandemic, a shifting focus back to renewable energy and environmental sustainability, trends toward automation, relatively low cost of capital, and strong incentives to ‘reshore’ or otherwise manufacture in America are fueling a manufacturing revival in the U.S. At the same time, geo-political tensions, trade-disputes, and uncertain longer-term macro-economic trends have fostered the perception of a volatile U.S. manufacturing environment. Because of this perception, international companies are often hesitant to explore expansion into the Americas, and may miss an opportunity to fully participate in the manufacturing resurgence.

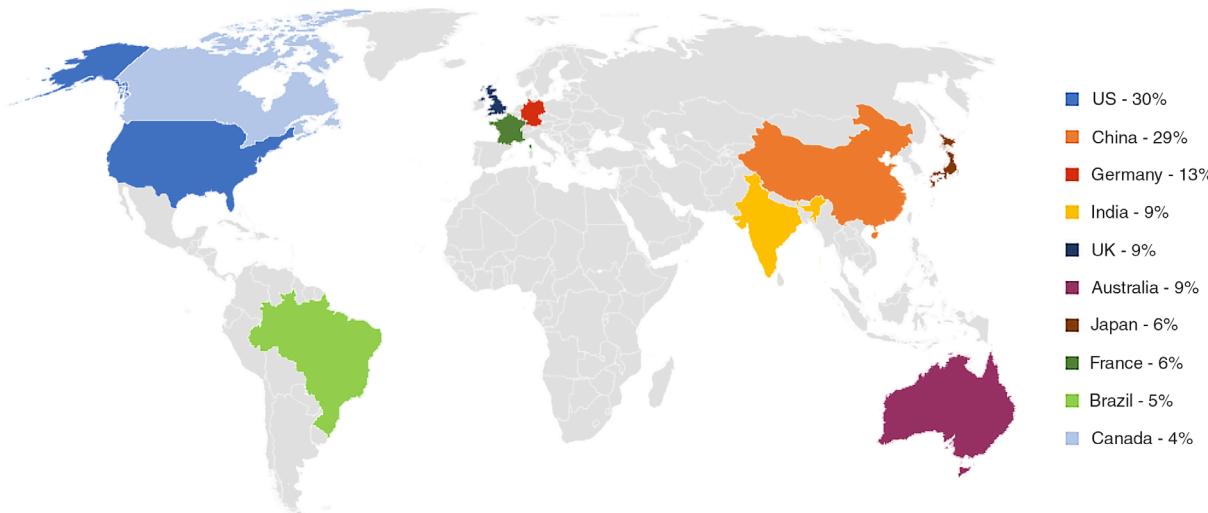
Rapid technological changes, high costs of doing business, political polarization and over-regulation are just a few of the concerns that companies deem as major threats to their investment into an American presence. Yet, despite these threats, the U.S. is still perhaps the greatest place in the world for advanced technology manufacturers seeking financial growth and expanded market share.

According to [SelectUSA](#), a U.S. government-wide program led by the U.S. Department of Commerce with a mission to facilitate job-creating business investment into the U.S., the United States is the world's most attractive consumer market with an annual GDP of \$20 trillion and a population of over 325 million, offering unmatched diversity, a thriving culture of innovation and one of the most productive workforces in the world. As demonstrated by the following rankings, the U.S. is positioned as the top country for global investment and the most important for corporate growth prospects:

- **U.S. ranked #1** in gross domestic product (GDP)¹
- **U.S. ranked #1** in Global Competitiveness²
- **U.S. ranked #1** for highest Research and Development expenditures³
- **U.S. ranked #1** in Foreign Direct Investment Confidence (Canada ranked #2)³

Despite an overwhelmingly pessimistic 2020 economic outlook, global Chief Executive Officers (CEO) continued to rank the U.S. #1 in most key economic growth areas. In fact, PwC's 23rd CEO Survey revealed that North America, specifically the United States, tops the list with 30% of global CEOs considering it one of the three most important countries for growth.

The US remains the top driver for economic growth...



Capitalizing on the Opportunities in the Americas

In this *Navigating the Challenges of the American Market* white paper series, we'll explore the most pervasive, yet often misunderstood, challenges of the American marketplace that can deter companies from accomplishing accelerated growth and profitability, despite the current opportunities for manufacturers. Whether seeking to establish or enhance your position in the Americas, we'll provide an overview of the key challenges and specific recommendations for companies to take action and successfully navigate the American market.



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¹ World Bank national accounts data, and OECD National Accounts data files

² R&D Magazine 2018 Global R&D Funding Forecast

³ Deloitte 2016 Global Manufacturing Competitiveness Index

⁴ The 2018 A.T. Kearney Foreign Direct Investment Confidence Index®