

A Study on AI Assisting Enterprises' Overseas Layout and International Development in Emerging Economy Markets

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ABSTRACT

With the rapid development of artificial intelligence (AI) in recent years, the form of cross-border business for companies around the world has changed significantly. Systematically explore how artificial intelligence (AI) technology can be used to help multinational enterprises (MNEs), especially those originating from or expanding in emerging economies, optimise their overseas layout and international development strategy in this study. Based on the resource-based view and the Uppsala model for internationalisation, this paper examines how artificial intelligence addresses the problems of foreignness liability and improves cross-border operating efficiency simultaneously. The proposed integration paths are: AI-driven prediction of market demand, algorithmic localisation of the supply chain, and cross-cultural natural language processing for consumer communication. This paper will also point out institutional and infrastructural deficiencies that limit the application of AI in the development world. AI-Assisted Strategic Planning can therefore optimise the allocation of foreign direct investment and accelerate the speed of market entry. In short, the above research provides all-encompassing theoretical support for using AI as a leading strategic asset to help enterprises obtain a sustainable competitive advantage and expand dynamically in the era of digitalisation.

KEYWORDS

Artificial Intelligence; Emerging Markets; Internationalization; Foreign Direct Investment; Overseas Layout; Multinational Enterprises

1. INTRODUCTION

With the development and integration of artificial intelligence (AI) at present, the structure of global business is changing all the time. In the past, the process of corporate internationalisation was relatively slow and resource-intensive in terms of accumulated experience, limited by geographical and cultural distances. However, the appearance of AI, machine learning and big data analysis has changed the previous trends. AI technology offers all-weather analysis tools for large amounts of cross-border data in real time and automatically derives practical strategies for MNEs. Therefore, artificial intelligence is no longer limited to supporting the operation of a company; rather, many enterprises have begun to use it for all-weather development of their businesses.

The application of artificial intelligence in the new-era market for emerging economies is relatively nascent at present. These markets have good growth prospects but are also highly unstable in terms of institutions, lack transparency in regulations, have significant infrastructure deficiencies, and exhibit rich cultural diversity. Both advanced-economy multinational enterprises (MNEs) entering developing regions and emerging-economy multinational enterprises (EMNEs) expanding abroad face the same problems. The older systems of foreign trade have not been well adapted to the changes and uncertainties in the new frontier markets.

With the accelerated pace of digitalisation, many multinational enterprises have begun to view the boundaries of geography and time-to-market differently. In the pre-digital age, globalisation was often viewed as a step-by-step, rigid process; a company would build a strong domestic foundation, carefully select a culturally close neighbouring country for export, and only then set up overseas production bases. The primary reason for the above prolonged period was to address the problem of uncertainty and reduce serious financial risks under the conditions of an unknown regulatory and consumer environment. Artificial intelligence is now a very large-scale computing risk-mitigation system that has changed this equation. Continuously scrape, analyze and integrate billions of open-source data points from financial markets around the world, local social media platforms and foreign trade databases, and then use AI to provide corporate decision-makers with a comprehensive and in-depth overview of foreign market conditions long before any physical capital is invested. Therefore, the company will bypass the traditional development stages and directly enter the highly complex new-economy region with a high degree of information asymmetry. As a result, the study of corporate globalisation can no longer be conducted independently of research on enterprise digitalisation.

Artificial intelligence can be used to help navigate at this time. Build a system of predictive analytics, natural language processing and automated risk assessment to address structural uncertainties in the new-age market proactively. AI can create virtual scenarios of foreign market entry for the company, adapt flexibly to local consumer demands, and optimistically allocate the area of foreign direct investment (FDI). In addition, AI can rapidly absorb institutional knowledge and thus bypass the slow process of experiential learning mentioned in the traditional model of internationalisation.

Although this technological change is necessary, at present, research at the intersection of artificial intelligence and foreign-invested enterprises in developing countries is relatively scarce. Although many studies have investigated the effect of AI on the efficiency of domestic operations, few have examined how to address cross-border friction and cultural distance in foreign-market-entry strategies with the help of AI. It is necessary to know how AI technology will change the overseas layout and long-term development of these globally expanding enterprises.

Therefore, this paper will systematically study the path by which artificial intelligence promotes the international expansion of enterprises in developing countries. Based on the above introduction, Section 2 presents the theoretical foundation for applying AI to the classical internationalisation model. Section 3 explains how AI proactively reduces the liability of foreignness and cultural distance. Section 4: machine learning in optimising foreign direct investment and market-entry strategies. Finally, Section 5 integrates the strategic implications of the above technologies and provides a concluding evaluation of the future development path for AI-driven global business.

2. AI AND THE COMPRESSION OF THE INTERNATIONALIZATION PROCESS

Theoretically, the role of AI in the world stage needs to be re-examined under the new paradigm of international business. The Uppsala model has been the main framework for studying foreign direct investment in earlier times and proposes that a firm's internationalisation occurs gradually through successive stages of experience and resource investment [11]. The model suggests that psychic distance, which refers to all the reasons for the lack of information flow between markets, is a relatively high obstacle to foreign direct investment. Artificial intelligence will significantly reduce the length of this time-learning curve.

High-end machine-learning algorithms can be used to collect and analyse a large amount of digital market data rapidly to obtain knowledge that would have taken years of hands-on experience to collect otherwise. AI-driven predictive analytics can accurately map consumer behaviour patterns and forecast changes in demand and regulations in foreign countries to reduce the initial investment in a large-scale physical presence [3]. Therefore, AI technology helps to promote a fast-paced, non-

linear path of internationalisation; that is, digital-native enterprises can expand their business in numerous developing countries at the same time and thus deviate from the gradualism proposed by traditional internationalisation theory [2].

According to the Resource-Based View (RBV), Artificial Intelligence can be treated as an especially scarce, valuable and difficult-to-imitate source of advantage. Research on EMNEs shows that a high level of artificial intelligence is positively correlated with a high degree of export intensity and good overseas performance [1]. Proprietary AI infrastructure serves as an indirect substitute for the institutional deficiencies in emerging economies. Automation of compliance monitoring and dynamic analysis of local regulatory systems provide AI resources that can help EMNEs navigate the complex and often opaque business environment in foreign countries with high precision, which was previously only possible for well-established local enterprises.

The consequences of this accelerated, data-driven learning process will also affect the organisational structure of the expanding company to some extent. The older MNEs did not have extensive local knowledge or rich networks of people in the region to help them understand the changes in that area. Thus, the dependence on human experience inherently created information silos, and essential market information was limited to specific areas; thus, it could not be disseminated worldwide. The construction of the central artificial intelligence system will spread this localised knowledge across all parts of the company. An algorithm that has discovered inefficiencies in the supply chain in Southeast Asia can be quickly generalised, customised, and used by the AI system to proactively address similar logistical problems in Latin America and Sub-Saharan Africa. This has built an all-encompassing, globally responsive corporate intelligence network that has turned the MNE into a single, highly cohesive, worldwide learning entity rather than a collection of loosely connected regional offices.

3. MITIGATING LIABILITY OF FOREIGNNESS AND CULTURAL DISTANCE

A typical problem of foreign direct investment in cross-border trade and investment is the liability of foreignness (LOF), which refers to the social and economic costs borne by foreign enterprises in host countries that domestic enterprises are exempt from. LOF in developing countries is often more severe due to a large number of languages and different consumer cultures and other differences in local business practices. Artificial intelligence is now available to help address the above local issues [12].

Natural Language Processing (NLP) and generative AI algorithms are high-level cross-cultural bridges. The above technologies can help multi-national enterprises conduct hyper-local marketing by automatically adapting translated and culturally modified corporate communications, product interfaces, and customer service interactions in real time [10]. By reducing the linguistic friction of cross-border operations, AI can help foreign enterprises develop a local organisational identity and thus win the trust of consumers in the local market more easily.

Artificial intelligence is also a type of moderator for cultural distance. Deep learning algorithms have been trained on a large amount of local social media data and e-commerce purchase history to discover subtle, culture-specific consumer demands that traditional market research methods have failed to find [8]. This localised algorithmic intelligence can help expanding enterprises offer highly customised products and services, adapting the globally standardised products intelligently according to the specific socio-cultural needs of the consumer group in the new market. Thus, AI will address the problem of information asymmetry in foreignness liability to some extent.

Applications of artificial intelligence to address the problem of foreignness now extend beyond user-facing interactions and include essential areas such as back-end human resources management and localised corporate governance. Given the new-economy situation in China, foreign corporate culture

must be rapidly combined with domestic labour customs for successful operation. Serious cultural differences between expatriate managers and local staff have led to many failures of foreign-invested enterprises in the past. AI-driven HR platforms proactively address the above internal cultural conflicts. Leverage sentiment analysis of internal employee communications and deploy predictive models for localised employee engagement and retention risks to offer expatriate leaders timely, culturally sensitive management information provided by AI. These platforms can automatically recommend culturally appropriate motivating factors, customised payment systems and local conflict-resolution rules. By aligning the internal organisational environment, AI will ensure that the expanding enterprise has a stable, productive local workforce and thus avoid one of the most serious internal risks of cross-border expansion.

4. OPTIMIZING FOREIGN DIRECT INVESTMENT AND GLOBAL OVERSEAS LAYOUT

In addition to cultural adaptation, artificial intelligence will be used to optimize the structure and overseas layout of expansion for foreign-invested enterprises. The first step in the internationalisation process is to allocate Foreign Direct Investment (FDI) funds and other capital. Recently, some empirical studies have examined outward foreign direct investment (FDI) from China and found that intelligent automation and artificial intelligence have promoted an expansion in both the scale and scope of overseas investments [7].

AI-assisted strategic management systems have begun to explore the demand in various fields. The previous model of market-entry analysis used only a few outdated, fixed macroeconomic indicators. At the same time, AI models can also be used to acquire real-time data from the supply chain and indices of geopolitical risks, infrastructure construction, labour productivity in various regions, etc., to build an accurate prediction system for investment [4]. The algorithm can find some promising new regions for the company's business that have been overlooked by people in the past because they were considered too risky or lacked information. AI helps to select a reasonable place for the production base and distribution centre to make the firm's world-class system more efficient and flexible in terms of supply chain construction.

Optimisation of the overseas layout should also consider changes in the global supply chain driven by AI. Although the new areas are expected to develop well in the future, they face many problems now, such as poor logistics due to political instability and sudden currency fluctuations. Traditional supply chain management systems are generally reactive, and only after financial damage occurs will they be adjusted. AI is now being used to predict instability. Run continuous, high-complexity Monte Carlo simulations that integrate real-time global geopolitical news feeds, satellite images of overseas shipping ports, and local economic policy announcements to enable AI systems to autonomously predict upcoming supply chain disruptions in emerging markets. When the algorithm detects a possible disturbance, the entire network's shipping plan can be changed immediately, and at the same time, local inventory will be adjusted dynamically and raw materials will be automatically sourced from other places. This predictive agility will help maintain the structural integrity and high profitability of the firm's overseas network in the event of production interruptions due to the special economic zone.

Furthermore, AI is changing the overall model of economic development in the new areas where these companies are expanding. According to the macroeconomic policy report, artificial intelligence is gradually moving developing countries away from the traditional model of low-cost, labour-intensive manufacturing and towards high-tech service and logistics sectors [5]. Therefore, for MNEs, the original goal of overseas expansion in developing countries has changed; it is now driven by an all-out race to acquire digital facilities, high-tech talent and local AI-innovation bases. Therefore, the current overseas layout is increasingly characterised by the construction of global data centres, automated logistics hubs and algorithmic research centres [9].

The introduction of AI-driven internationalisation strategies also has considerable localisation problems. The actual implementation of these technological systems will not work unless there is a good digital foundation in the host country [6]. Many developing countries face serious problems of inconsistent data privacy regulations, patchy digital networks and a significant shortage of local tech talent; therefore, the application of AI has been slow. Therefore, foreign enterprises need to determine how to balance the requirements of global algorithmic standardisation with necessary investments in localised digital capacity building to ensure the long-term success of overseas layout.

5. CONCLUSION

Through a system-atic analysis in this paper, we will explore the all-around effect of artificial intelligence on the overseas layout and internationalization of enterprises in emerging economy countries. By effectively connecting the historical distance between the world stage and local conditions, AI has begun to alter how cross-border expansion is carried out. The integration paths that have been proposed include algorithmic compression of the learning curve for experience, real-time reduction of cultural distance, and mathematical optimisation of foreign direct investment; thus, AI provides the necessary cognitive infrastructure for contemporary globalisation.

The change in the direction of AI-assisted internationalisation will provide some practical advantages for foreign-invested enterprises. Machine learning can be employed to forecast fluctuations in the market, and natural language processing is used for localisation of consumer engagement; thus, by reducing the risk of foreignness in liability, expanded enterprises can advance rapidly in complex developing countries. As developing countries are also moving towards a new type of development based on technology, MNEs need to use AI to adapt to changes in the global economic system at all times.

As AI is developing rapidly in China and abroad, so too will corporate governance be modified. Many foreign-invested enterprises face serious infrastructure problems and new requirements for data sovereignty in the developing country. In the future, research will explore how the different data governance systems around the world affect the training and application of cross-border AI models. Finally, the successful integration of artificial intelligence and foreign-trade strategies is expected to improve the efficiency of overseas operations and, more importantly, to provide a new model for intelligent expansion, adaptation and competition in the global economy for enterprises in the 21st century.

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