Why Firms Go Global

1. To increase sales, profits or market share.
2. To achieve economies of scale in manufacturing or production.
3. In response to becoming part of trade bloc.
4. Faster growing foreign markets.
5. Saturated domestic market, or slowing demand.
6. To reduce production costs such as labor.
7. To circumvent Impending foreign exchange controls or protectionism.
8. To guarantee raw material supplies or be close to a key supplier.
9. To acquire management or technological know-how or expertise.
10. To alleviate business cycles.
11. Because byproducts cannot be sold domestically.
12. To neutralize union power of shutting down production.
13. Ease of access (i.e. The Internet).
14. To extend the life cycle of a product or begin it again.
15. To be closer to a particular customer base.
16. To take advantage of more favorable tax laws.
17. To better meet the needs of a niche market.
18. To establish new markets with new products for specific customers.
19. Create a local image or claim a specific country of origin.
20. To reduce transportation costs.
21. To take advantage of foreign tax & investment incentive programs.
22. To avoid certain labor, environmental or safety regulations.
23. To fulfill government off-set requirements attached to contracts.
24. To continue selling a product after its ban in the local market.
25. To support clients who are venturing into international markets.
26. Ego.