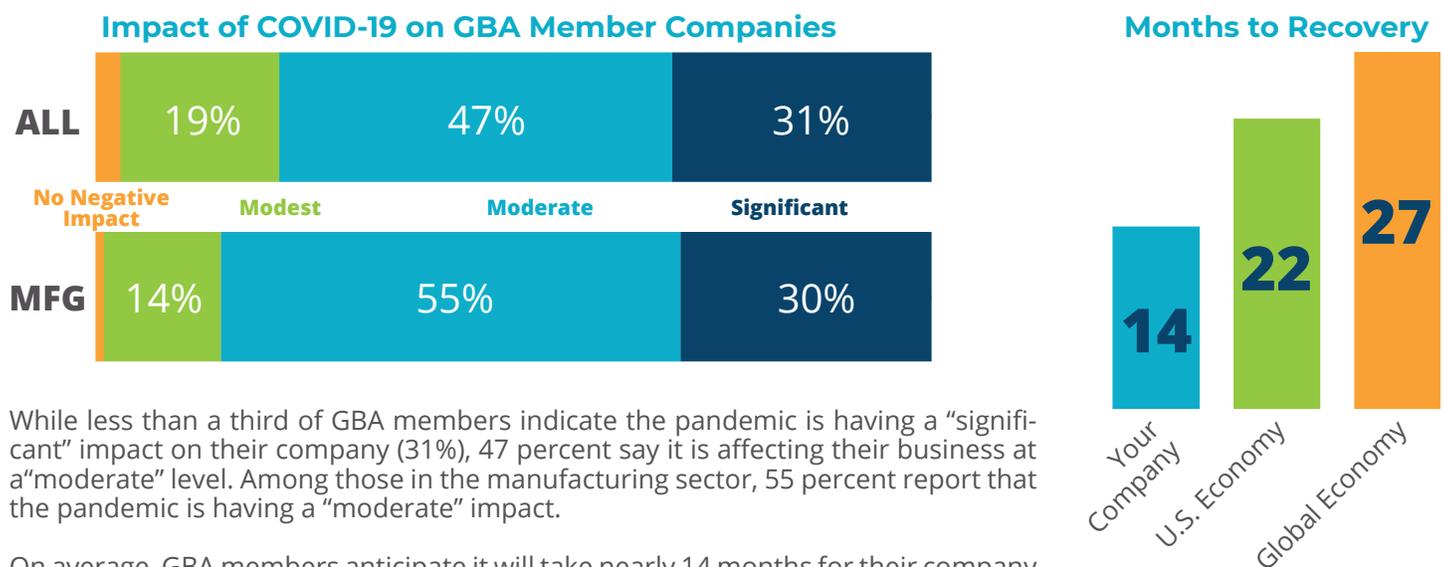


# Inbound Investment Survey

## Key Takeaways

- International companies in the United States are creating resilience in the U.S. economy during this downturn.
- There is real concern that the United States and other advanced economies will “become more protectionist in terms of cross-border M&A, trade and government procurement.”
- Many expect to diversify their global supply chains, including a reduction of their reliance on Chinese suppliers.

## International Companies Showing Resilience in Face of Pandemic



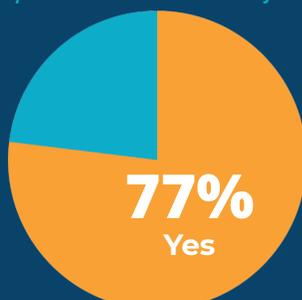
While less than a third of GBA members indicate the pandemic is having a “significant” impact on their company (31%), 47 percent say it is affecting their business at a “moderate” level. Among those in the manufacturing sector, 55 percent report that the pandemic is having a “moderate” impact.

On average, GBA members anticipate it will take nearly 14 months for their company to financially recover from the pandemic. Critically, that recovery rate is 57 percent faster than the time they think it will take the U.S. economy as a whole to recover, and nearly twice as fast as global economy overall. Just over half of GBA members (52%) expect to maintain their current employment level over the next six months.

## Trade & Investment Protectionism Viewed as Most Likely Long-term Outcome of Pandemic

GBA members overwhelmingly believe that the United States (77%) and other advanced economies (69%) will become more protectionist as a result of the pandemic.

*Do you think the United States will become more protectionist in terms of cross-border M&A, trade and government procurement as a result of the pandemic?*



“ [Protectionism] was the trend before the COVID-19 pandemic. The crisis accelerates and gives further political justification for that shift. ”  
- U.S. Chief Financial Officer

“ Unfortunately, I do believe the U.S. will continue down a ‘Buy American’ route even though this pandemic has shown that we are inextricably connected across the world. ”  
- Senior U.S. Manufacturing Executive

## Industry Consolidation, Supply Chain Diversification Also Likely

Below is the percentage of GBA members who think the following long-term outcomes are likely:

While most respondents are still evaluating the long-term impact of the pandemic, 30 percent already expect to diversify their global supply chains, and 15 percent indicate they will become less reliant on Chinese suppliers as a result of the COVID-19 outbreak.

Two-in-five companies (44%) expect there will be corporate consolidation in their industry as a result of the pandemic.



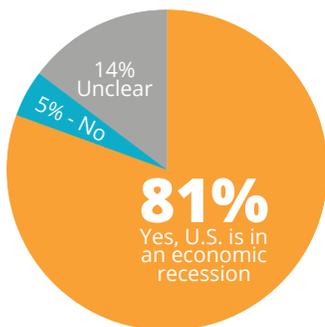
## Pandemic Dramatically Drives Down US Business Climate and Employment Expectations

Given that GBA members overwhelmingly believe that the U.S. and global economies are in a recession as a result of the pandemic, it is not surprising that the GBA U.S. Business Climate Index™ and the GBA Employment Expectation Index™ have fallen dramatically.

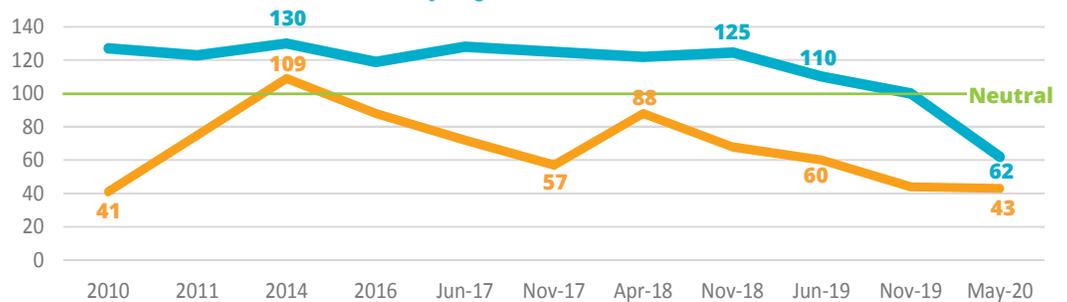
Today, 60 percent of GBA members believe the U.S. business climate for international companies is “getting worse” when compared to six months ago. That is the lowest level since 2010 and marks a 45-point slide since the spring of 2018, which reflected the optimism that corporate tax reform brought to U.S. competitiveness.

While an unprecedented number of respondents (43%) indicate that their company will likely decrease its U.S. employment level in the next six months, a majority of GBA members (52%) expect to maintain their current level.

### Recession Likely



### Lowest Level of Employment Confidence on Record



Note: Numbers greater than 100 indicate expansion/optimism; numbers less than 100 indicate contraction/pessimism.

## Remote Work Is Here to Stay

One additional likely outcome from the pandemic is the long-term trend for companies to embrace remote-work arrangements with their employees. Nearly three-quarters (73%) of respondents indicate that their company will embrace a broader work-from-home policy for the long-term.

