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**TITLE: INTERNATIONAL MARKET ENTRY STRATEGY
FOR HSBC HOLDINGS PLC: A CRITICAL EVALUATION OF
EXPANSION INTO ETHIOPIA**

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Section 1

1. Introduction

International expansion has become a strategic priority towards long-term competitiveness and sustainability of global growth by financial institutions that are multinational-based, as a result of the further globalisation of financial markets, which are increasing the levels of competition among them. HSBC Holdings plc is a global financial and banking services organisation based in 56 countries and territories with a large international network providing retail banking services, commercial banking services, corporate and institutional banking services, wealth management services and investment services. The bank focuses its strategy around being customer-centric, driving a digital transformation, simplifying operations, and ensuring sustainable growth to allow it to create value in different international locations (Cavusgil et al., 2016). The international banking industry is being impacted progressively by regulatory reforms, innovation in technology, geopolitical vagaries and evolving customer demands. Effective market entry therefore involves organisations critically assessing the political, economic, legal, as well as the cultural peculiarities of the prospective host countries before making serious investments. This report critically appraises the practicability of the expansion of HSBC into Ethiopia, a country where presently the bank does not have a prominent presence in terms of operations (Assfaw and Sharma, 2026). Ethiopia is a developing market that is in the process of making significant economic and financial sector reforms, which bring both opportunities and threats to foreign financial institutions. This report uses the international strategy framework created by Bartlett and Ghoshal and the Eclectic (OLI) Paradigm created by Dunning to determine market attractiveness, analyse other entry modes and suggest the most suitable market entry mode. The report is completed with the reflective analysis of the research and learning process that was followed during the assessment (Elsworth, 2023).

2. Organisational Classification and Global Strategy



2.1 Company Overview

HSBC Holdings plc is a major multinational banking and financial services organisation in the world with its head office in London, United Kingdom, and it was established in 1865. The Group has four major business segments: Hong Kong, UK, Corporate and Institutional Banking (CIB) and International Wealth and Premier Banking (IWPB) (HSBC Holdings plc, 2026). As of 2025, HSBC recorded revenue of US\$68.3 billion, a profit before tax of US\$29.9 billion, a Return on Tangible Equity (RoTE) of 13.3, and a good Common Equity Tier 1 (CET1) capital ratio of 14.9 (HSBC Holdings plc, 2026). The bank operates in 56 countries and territories,

which operate with millions of customers by providing an international banking network with sustainable growth, digital transformation, and customer-centric financial offerings (HSBC Holdings plc, 2026).

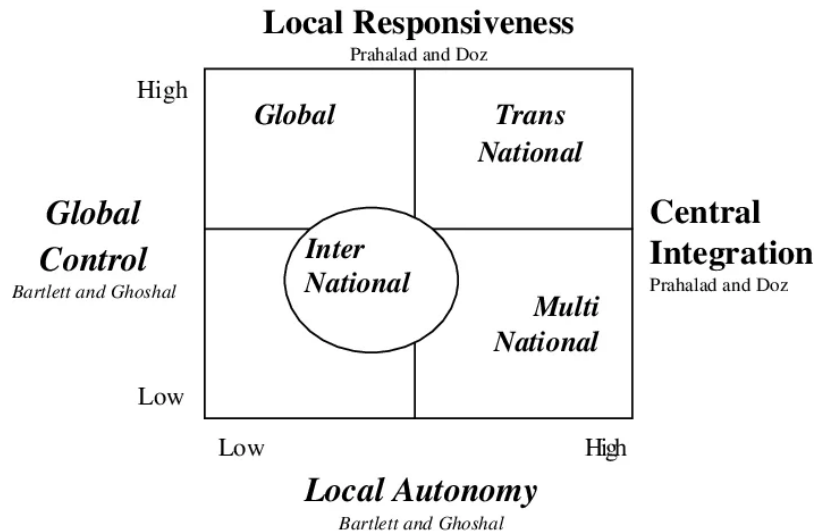


Fig: Bartlett and Ghoshal's Model

(Source: ResearchGate, 2026)

2.2 Bartlett and Ghoshal's Model: Strategic Classification

Bartlett and Ghoshal (2003) identify four strategies that multinational companies use in their international strategies: international, multidomestic, global, or transnational. HSBC can be categorised as adhering to the transnational strategy due to its organisational structure, strategic priorities, and global operations. The strategy will help the bank attain international efficiency and react to local market dynamics and share knowledge amongst its international branches. HSBC balances centralised strategic control with local responsiveness by streamlining its business operations on a global scale into four business core units, but provides products and services tailored to country regulatory requirements and customer satisfaction (Assfaw and Sharma, 2026). This model enables the bank to enjoy economies of scale in technology, digital banking, compliance and risk management with the flexibility to respond to various market conditions. The motto of the Group, which is Opening up a world of opportunity, further signifies that it is dedicated to assisting international trade and cross-border financial services using an integrated global network. Nevertheless, a transnational approach also makes the management more complex, since HSBC will have to ensure the alignment of governance, regulatory adherence, and the management of operational risks in various jurisdictions (Eduardsen and Marinova, 2020). The recent organisational simplification programme is to enhance operational nimbleness and strategic implementation to reinforce the competency of the bank to balance global integration with local responsiveness in the ever-competitive global banking sector (Fei, 2020).

2.3 Global Configuration

The international structure of HSBC is one of the greatest competitive advantages of this Bank. The Group has a base of 56 countries and territories, and it is strategically strong in Asia, Europe, the Middle East, and some areas of America (HSBC Holdings plc, 2026). Its global

network of operations allows the bank to cater to multinational companies, institutional investors, governments and retail clients, providing them with cross-border banking, trade financing, foreign exchange and wealth management services in an efficient manner. Instead of growing everywhere, HSBC is opting more and more to take a portfolio optimisation approach, which sees it exiting businesses providing low-value-added but cashing in to be in markets where it has sustainable competitive advantages (Mim, 2023). In 2025, the bank increased the pace of organisational simplification, boosted its wealth management capacities, and grew transaction banking and kept investing in digital technologies to enhance performance efficiency and customer experiences. This strategic set-up creates value through economies of scale, transfer of knowledge, diversification of risks, as well as effective capital allocation in the global markets. This means that the globally integrated and locally responsive network of HSBC offers a solid basis for consideration of expansion to Ethiopia, where its global experience and financial capabilities may aid the growing banking sector in the country (Ullah and Asghar, 2023).

3. Macro-Environmental Appraisal and Market Attractiveness

3.1 Introduction to Host Country Analysis

The Republic of Ethiopia has positioned itself as one of the most promising frontier countries in Africa courtesy of the large population, continued economic reform and slow financial sector liberalisation. HSBC has been chosen as the target market due to the fact that the country presently has no major operational activity in this market and, therefore, it should be considered an effective destination to test a new opportunity in international market entry. Although it is a lucrative market with high growth prospects, Ethiopia is still struggling with other issues such as political uncertainties, regulatory reforms and infrastructure bottlenecks, which could affect the success rates of foreign financial institutions (Abou Saleh and Al Tuwaijri, 2022). In the case of a multinational bank like HSBC, it is vital to be aware of the macro-environment of the host country since all political, economic, legal and cultural forces directly affect the investment choices and operational risks as well as the ultimate levels of profitability. Thus, this section uses the Political, Economic, Legal and Cultural (PELC) framework to analyse the external business environment of Ethiopia critically. The results offer the overall evaluation of the market attractiveness and form the foundation to decide whether Ethiopia is a strategic country to venture internationally, as HSBC (Jodiyosa and Tyas, 2025).

3.2 Political Environment

3.2.1 Political Stability

Political stability is a key factor that determines international banking growth since financial institutions need consistent governance, regulatory congruence and institutional confidence to enable long-term investments. Under Prime Minister Abiy Ahmed, Ethiopia has made some huge political and economic reforms, but the country still has a governance problem that occurs due to regional problems, ethnic issues and security problems. Despite the fact that the 2022 Pretoria Peace Agreement has significantly diminished the violence in the Tigray conflict, occasional violence in certain areas still influences investment confidence and the predictability of operations (Eduardsen and Marinova, 2020). These circumstances augment country risk as

they cause disruption of business operations, infrastructural growth and consumer trust. In the case of HSBC, political stability is not only physical security, but it encompasses the capacity of the government to adopt a coherent financial policy and to operate an independent regulatory apparatus (Huang and Atnafu, 2026). Banking relies on well-established institutions to implement contracts, protect financial sources and maintain confidence in the banking system. The high frequency of changes in policies or political instability can cause higher costs of compliance, limited lending activity, and exacerbated operational risk (Katsikeas, Leonidou and Zeriti, 2020).

3.2.2 Government Policies and Political Risk

The Ethiopian government has initiated the Homegrown Economic Reform Agenda (HGER) to modernise the economy, promote the involvement of the private sector, and improve macroeconomic stability. The liberalisation of the financial sector has been a key achievement made possible by a more liberal exchange rate regime, increased central bank independence, re-examined banking supervision and a law that allows foreign banks to enter. These reforms constitute a radical change in the banking system that was historically shielded in Ethiopia, to a more competitive financial market (Meyer, Li and Schotter, 2020). In the case of HSBC, there are considerable strategic opportunities presented by these policy changes. The banking industry in Ethiopia is also underdeveloped, as compared with other African markets, making an international bank with robust trade finance, digital banking, wealth management, and corporate banking functionality gain a competitive edge (Verbeke, Coeurderoy and Matt, 2018). Nevertheless, the switch to market liberalisation generates regulatory uncertainty as well. The long-term regulatory environment is challenging to predict as new licensing requirements, ownership rules, and prudential standards and supervisory frameworks continue to evolve (Workneh and Kumar, 2026).

3.3 Economic Environment

3.3.1 Macroeconomic Performance

Ethiopia is likely to be one of the largest emerging economies in Africa, with a population of 128.7 million (2023) and projected of 225 million (2050), posing a significant long-term demand for financial services (WHO, 2026). Despite new macroeconomic difficulties, economic growth has been resilient, with the IMF estimating GDP growth of about 7% as a consequence of the current structural reforms. However, inflation is still relatively high, while the Consumer Price Index (CPI) decreased to 13.9% in June 2026, suggesting slow price stabilisation (Ethiopian Statistical Service, 2026). The liberalisation of the foreign exchange has enhanced the availability of foreign exchange, but it has also enhanced short-term currency volatility. These pointers pose both positive and negative implications for HSBC. High economic growth and speedy population growth create a higher demand in retail banking, trade finance and corporate lending in the future. On the other hand, chronic inflation and changes in the exchange rates can elevate credit risk and decrease profitability. As such, the macroeconomic environment in Ethiopia has significant long-term banking prospects, although HSBC needs to embrace sound risk management and foreign exchange solutions (Workneh and Kumar, 2026).

3.3.2 Financial Sector Development

The banking sector in Ethiopia is still very underdeveloped compared to many other African economies, but is still dominated by local commercial banks. Foreign banks used to be banned years back, but with the introduction of financial sector reforms, liberalisation has been initiated but in a gradual manner, attracting more international participation. The purpose of this transition is to enhance competition, financial efficiency and the availability of banking services (Ergano and Rambabu, 2020). Financial inclusion is still low even in recent times, with a larger percentage of the population based in rural regions not covered by the formal banking system. The high population of 128.7 million people explains the high number of untapped customers for retail and digital banking services in the country due to its rapid growth (WHO, 2026). Meanwhile, the migration towards smartphones and the role of activism by governments in supporting digital financial services is spurring the evolution of mobile banking and e-payment systems. These market characteristics act as a great strategic opportunity for HSBC. The international capabilities of the bank in the realm of digital banking, cross-border payments, trade finance, treasury management and corporate banking have the potential to fill the gaps in service provision in the Ethiopian banking system (Reckendrees, Gehlen and Marx, 2022). Customer adoption, however, may be retarded by fairly low financial literacy and limited digital infrastructure in the non-major city areas. This would make HSBC have to invest in technology alongside customer education and strategic alliances as a way of creating sustainable competitive advantage (Jodiyosa and Tyas, 2025).

3.4 Legal Environment

3.4.1 Banking Regulations

The banking sector in Ethiopia is carefully regulated by the National Bank of Ethiopia (NBE), whose bank functions include the preservation of financial stability, the supervision of financial institutions and the enforcement of any prudential standard. The banking industry has always been very secure, inhibiting foreign involvement and competition. Nonetheless, the supervisory authority of the NBE has been reinforced recently through regulatory changes that introduced risk-based banking supervision, increased capital requirements and corporate governance standards (HSBC Holdings plc, 2026). In the case of HSBC, these rules are both certain and challenging to meet. Effective prudential regulation could minimise systemic banking risks and contribute to financial stability, which facilitates long-term investment or investment confidence. However, the high licensing process and control measures can slow the entry of the market and elevate the cost of initial compliance (HSBC Holdings plc, 2026).

3.4.2 Foreign Direct Investment Framework

Ethiopia has recently moved forward to offer foreign investment through expedited legal reforms to increasingly liberalise already closed sectors such as financial services. The enactment of new laws that allow the involvement of foreign banks is a drastic change in government policy and a sign of how willing the country is to create a more competitive banking sector (Jodiyosa and Tyas, 2025). Though foreign involvement is currently allowed, entry to the market is still subject to regulations, conditions of ownership and a license that is aimed at protecting financial stability and local institutions. In the case of HSBC, these reforms

enable it to penetrate an emerging banking market in its infancy stage of liberalisation. Earlier market penetration can enhance its competitive advantage as the demand for complex financial products is rising (Abou Saleh and Al Tuwajiri, 2022).

3.4.3 Compliance Considerations

Compliance is a very vital legal issue in international banks with operations in more than one jurisdiction. To enhance its regulatory framework, Ethiopia has increased its efficiency in anti-money laundering (AML) and know your customer (KYC) rules and procedures, corporate governance, and financial reporting practices to be closer to the international regulatory standards (Ullah and Asghar, 2023). The foreign financial institutions must also abide by taxation laws, consumer laws, and changing requirements of data governance. Since HSBC has well-developed risk management practices and an elaborate global governance framework, it has ample experience in dealing with complex international compliance requirements (Mim, 2023). Such features may help to meet the emerging regulatory landscape in Ethiopia and promote transparency and customer trust. However, disparities between local laws and international banking laws might complicate business operations when entering the market (Verbeke, Coeurderoy and Matt, 2018).

3.5 Cultural Environment



Fig: Hofstede's Country comparison

(Source: Theculturefactor, 2026)

3.5.1 Hofstede's Cultural Dimensions

Consumer behaviour, management practices, and service delivery in the banking industry largely depend on cultural differences. One of the cultural dimensions, as Hofstede has outlined, shows that Ethiopia is very particular in Power Distance (70) relative to the United Kingdom (35), which suggests that hierarchy and power relations are highly embraced (Hofstede, Hofstede and Minkov, 2010). Therefore, professional expertise, institutional credibility and institutionalised decision-making are expected to be important values to Ethiopian customers, which strengthens the need to ensure a strong corporate name is

developed at HSBC before increasing its retail business. In Ethiopia, the score in Individualism is very low (7), significantly lower than the UK score (76), indicating that it is a very collectivist civilisation in which trust is built over the duration of interpersonal bonds and not just a transactional interaction (The Culture Factor, 2026). The cultural attribute is the opposite of the highly standardised international operating model of HSBC and a hint that a relationship-based banking mode will prove effective compared to the digital customer engagement using a purely digital model. Even though Ethiopia has a moderately high Uncertainty Avoidance score (55) compared to the UK (35), customers tend to choose financial institutions that are stable, transparent, and observant of the regulations (The Culture Factor, 2026). In the meantime, Long-Term Orientation in Ethiopia is comparatively low (14), which means that it is more focused on instant results, which can make demand for easily available financial products, but not long-term investment services. These cultural specifics imply that HSBC cannot afford to implement globally uniform banking techniques but needs to adjust its approach towards engaging and communicating with customers to cultural demands (Hofstede, Hofstede and Minkov, 2010).

3.5.2 Cross-Cultural Management

The expansion into Ethiopia will also demand HSBC to align its approach to human resources, customer service model, and marketing strategy to the culture of the country. By hiring local workers who understand local languages, business etiquette, and local customers' preferences would enhance the quality of services provided, as well as organisational social acceptance (Hill, 2008). The expatriate managers should go through cross-cultural training to minimise networking barriers and enhance organisational effectiveness. Then, the marketing strategies must focus on demonstrating trust, solvency, and extended relations with the community as opposed to focusing only on technological progress. Though global operating standards offer uniformity and efficiency to HSBC, over-standardisation may impinge on customer acceptance due to the relationship-oriented banking system of Ethiopia (Eduardsen and Marinova, 2020).

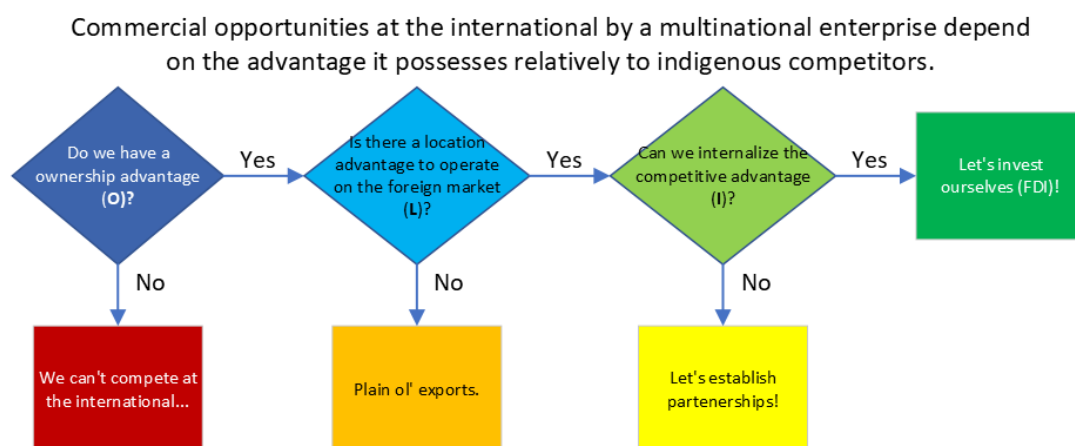


Fig: Dunning's Eclectic (OLI) Paradigm
 (Source: LinkedIn, 2026)

3.6 Market Entry Analysis Using Dunning's Eclectic (OLI) Paradigm

3.6.1 Ownership Advantages (O)

HSBC has well-endowed ownership strengths that can aid in expanding into Ethiopia. Being among the largest banking groups in the world, it reported a US \$68.3 billion in revenue and US \$29.9 billion in profit before tax in 2025, with a CET1 capital ratio of 14.9, which demonstrates strong financial capability and stability (World Bank, 2025). Its globally recognised brand, sophisticated digital banking systems, trade finance and wealth management expertise, and its cross-border banking offer capabilities that domestic Ethiopian banks do not yet have (Dunning, 2015). The presence of these firm-specific resources provides a competitive advantage and allows HSBC to cater to multinational corporations and an expanding domestic private market.

3.6.2 Location Advantages (L)

The location benefits that Ethiopia enjoys are its fast-tracking economy, a population of more than 128 million and gradual liberalisation of its financial sector. The banking sector is still at the relative early stage, so foreign banks may bring new high technologies to the sector, including digital banking and international trade finance. Further market potential is reinforced by government reforms which encourage foreign investment (HSBC Holdings plc, 2026). Nonetheless, uncertainty in politics, infrastructure constraints, and changing rules and regulations pose operational risks in different ways. Thus, Ethiopia presents a strong growth in the long-term perspective to HSBC, but the successful implementation of expansion requires a complex control of the institutional and macroeconomic issues in the country (Huang and Atnafu, 2026).

3.6.3 Internalisation Advantages (I)

Internalisation would serve HSBC well instead of using local intermediaries or contractual arrangements. The direct market entry would enable the bank to retain the quality of services, proprietary technology, enhance its risk management and adhere to international regulatory requirements. Internalisation would further enhance customer trust as it would offer standard governance and operational control of all the banking operations (Katsikeas, Leonidou and Zeriti, 2020). Despite the fact that it will already involve more investment and commitment of resources, the approach will mitigate agency risks and help HSBC react more appropriately to the changed regulatory landscape within Ethiopia as well as to long-term strategic goals (Meyer, Li and Schotter, 2020).

4. Entry Mode Strategy and Strategic Synthesis

4.1 Historical Entry Pattern

4.1.1 Acquisitions

HSBC has been using acquisitions as its main mode of entry to proven and strategic markets. The bank has acquired a base of financial institutions, which has enabled it to build a large market base, customers and increase its operations quickly. Large takeovers, such as that of Midland Bank in the United Kingdom and Household International in the United States, allowed HSBC to achieve a stronger global presence and enjoy the existing structure and local

market experience. This strategy minimised the time taken to enter the market and was more competitive (Verbeke, Coeurderoy and Matt, 2018).

4.1.2 Wholly Owned Subsidiaries

In regions where acquisitions were not so viable or regulatory requirements always demanded outright investment, HSBC opened wholly owned subsidiaries. This method of entry allowed the bank to exercise more strategic control, which allowed the bank to apply the same standards of governance, risk management and operations in international markets. The subsidiaries were also helpful in HSBC achieving its goal of providing global banking services integrated with ensuring that it met the local regulatory demands (Workneh and Kumar, 2026).

4.1.3 Branch Expansion

International expansion has also been achieved by HSBC with branches in other countries, especially in financial centres that facilitate international trade and corporate banking. Branch operations enable cross-border transactions, trade finance, foreign exchange and treasury services and enable the bank to take advantage of its global network without having to create separate legal entities. This practice has ensured that HSBC remains a leading international trade finance institution (Ergano and Rambabu, 2020).

4.1.4 Joint Ventures and Strategic Partnerships

HSBC has been leveraging joint ventures and strategic alliances to tap into local experience, share investment risks and reinforce market insights in markets where regulatory constraints or increased uncertainty hinder market penetration. These partnerships have helped the bank establish connections with other institutions within the country and then raise its degree of investment (Jodiyosa and Tyas, 2025).

4.2 Strategic Fit and Entry Mode Evaluation

4.2.1 Suitability of HSBC's Historical Entry Mode in Ethiopia

HSBC's preference in the past to use acquisitions and wholly owned subsidiaries has worked well in mature and well-regulated banking markets due to the fact that those modes of entry bring immediate access to the market and high managerial control. The same approach would not be applicable in Ethiopia, though. The banking industry in the country is new to opening up to foreign banks as well, and the regulatory system is not yet stable. As a result, acquisition prospects of existing domestic banks are scarce, and HSBC's traditional growth model is not very appropriate in the present market environment (Abou Saleh and Al Tuwaijri, 2022).

4.2.2 Political, Financial and Operational Risks

Ethiopia has several risks that can affect the choice of entry by HSBC. The result of political uncertainty, a modification in banking policies, a fluctuating exchange rate, and being constrained by infrastructure might add to the cost of operation and slow investment payoff. Moreover, the changing legal system poses a problem of compliance for foreign financial institutions. Despite the positive outlook of the market in the long term due to the ongoing economic reforms, prior to investing substantial resources, HSBC should have those risks effectively identified through a detailed due diligence and maintenance of constant interactions with the regulating authorities (Ullah and Asghar, 2023).

4.2.3 Resource Commitment: Control versus Flexibility

A wholly owned subsidiary would give HSBC full operational control to empower the bank to enforce its global standards of governance, digital banking and risk management systems. This would, however, involve a huge outlay in terms of finances and would place the bank at risk of taking more risk in the market. Instead, a staged expansion via strategic alliance or representative office would result in less financial risk, and enable HSBC to learn about local customer behaviour, regulatory imperatives, and competition. This strategy offers more flexibility in the transition of the financial sector in Ethiopia (HSBC Holdings plc, 2026).

4.2.4 Long-Term Strategic Fit

With Ethiopia continuing its slow banking liberalisation initiatives and a long-term economic improvement outlook, a created market entry strategy will be more strategically firm as compared to the conventional method of entry used by HSBC in its acquisition approach to the country (Eduardsen and Marinova, 2020). By starting with a small number of operations and gradually increasing the amount of investment, it would allow the bank to create a level of regulatory relations, customer trust, and react to future policy changes. It is a flexible customer approach that is adaptive enough to control flexibility and mitigate investment risks, as well as underpin HSBC's long-term sustainable growth goal of international expansion (Assfaw and Sharma, 2026).

4.3 Recommended Entry Mode

4.3.1 Proposed Entry Mode

The most suitable entry mode HSBC can use to extend its operations to Ethiopia is strategic partnership, where it can later decide to open a wholly owned subsidiary. Instead of seeking an immediate acquisition or a wholly owned subsidiary, HSBC is advised to first form a collaboration with a local financial institution to learn more about the market, find a regulatory relationship and learn the behaviour of the customers (Katsikeas, Leonidou and Zeriti, 2020). With the banking sector in Ethiopia still liberalising, HSBC can progressively increase its investment, take the form of a full subsidiary to allow it to gain better control over its operations, and establish long-term market presence (Huang and Atnafu, 2026).

4.3.2 Justification Using International Business Theory

The Eclectic (OLI) Paradigm and the Theory of Transaction Cost proposed by Dunning support this recommendation. HSBC has considerable ownership strengths such as a globally recognised brand, sophisticated digital banking facilities, and vast experience in international banking (Meyer, Li and Schotter, 2020). Nonetheless, the changing regulatory environment and institutional insecurity of Ethiopia make the high-resource entry modes unsuitable at the initial stages of market liberalisation. The benefits of creating a phased partnership strategy will allow HSBC to leverage its ownership benefits and keep transaction costs as low as possible. This will also be flexible in responding to future regulatory changes before engaging in significant commitments of capital (Ergano and Rambabu, 2020).

4.3.3 Risk Mitigation Strategy

In order to reduce political, financial, and operational risks, HSBC ought to foster good relationships with the National Bank of Ethiopia, deploy effective compliance machinery, as

well as perform regular monitoring of regulations. The execution of digital banking and the development of the local workforce would enhance operational efficiency and bolster customer confidence. Moreover, a staged investment would minimise exposure to finance and enable HSBC to grow a bit at a time as regulatory uncertainties and market stability increase and in this way supports long-term sustainable growth.

4.4 Conclusion and Recommendations

4.4.1 Conclusion

On a concluding note, this report also finds that Ethiopia is a long-term expansion prospect for HSBC based on the fact that it has a high population, is in the process of economic reforms, and has gradual financial sector liberalisation (Abou Saleh and Al Tuwaijri, 2022). Macro-environment analysis illustrates that despite the presence of political uncertainty, evolution in regulation, and infrastructure constraints as risks to the investment, these issues are being reduced by the presence of a better economic outlook and the increasing demand for modern financial services. The global banking characteristics, financial capacity, and digital capabilities of HSBC grant considerable competitive benefits that could enable it to enter the market successfully (Jodiyosa and Tyas, 2025).

4.4.2 Strategic Recommendations

HSBC is recommended to pursue a staged process of entering the market with a strategic partnership with a local financial services firm and then move on to an approach of a wholly owned subsidiary as the regulatory framework level matures (Huang and Atnafu, 2026). The bank ought to increase the interaction with regulators, invest in digital banking technologies, hire local talent, and introduce extensive risk management systems that will guarantee regulatory compliance and resilience in terms of operational system failure. Alongside, HSBC ought to concentrate on corporate banking, trade finance, as well as digital financial services where the global skills have definite competitive advantages (Ullah and Asghar, 2023).

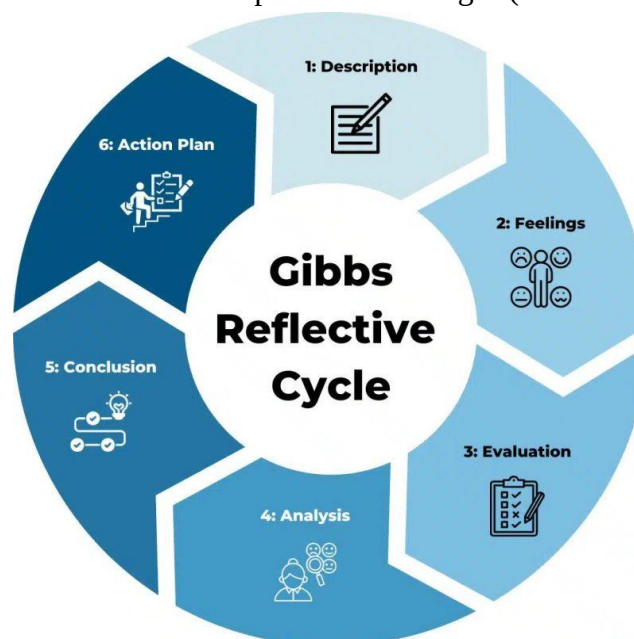


Fig: Gibbs' Reflective Cycle

(Source: LinkedIn, 2026)

Section 2: Reflective Account Using Gibbs' Reflective Cycle

2.1 Description

This analysis forced me to analyse the international strategy of expanding HSBC and to advise it about the need to adopt a reasonable market entry strategy to an international country with no strong presence at all (Gibbs, 1998). Having considered some possible countries, I picked Ethiopia due to the currently underway financial sector liberalisation and the potential of the emerging markets. In order to do the assignment, a systematic process of research was approached. I, firstly, examined the Annual Report of HSBC to learn about its global strategy and patterns of its historical expansion, and, secondly, collected data using sources from the International Monetary Fund (IMF) and the World Bank, as well as the National Bank of Ethiopia, and peer-reviewed journal articles. I then used the model created by Bartlett and Ghoshal (PELC framework), Dunning (Eclectic (OLI) Paradigm), alongside entry mode theory to assess the international strategy of HSBC, the business environment of Ethiopia and the most suitable entry mode (Huang and Atnafu, 2026).

2.2 Feelings

At first, I was confident in implementing international business theories, but I was in doubt about choosing an appropriate host country which would help me fulfil the requirements of the assignment to the maximum. Conducting research to determine whether HSBC was significantly involved in its operations in Ethiopia was highly important since the bank has operations in numerous overseas markets (Meyer, Li and Schotter, 2020). I also experienced the problem of determining credible and up-to-date data relating to the banking industry in Ethiopia because of new developments regarding the banking sector through regulatory ramifications and disparities in the presentation of the economic statistics. The more I did in my research, the more confident I became. The informational sources relating to the same topic from several reliable sources enhanced my knowledge regarding the banking sector and economic reforms in Ethiopia (Ergano and Rambabu, 2020). I also gained more confidence in my abilities to critically assess evidence and not necessarily accept information. The experience has increased my understanding of the fact that the decisions under international market entry should be thoroughly analysed in terms of organisational competencies as well as exposure to the external environmental factors (Ullah and Asghar, 2023).

2.3 Evaluation

In retrospect on my research process, I can say that one of my strengths was the ability to utilise and use a multitude of reliable academic and institutional sources. The integration of the Annual Report of HSBC with the reports of the IMF, World Bank and governmental institutions of Ethiopia helped me compare the organisational strategy with the country-specific situation (Workneh and Kumar, 2026). My knowledge of the application of international business theories as to how they should be used, not descriptively, but critically, was also enhanced by the lectures and case studies. Nonetheless, I too experienced some constraints. The data on the banking reforms in Ethiopia was still developing, and the various organisations

provided different predictions on the economy at some point. These distinctions made me look thoroughly into the sources before I could conclude (Ergano and Rambabu, 2020).

2.4 Analysis

The major takeaway of this assignment is the understanding that there is no single theoretical framework that would be able to explain international expansion decisions. Previously, I mostly used the model proposed by Bartlett & Ghoshal to describe the strategy of HSBC, but I understood that this approach lacked consideration of the external environment in Ethiopia. The use of the PELC framework helped me to consider political, economic, legal, and cultural factors, whereas the OLI Paradigm created by Dunning helped me to relate the internal company advantages at HSBC with the market opportunities in Ethiopia (Eduardsen and Marinova, 2020). The lectures and scholarly readings indicated the significance of applying a combination of various theories rather than studying them separately. This motivated me to formulate evidence based on multiple sources and to support recommendations rationally. Consequently, I became better at critical thinking, a capacity to make comparisons and evidence-based conclusions instead of explaining theoretical ideas (Workneh and Kumar, 2026).

2.5 Conclusion

This assessment helped me a lot in enhancing my knowledge of international business strategy and market entry in the form of multinational companies. I also learnt that a successful expansion is largely reliant on organisational capabilities as well as a close consideration of the political, economic, legal, and cultural environment before making strategic choices. I also realised that efficient recommendations must have credible evidence with appropriate theoretical frameworks behind them. The assignment reinforced my conviction in independent research, critical analysis of complicated information, and intellectual theories in practice of business cases (Elsworth, 2023).

2.6 Action Plan

This assignment has provided some areas I would like to work on. I will enhance my academic research capabilities by relying more on peer-reviewed journals and global databases in policy analysis of global business problems. I am also planning to enhance the quantitative analytical capabilities that would enable me to understand financial and economic indicators better (Mim, 2023). Furthermore, I will make further progress on my Harvard referencing and critical writing by paying more attention to evaluation and synthesis (as opposed to description). I will also broaden my international financial regulations and multinational banking strategies knowledge since they become even more topical to global business management. The implementation of those improvements will help me improve the quality of my future academic work and be more prepared to perform in a professional setting that will require me to conduct strategic analysis, make evidence-based choices, and conduct international business consultancy (Elsworth, 2023).

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