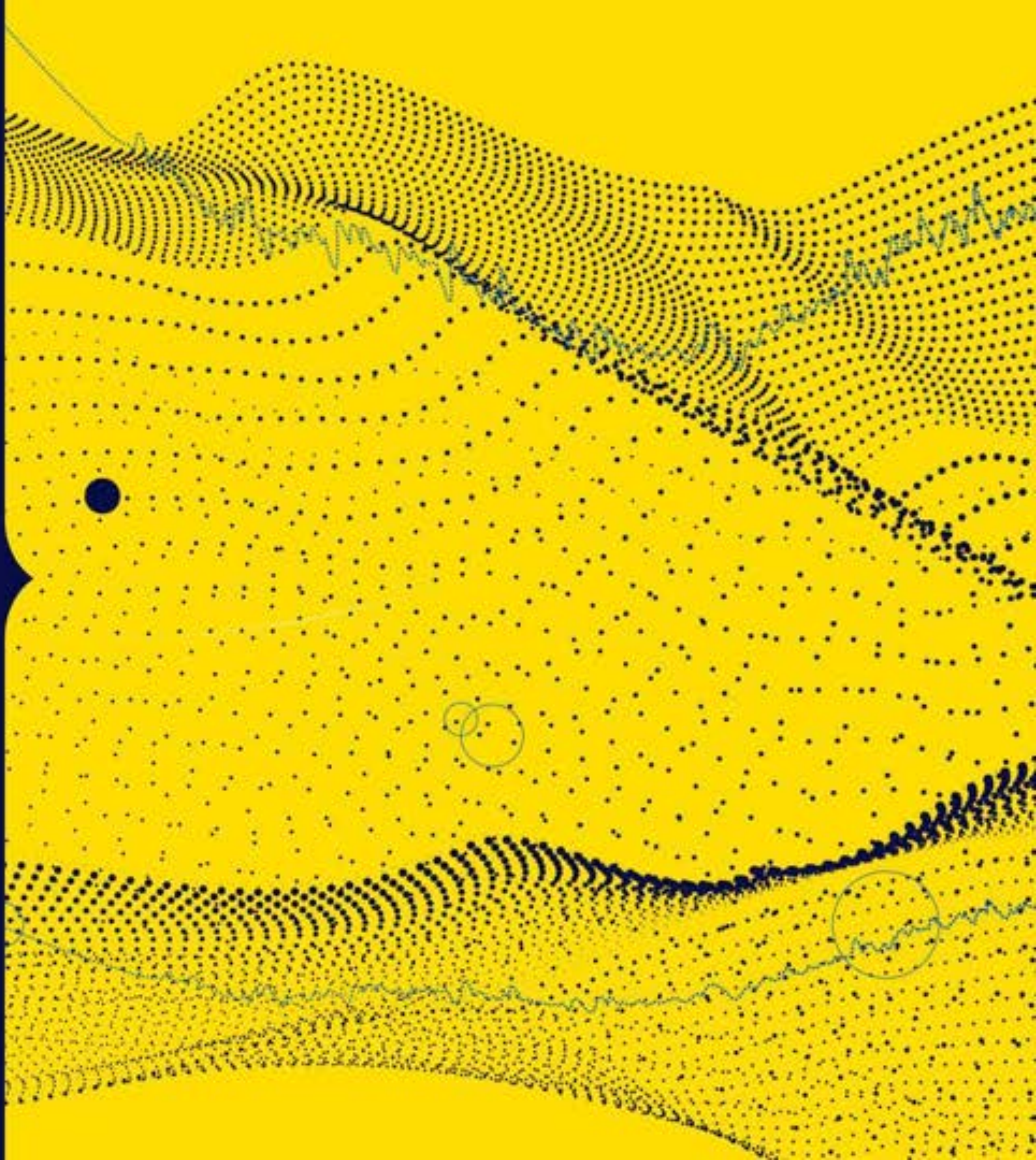
CPA Australia Asia-Pacific Small Business Survey 2024-25

CPA Australia’s 16th annual report on small business issues and sentiment across eleven Asia-Pacific economies



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We provide thought leadership on local, national and international issues impacting the accounting profession, the broader business community and the public interest. We engage with governments, regulators and industries to advocate for policies that promote sustainable economic growth and have positive business and public outcomes.

Find out more at **cpaaustralia.com.au**

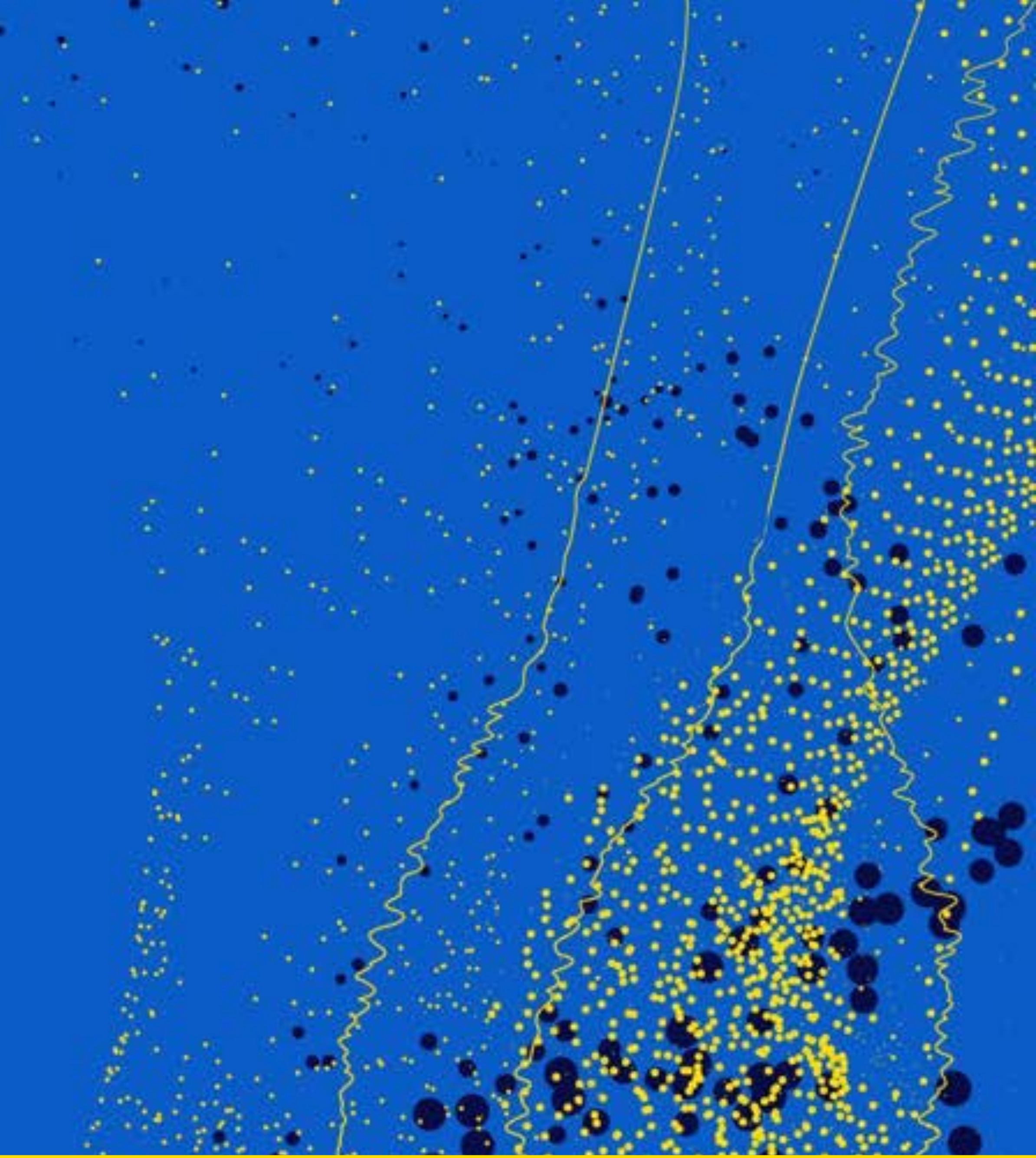
Survey design and methodology

- The survey was conducted online among a random sample of small business owners and senior managers from organisations with fewer than 20 employees
- It was conducted in November and December 2024
- The findings presented in this report are based on responses from **4,236 small businesses across 11 markets**, being Australia, Mainland China, Hong Kong, India, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Vietnam
- From the survey's inception in 2009, we have surveyed over 46,000 small businesses across the region
- We received the following number of respondents from each market:

Australia - 506	New Zealand – 310
Mainland China - 757	Philippines – 310
Hong Kong – 306	Singapore – 311
India – 507	Taiwan - 310
Indonesia 305	Vietnam - 306
Malaysia – 308	

- To ensure no industries are overrepresented in the survey sample, the number of responses from each industry is limited to approximately reflect the industry share in each market
- For the purpose of this survey, data collected from Hong Kong and Taiwan are presented separately from the rest of China

Major results



Major results

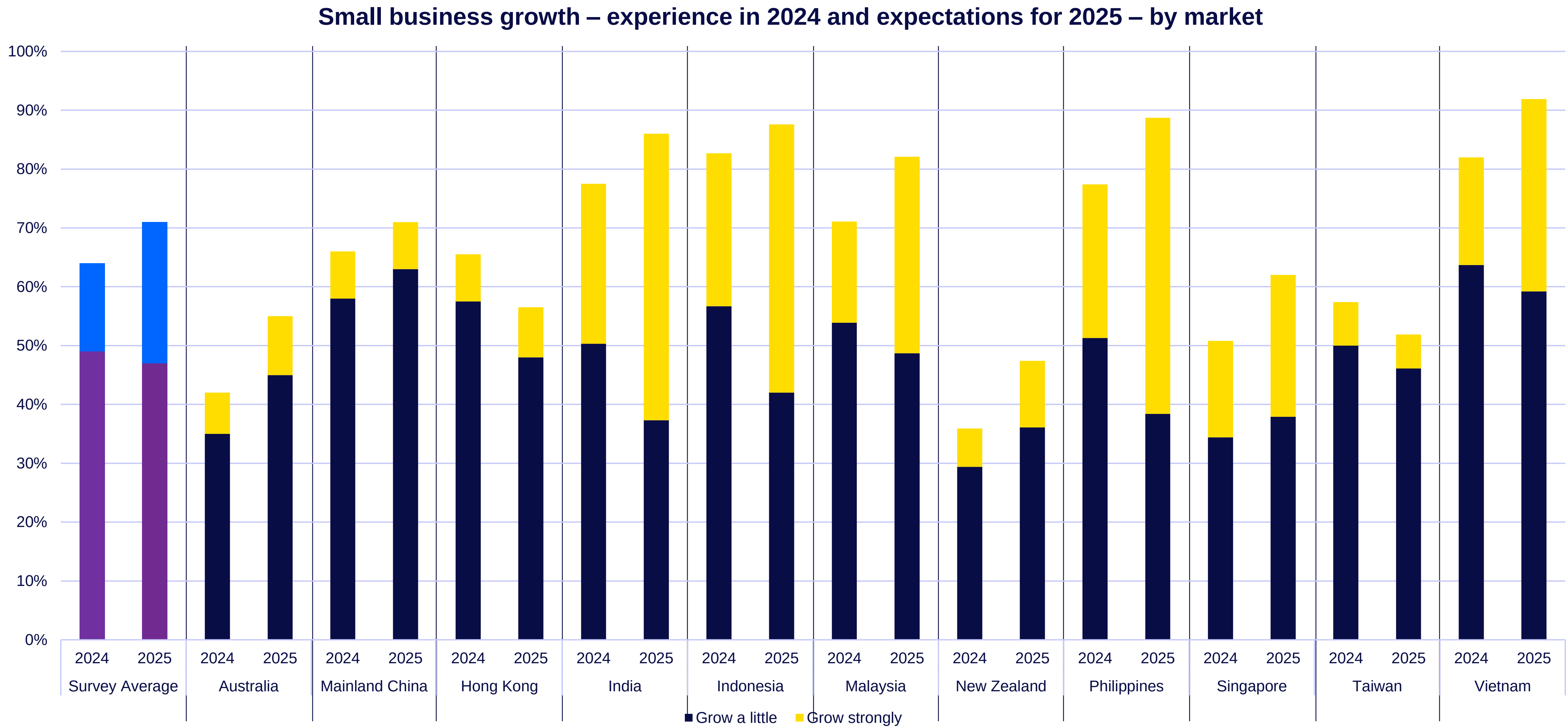
The number of small businesses that expect to grow in 2025 is larger than 2024 for most markets

Most markets reported an increase in the number of small businesses that grew in 2024 compared with 2023

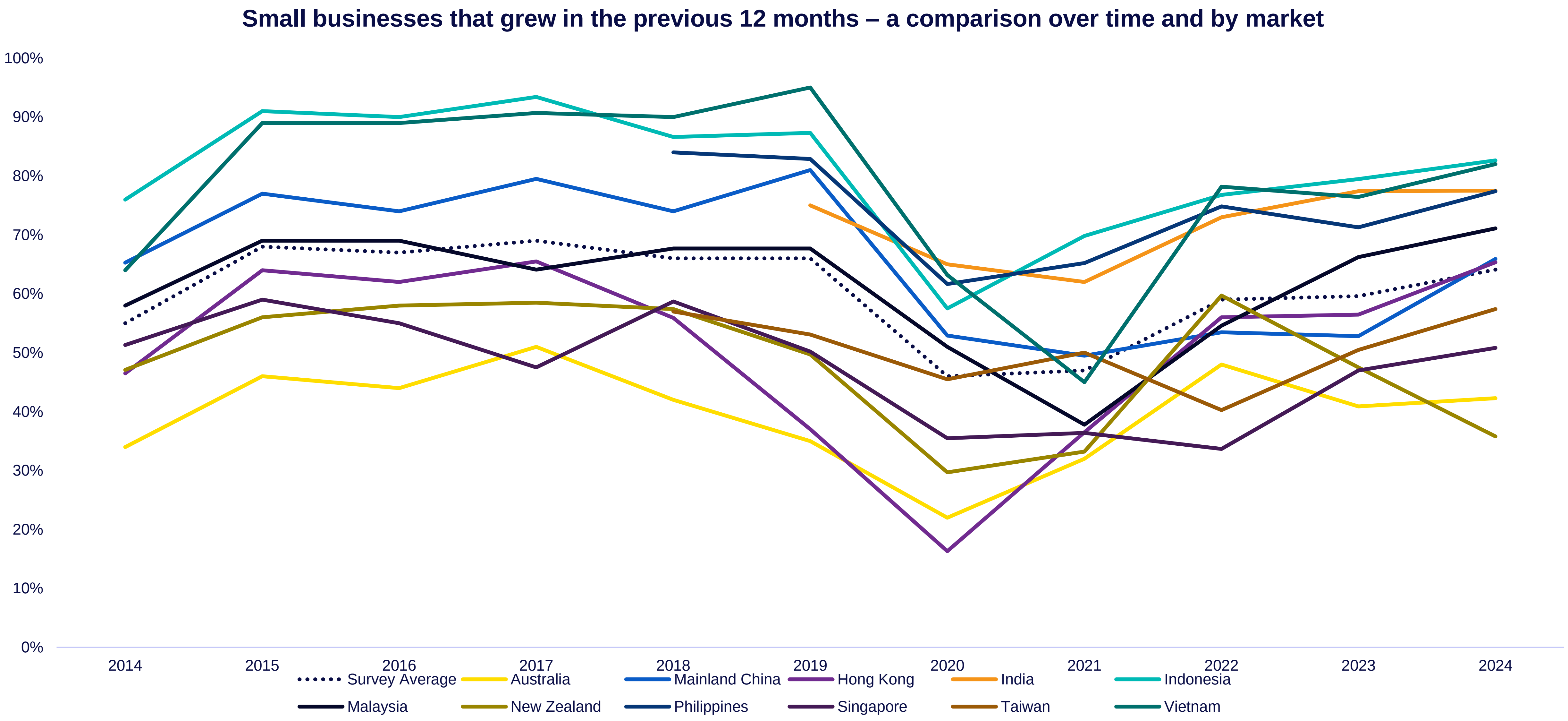
Many small businesses reported that their actual performance in 2024 did not meet expectations

Younger respondents remain significantly more likely to be associated with growing small businesses

2025 is expected to be a better year for many of the region's small businesses compared to 2024

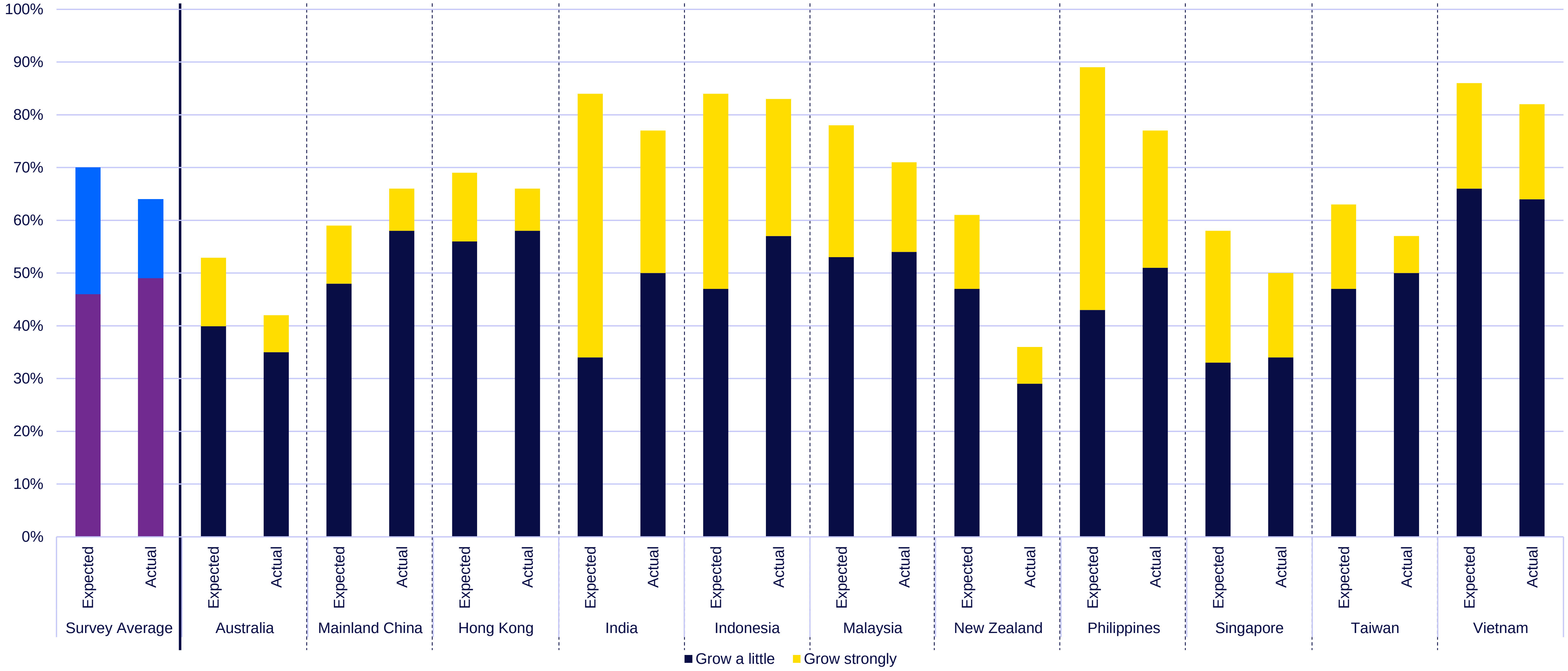


2024 was the best year for the region’s small business since COVID-19

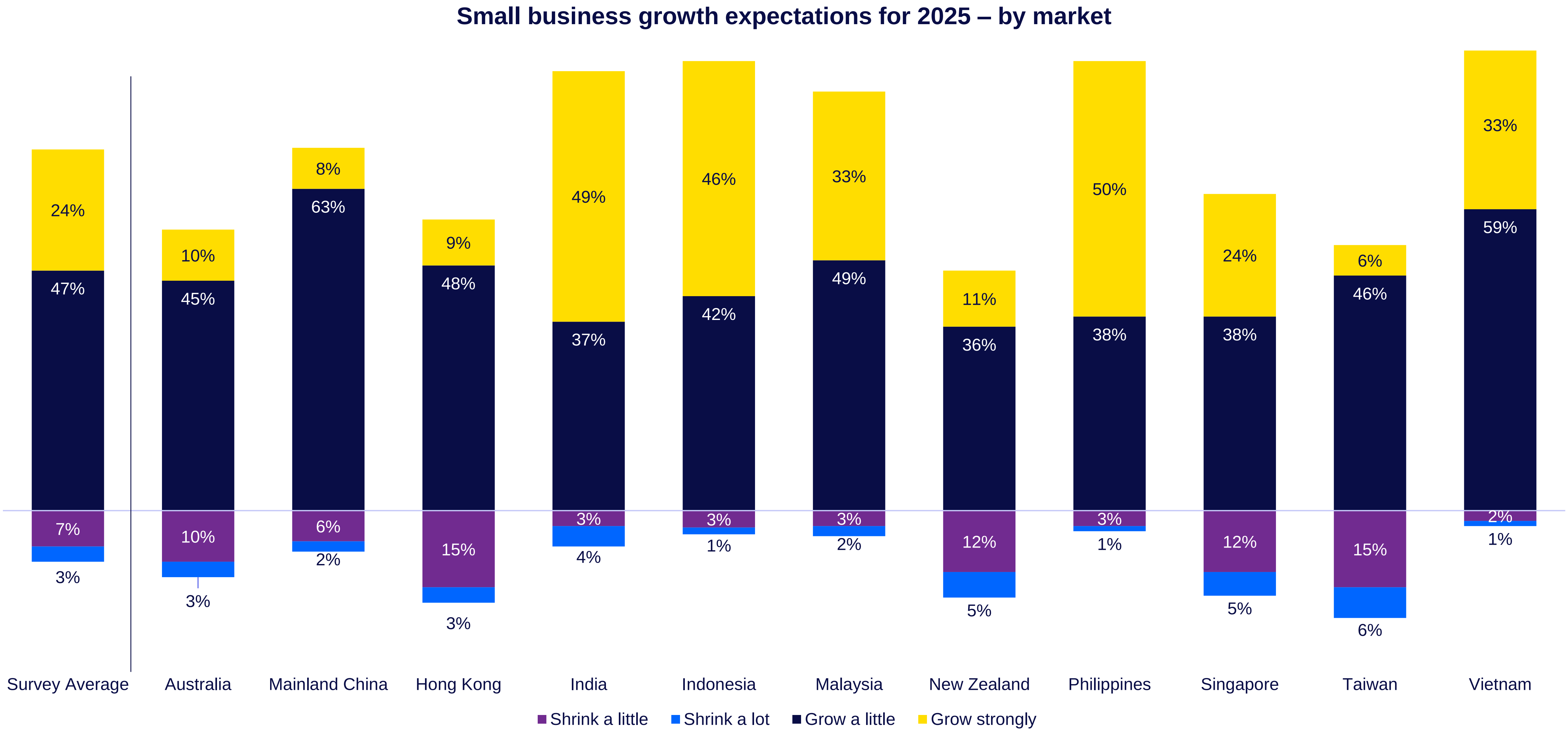


Many small businesses reported that their actual performance in 2024 did not meet their expectations

Small businesses that reported growing in 2024 compared to expected to grow in that year – by market



Most small businesses expect to grow in 2025



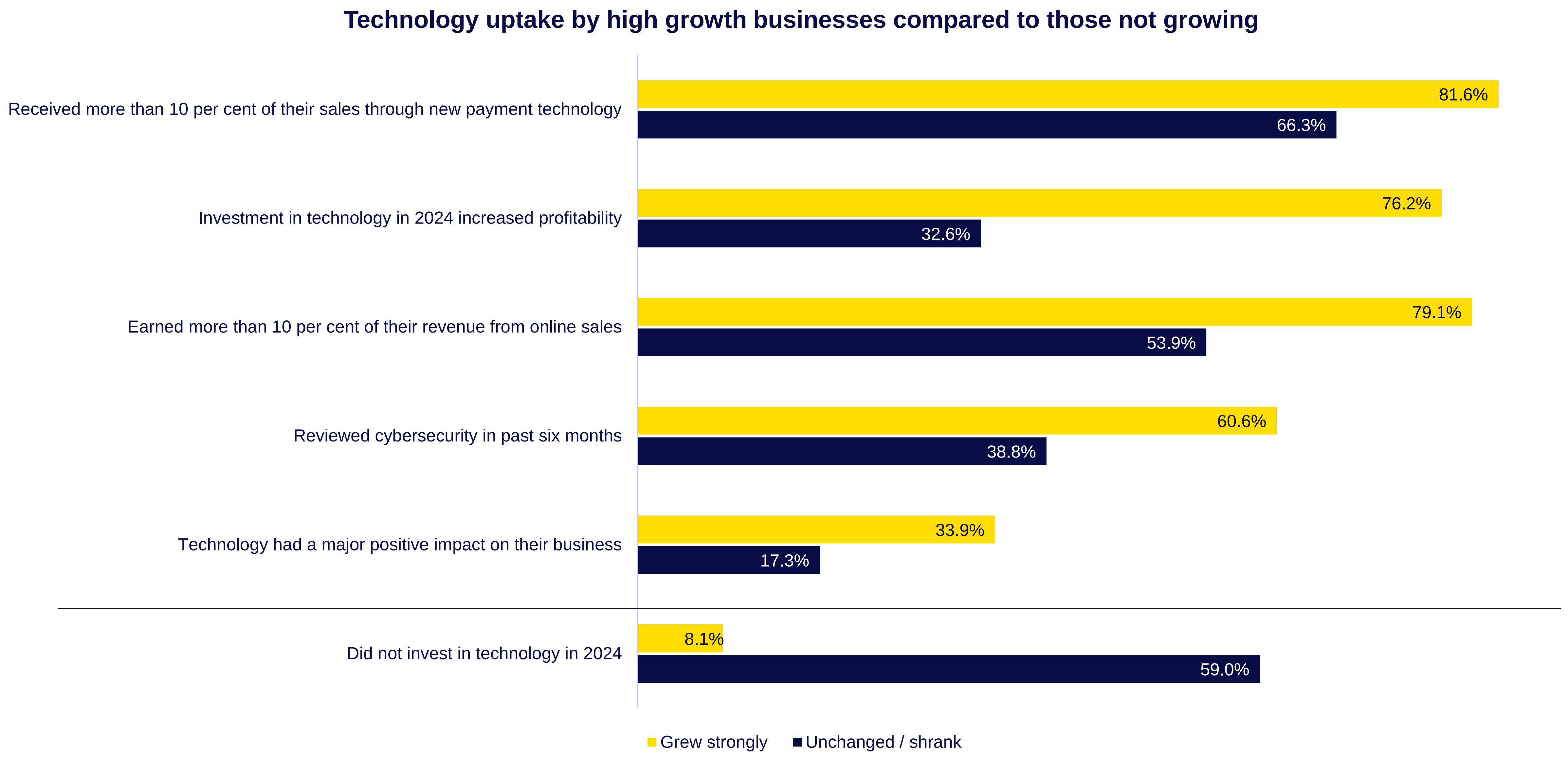
CHARACTERISTICS OF HIGH-GROWTH SMALL BUSINESSES

Characteristics of high-growth small businesses

High-growth small businesses are more likely to have the following characteristics:

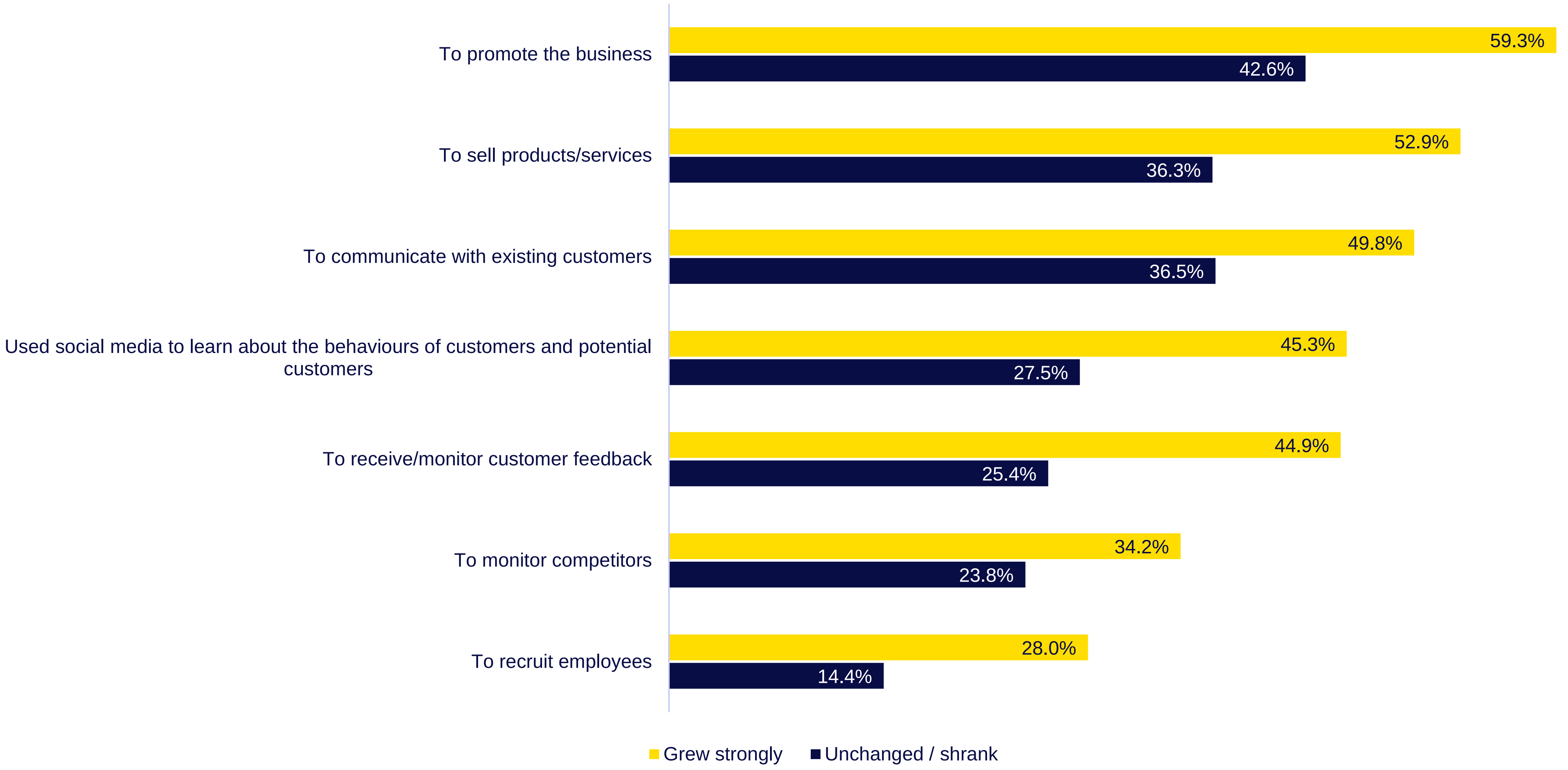
Make online sales	Receive sales through new payment technologies such as PayPal, WeChat Pay and Buy Now Pay Later	Use social media to learn more about their customers and potential customers, monitor competitors and sell online
Make technology investments that are significantly more likely to quickly improve profitability	Focus on customer satisfaction, strategy, management skills and good staff	Innovate through the introduction of new products, services or processes
Expand into overseas markets	Seek professional advice, especially from IT consultants	Protect their business from cyberattacks
Have owners or leaders under 40	Been operating between five to ten years	Have 10 to 19 employees
Be operating in developing markets such as Vietnam, India, Indonesia and the Philippines	Be in the rental, hiring and real estate services sector	The owner/operator prefers to take risks consistent with their long-term vision

Technology continues to be more critical to high-growth businesses than other businesses

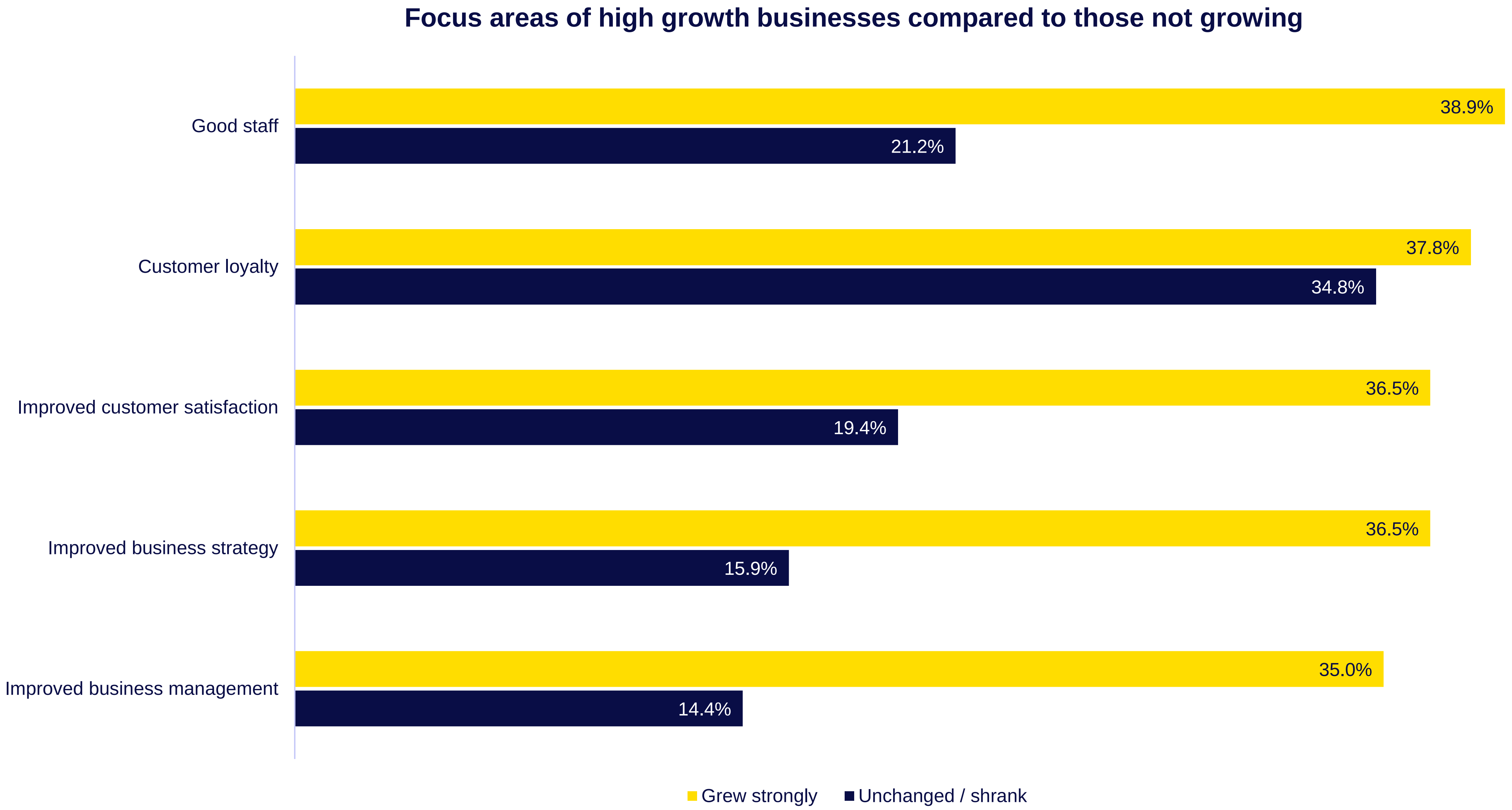


High growth businesses are more likely to use social media for a variety of purposes

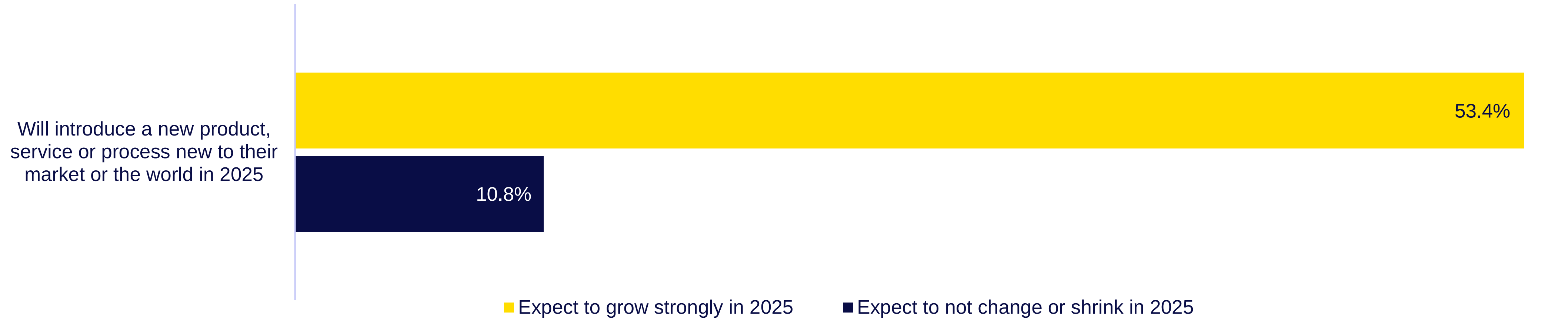
Social media use by high growth businesses compared to those not growing

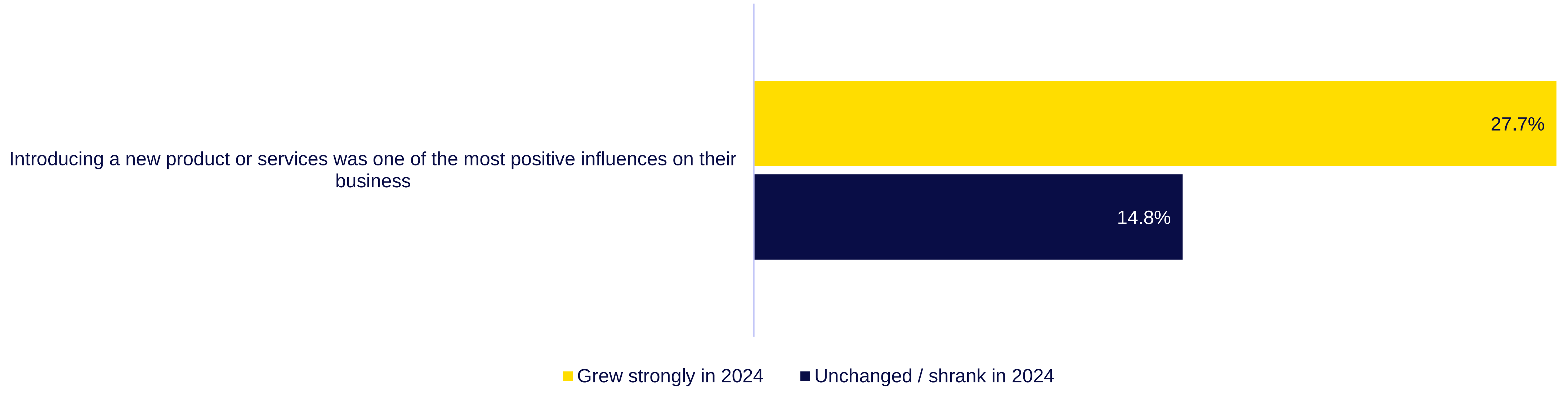


High growth businesses are much more focused on good staff, improving customer satisfaction, business strategy and management skills

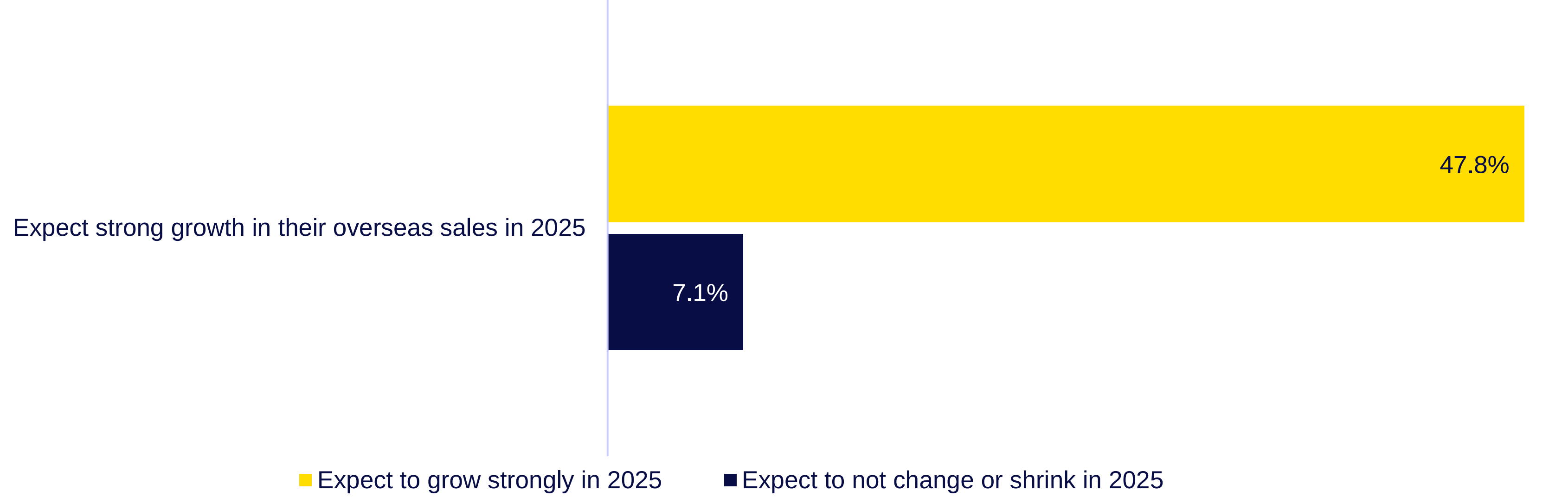


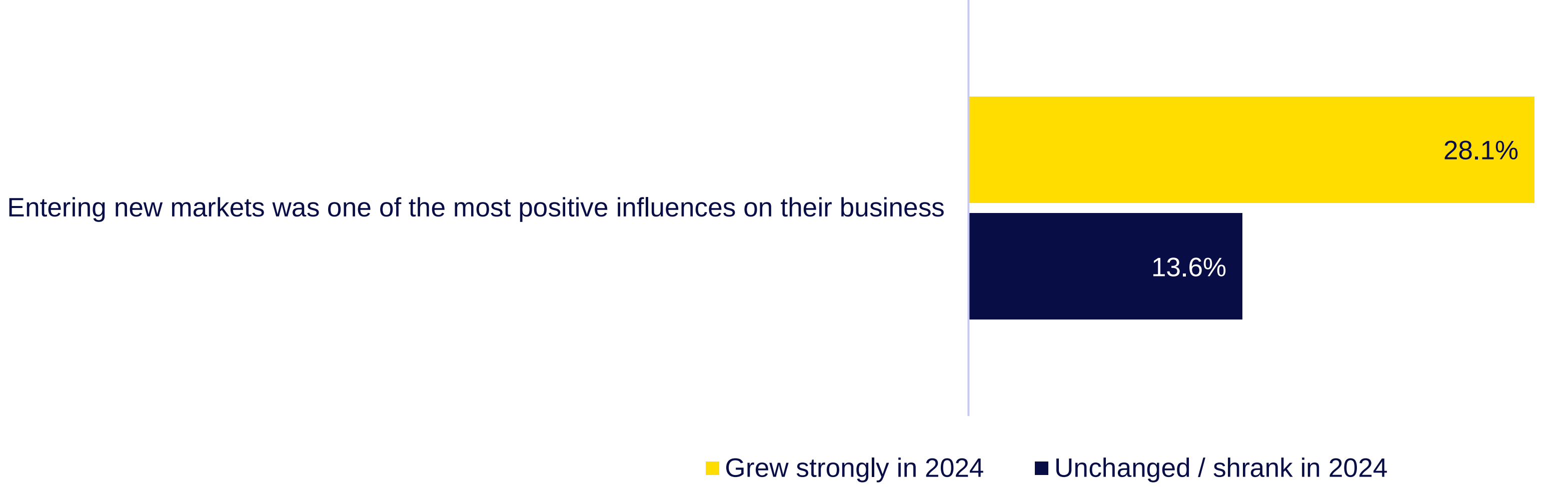
High growth businesses are significantly more likely to innovate



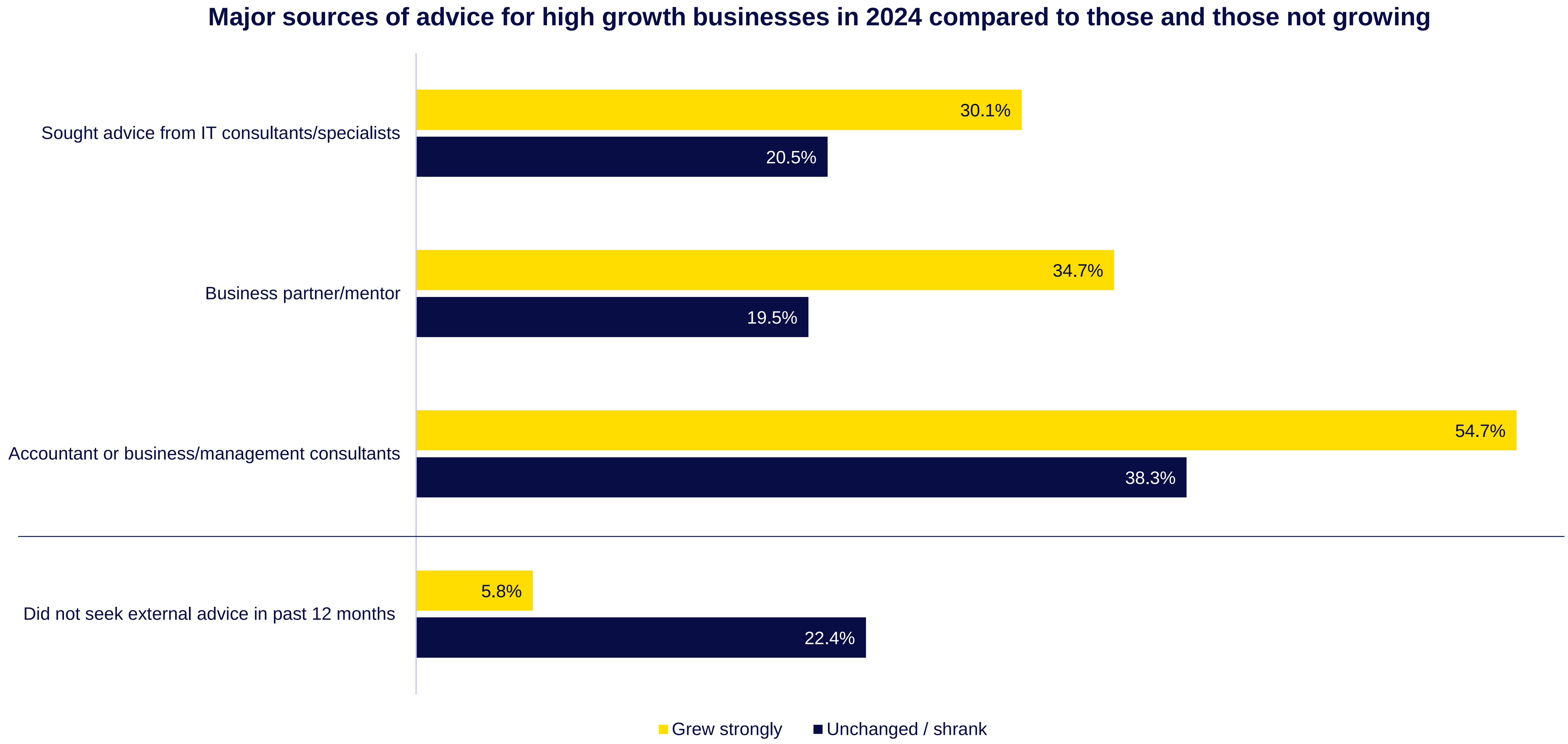


High-growth small businesses are significantly more likely to expect strong growth in overseas sales in 2025

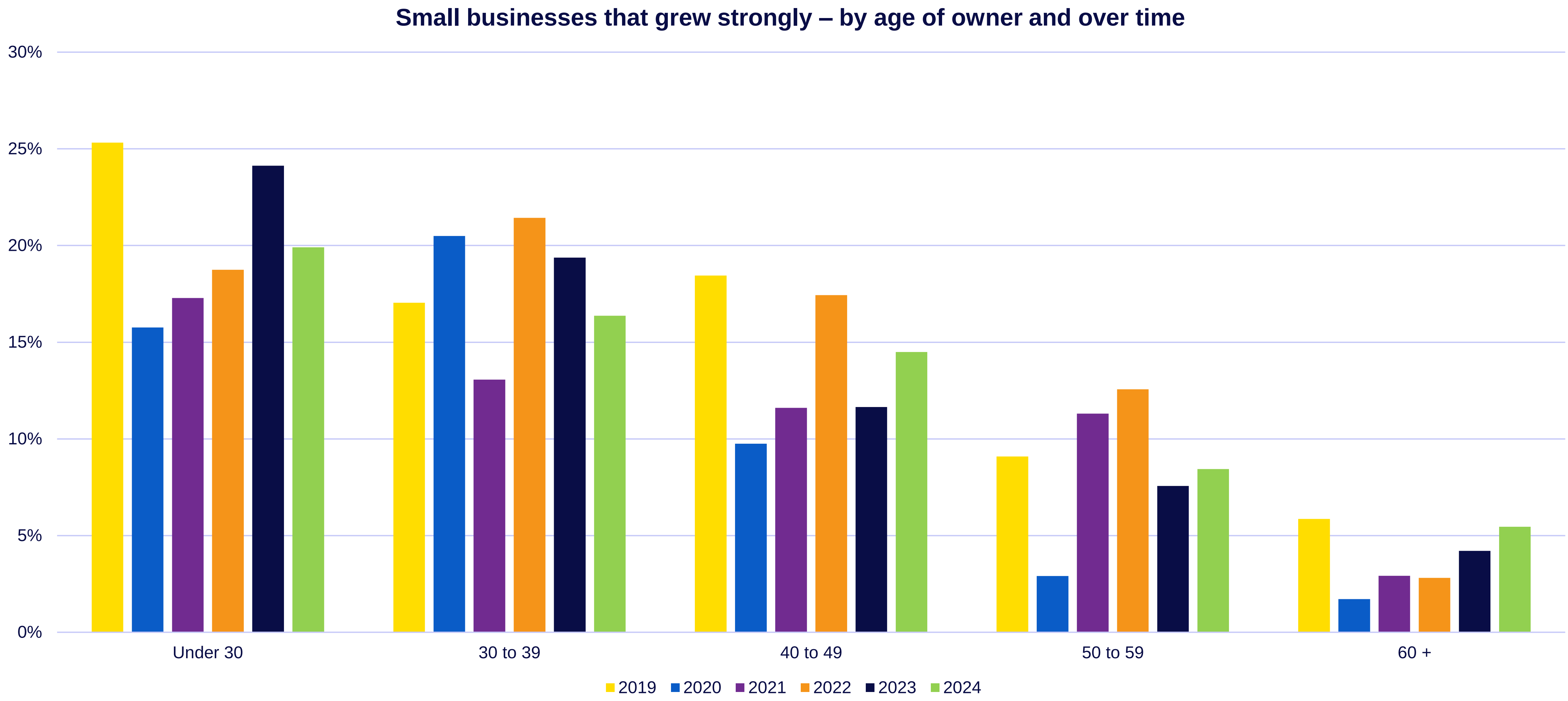




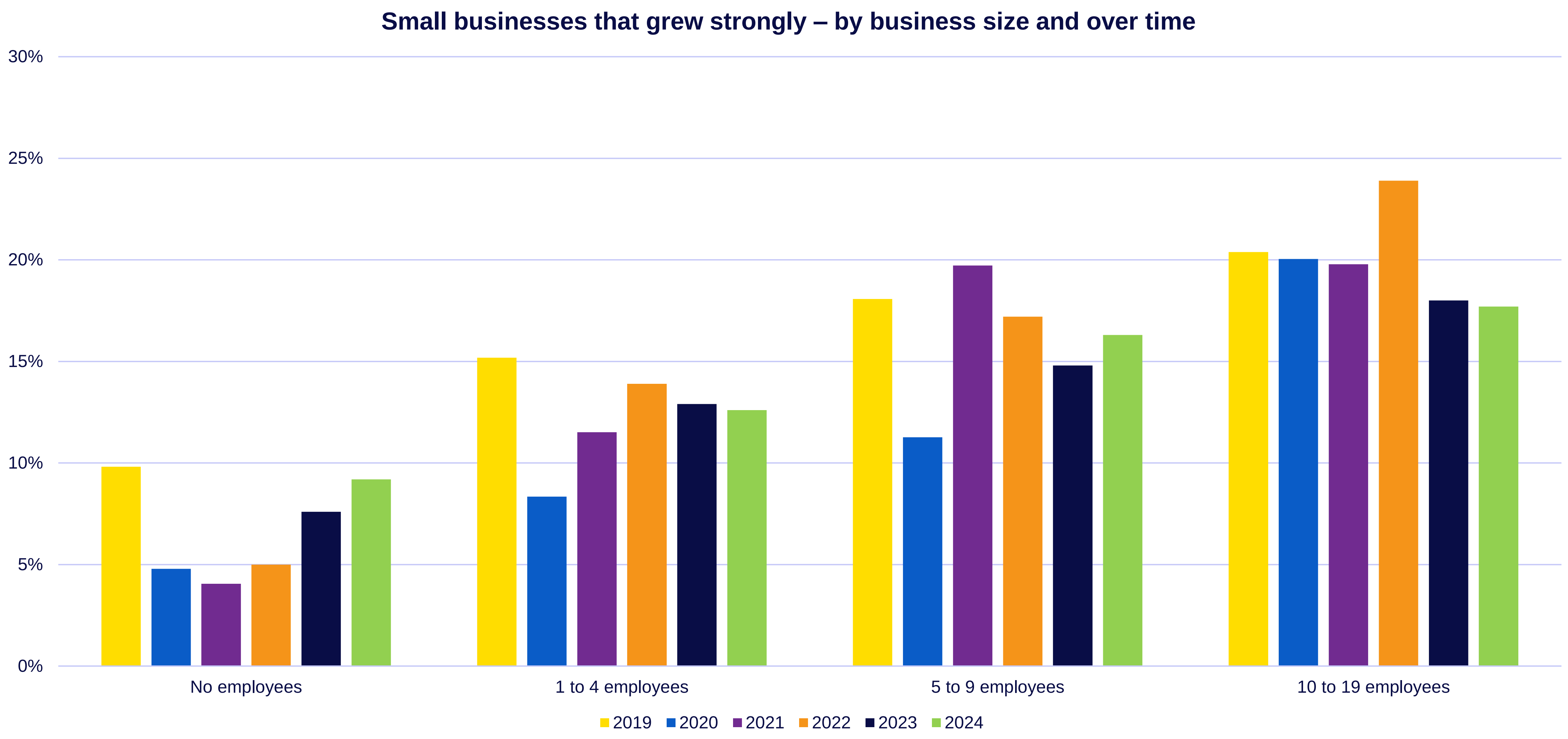
High growth businesses are more likely to seek professional advice



Small businesses owned or operated by someone under 40 are more likely to grow strongly



Small businesses with more employees are more likely to experience strong growth



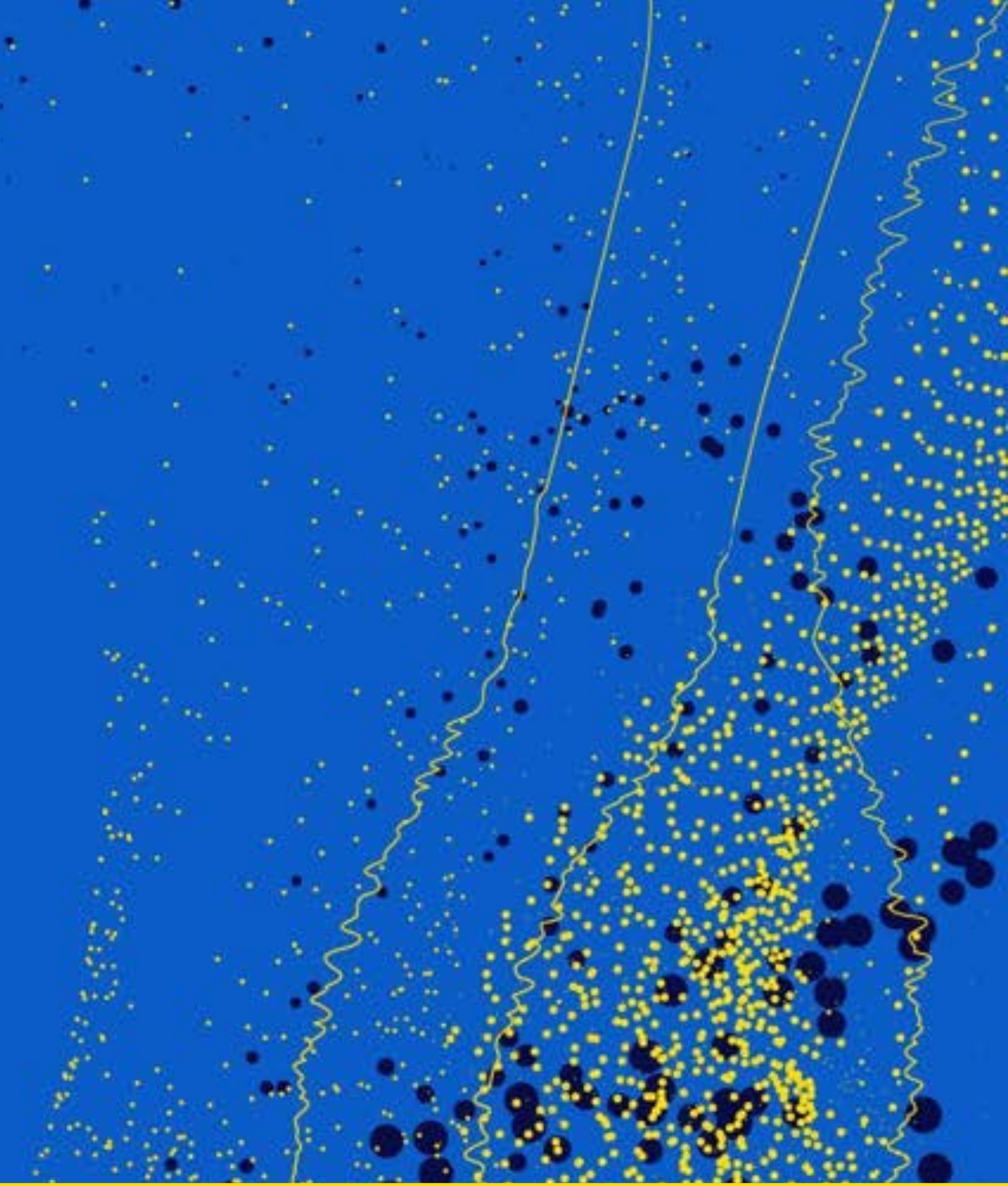
Top-five industries with the most high-growth small businesses in 2024

1. Rental, hiring and real estate services – 20.2%
2. Manufacturing – 19.3%
3. Banking, finance or insurance – 18.9%
4. Health care and social assistance – 17.1%
5. Information, media and telecommunications – 17.0%

Top-five industries with the most small businesses that stagnated or declined in 2024

1. Professional, scientific and technical services – 43.6%
2. Administrative and support services – 41.7%
3. Transport and warehousing – 41.1%
4. Agriculture, forestry and fishing – 40.6%
5. Arts and recreation services – 40.5%

Small business and technology



Selling online

High growth businesses remain more likely than other businesses to generate at least 10 per cent of their sales through selling online

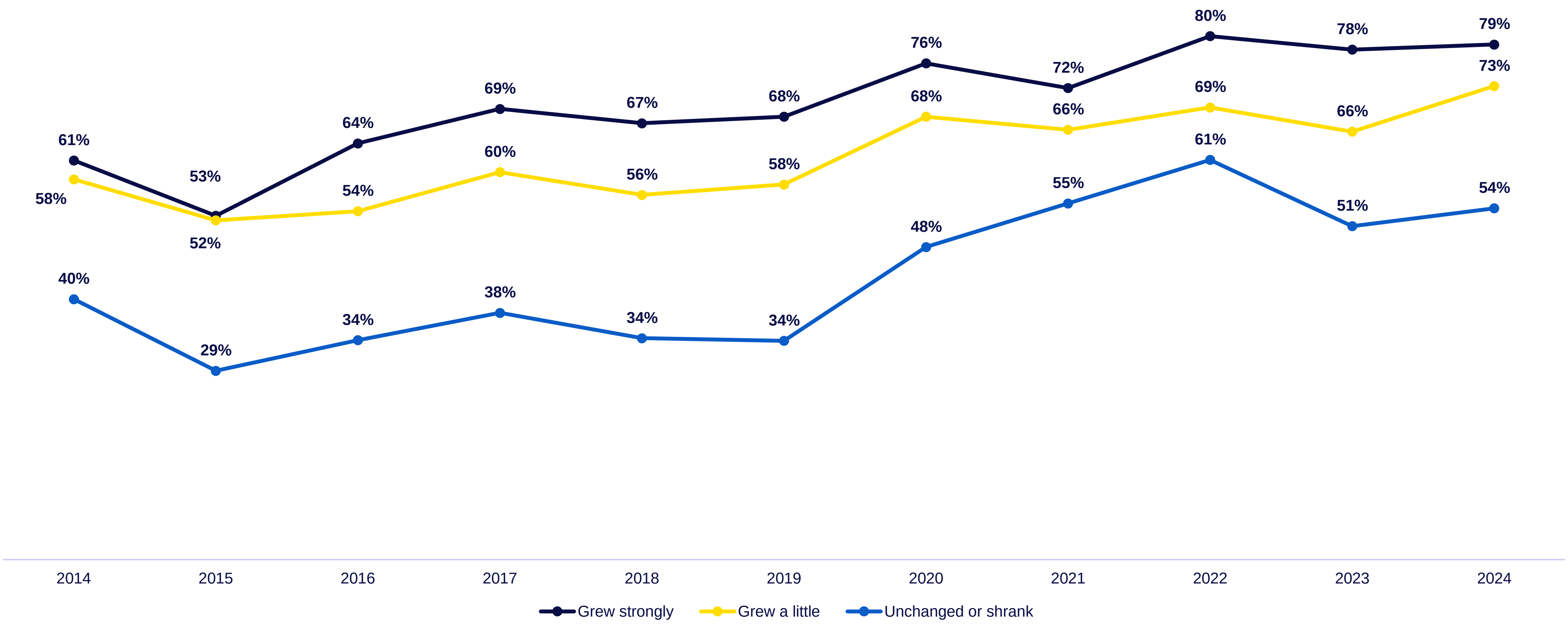
Vietnam's small businesses lead the region in selling online, followed closely by Mainland China and Hong Kong

Small businesses in Australia and New Zealand remain the least likely to generate sales online

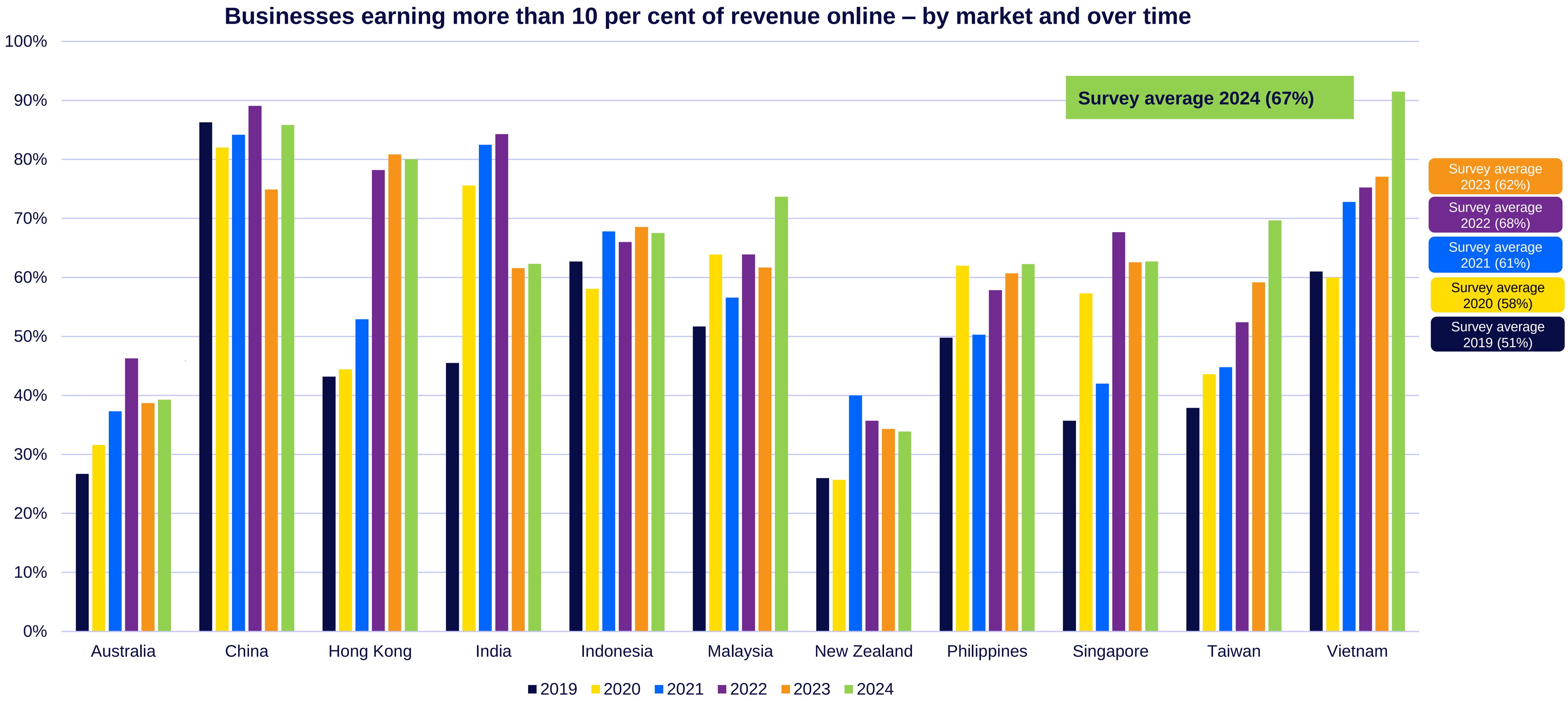
Older business owners, long-established businesses and micro businesses remain significantly less likely to sell online, possibly due to limited knowledge of how to do so and / or reliance on traditional approaches to selling

High growth businesses remain more likely to generate at least 10 per cent of their sales through selling online

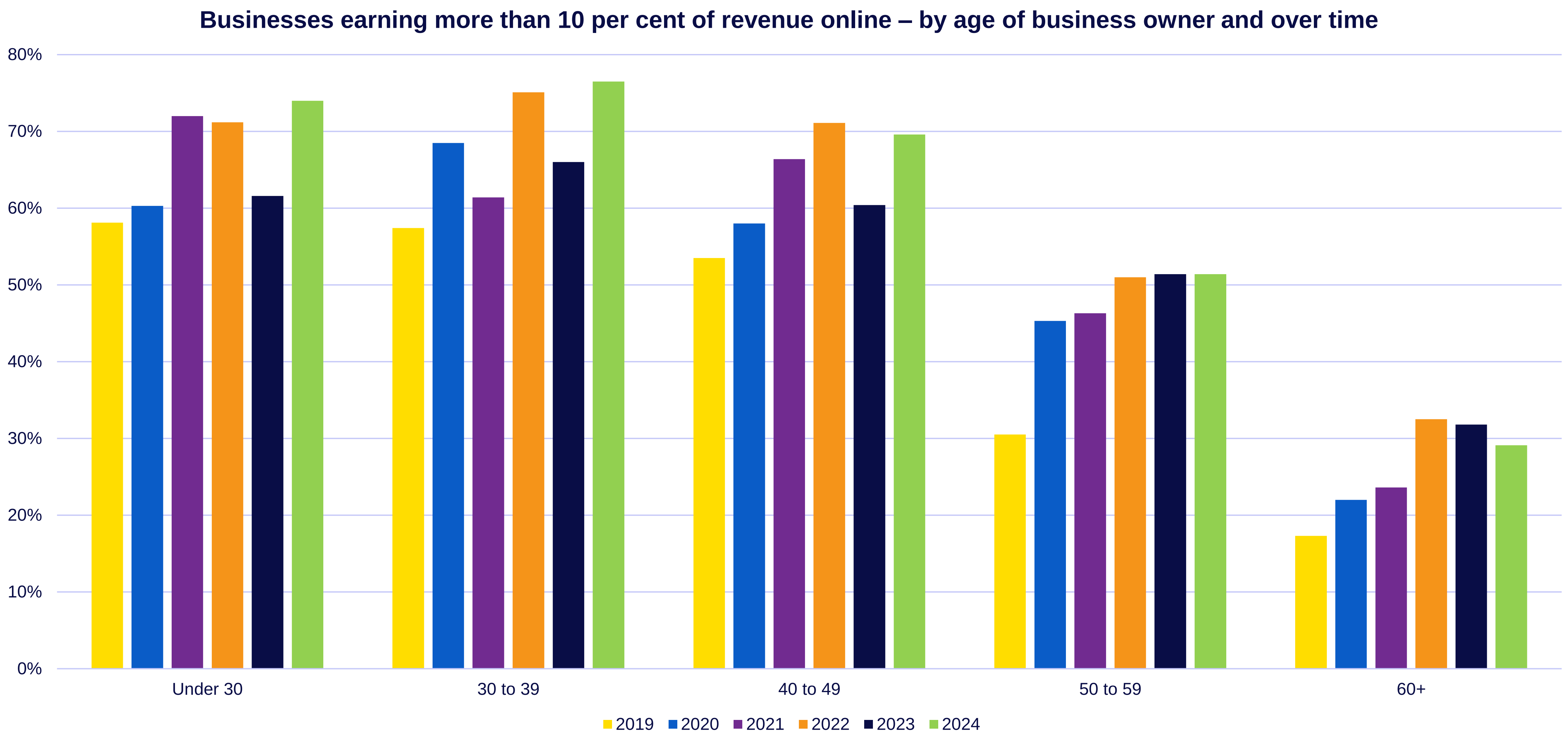
Businesses earning more than 10 per cent of revenue online – by whether they grew or not and over time



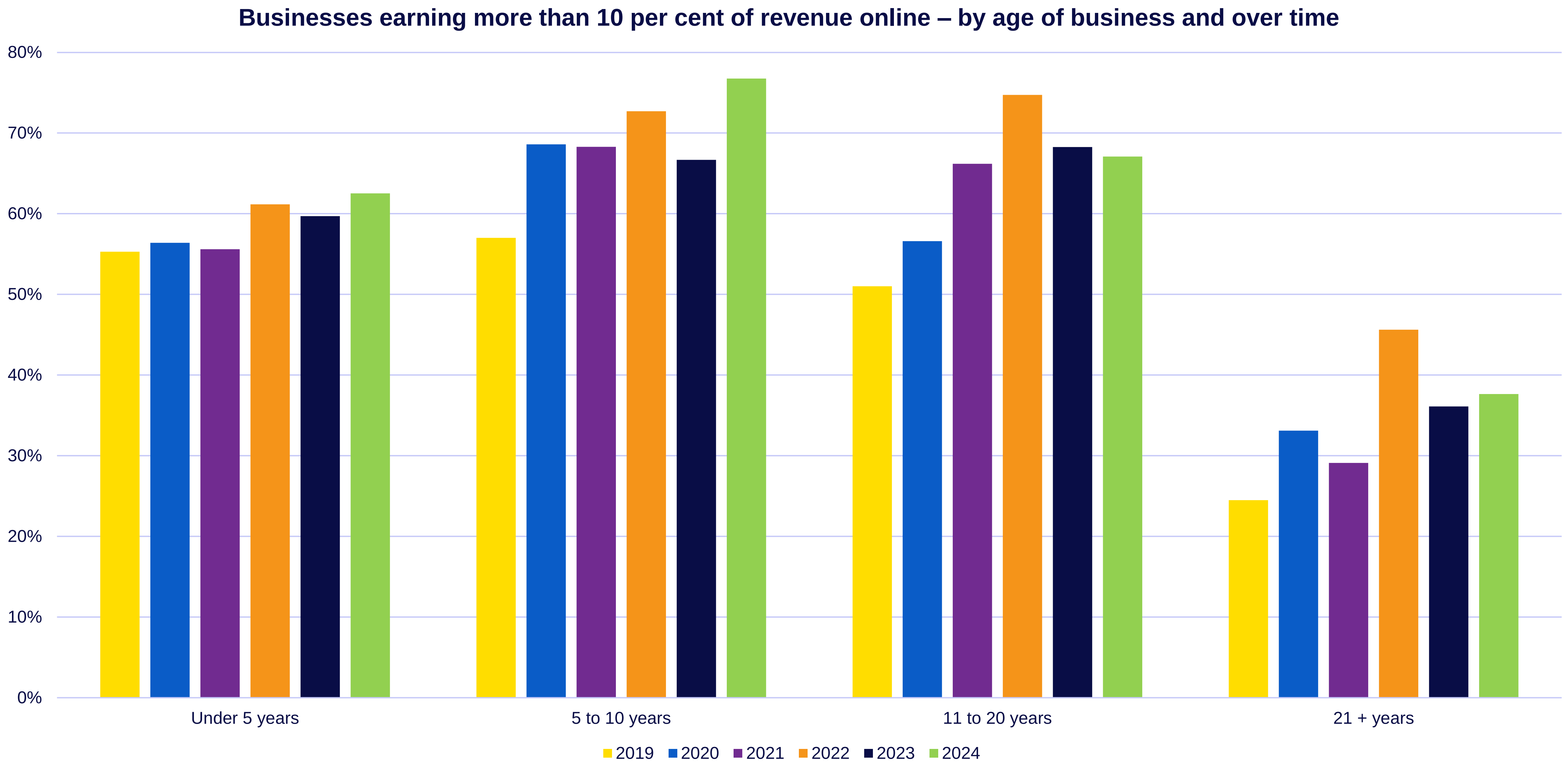
Vietnam's small businesses lead the region in selling online, while small businesses in Australia and New Zealand remain the least likely to sell online



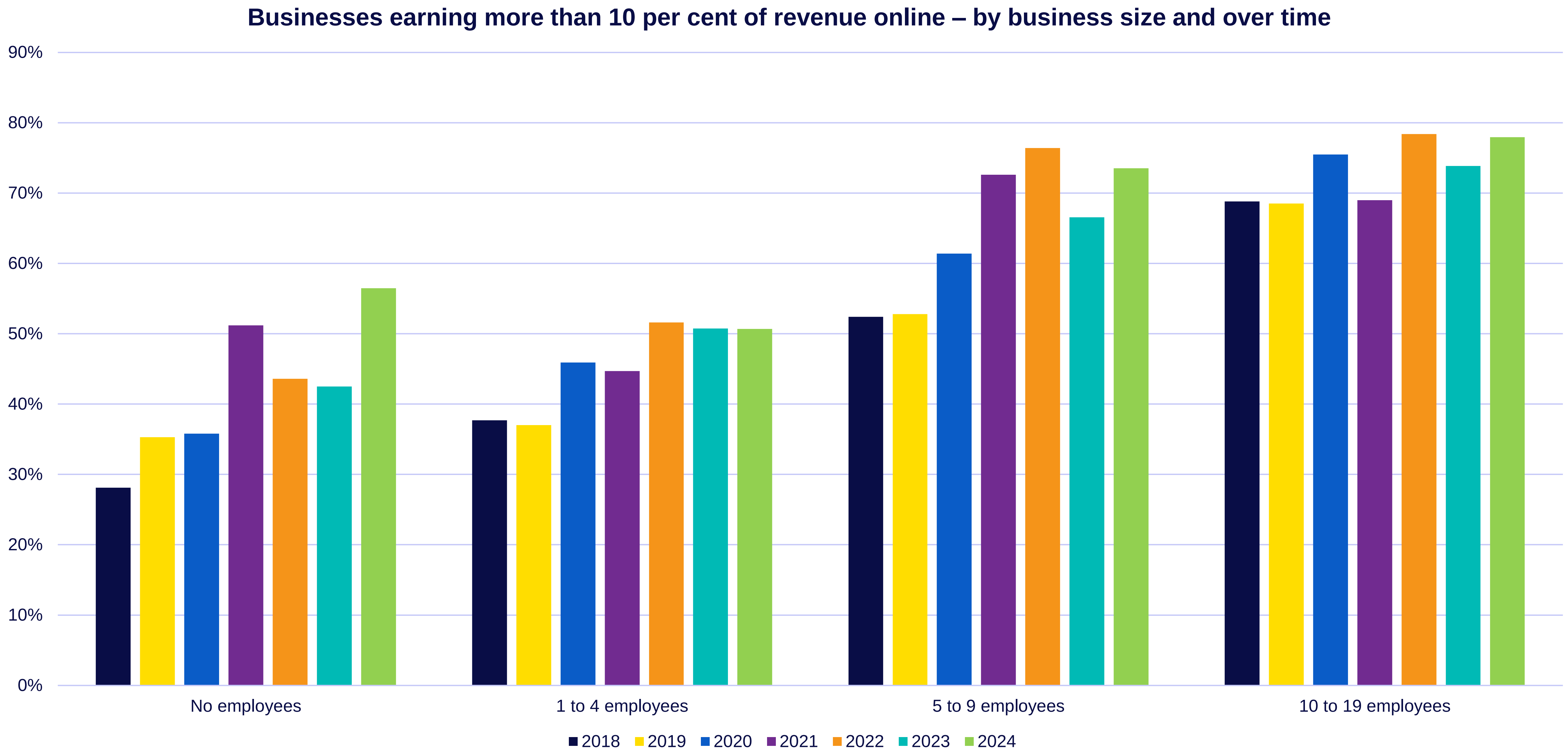
Older business owners remain significantly less likely to sell online



Long-established businesses remain significantly less likely to sell online



Micro businesses remain much less likely to sell online



New payment technologies

High-growth businesses remain more likely than others to generate over 10 per cent of their sales through new payment technologies such as PayPal, WeChat Pay, Apple Pay, and "buy now, pay later“ options

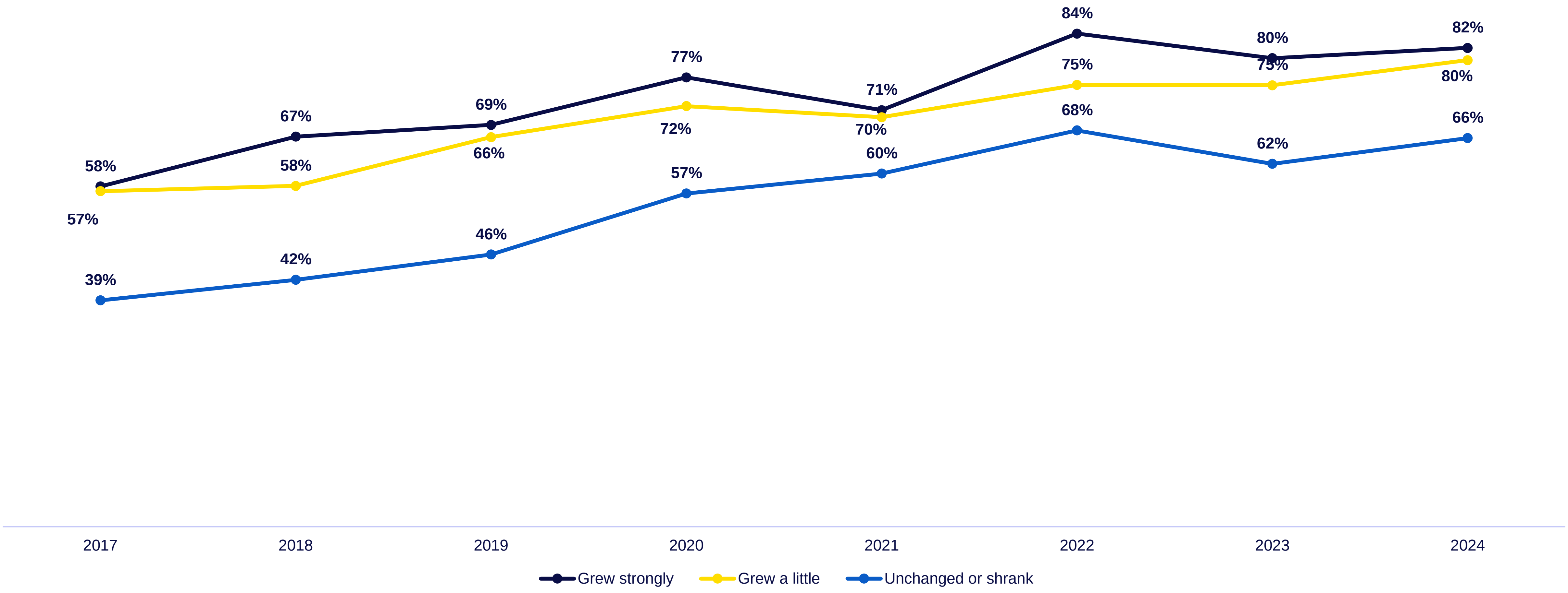
Mainland China’s small businesses lead the region in adopting new payment technologies, followed closely by Vietnam and India

Australian and New Zealand small businesses remain the least likely to offer new payment options to customers, possibly due to well-established technologies such as EFTPOS

Older business owners, long-established businesses and micro businesses remain significantly less likely to offer new payment technologies. This may be due to a lack of knowledge about integrating such technologies into their business and / or concerns over transaction fees

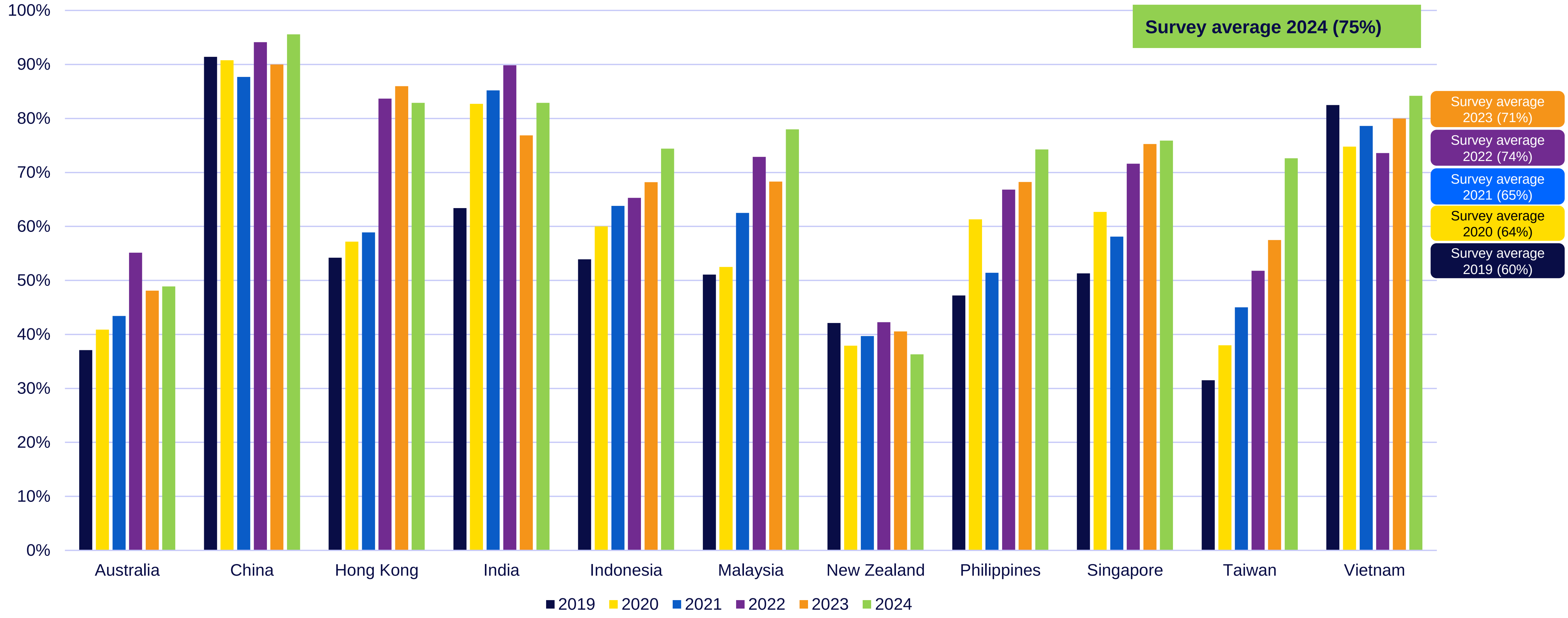
High-growth businesses remain more likely to generate over 10 per cent of their sales through new payment technologies

Businesses receiving more than 10 per cent of their sales through new payment technologies – by whether they grew or not, and over time

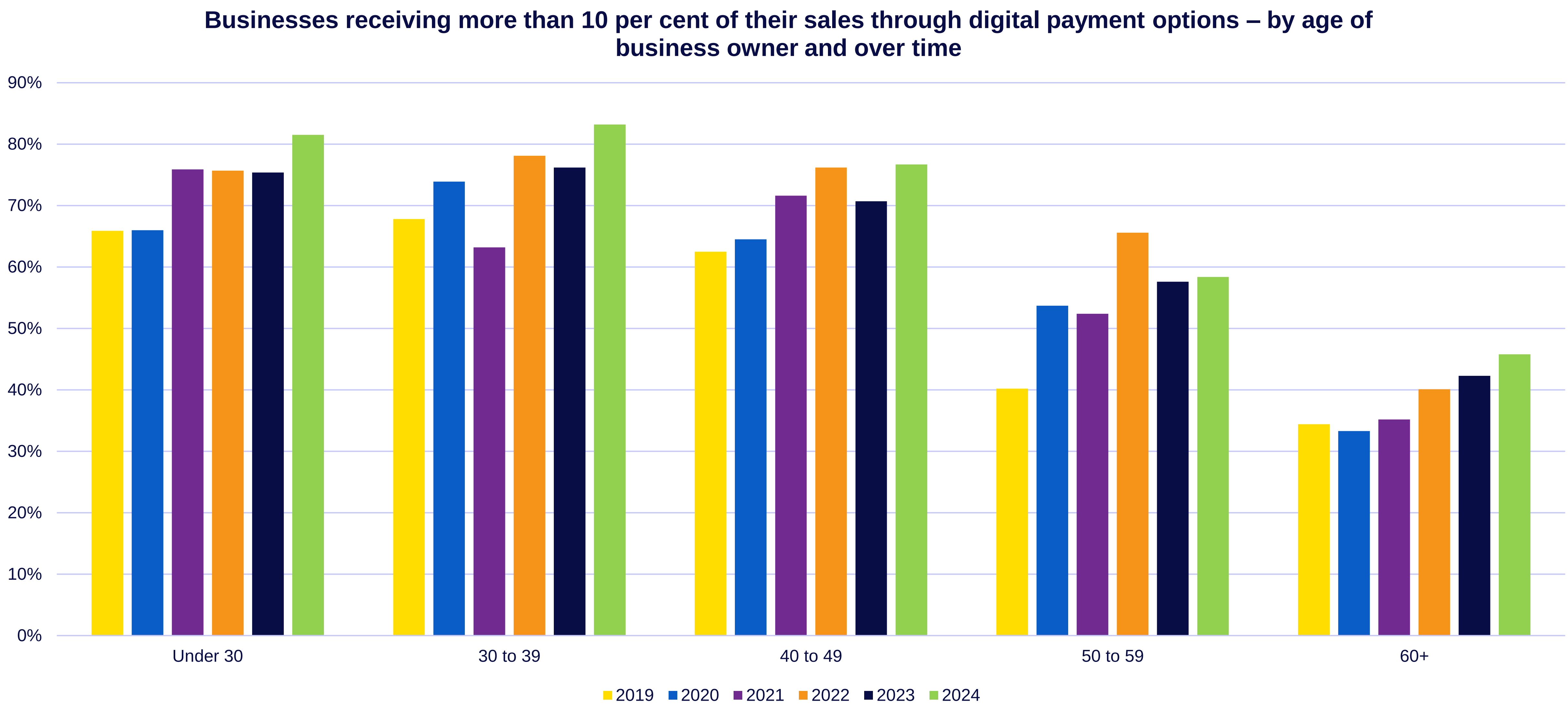


Mainland China's small businesses continue to lead the region in offering new payment technologies to customers, while small businesses in Australia and New Zealand remain the least likely to do so

Businesses receiving more than 10 per cent of their sales through digital payment options – by market and over time

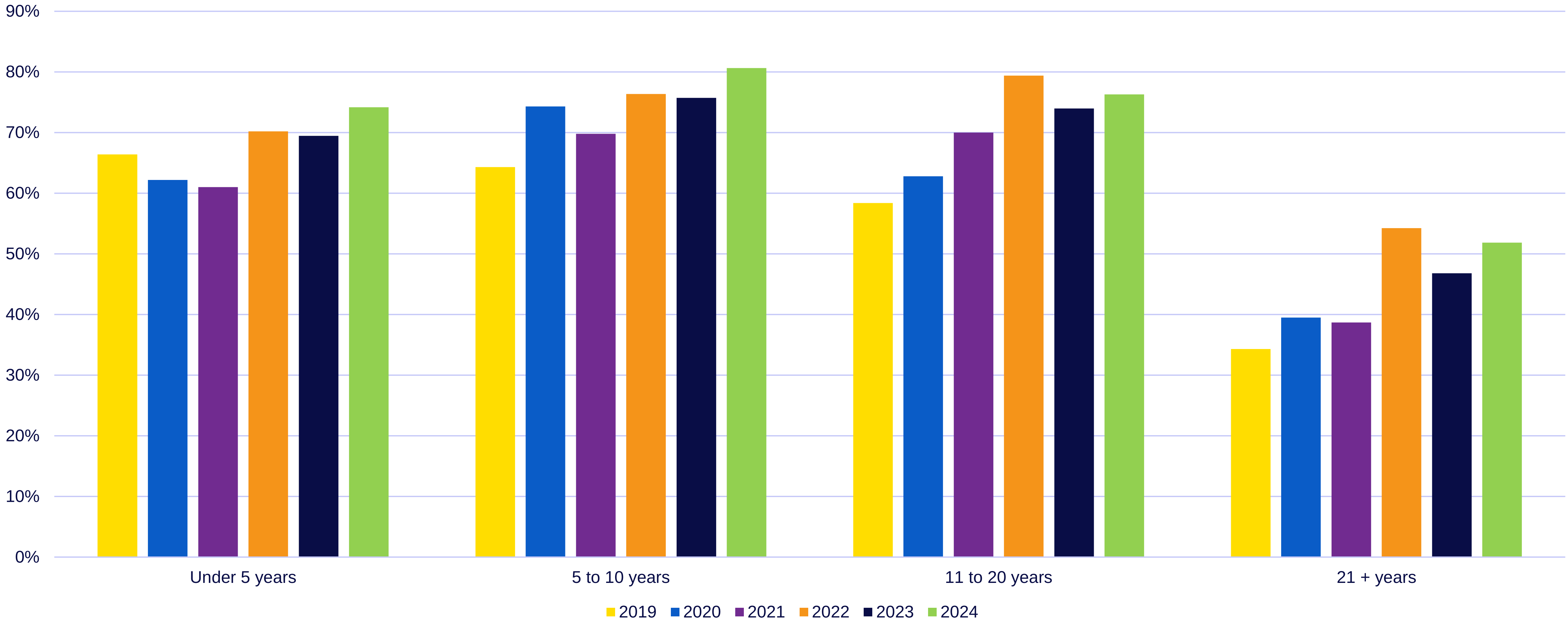


Older business owners remain significantly less likely to offer new payment technologies to customers

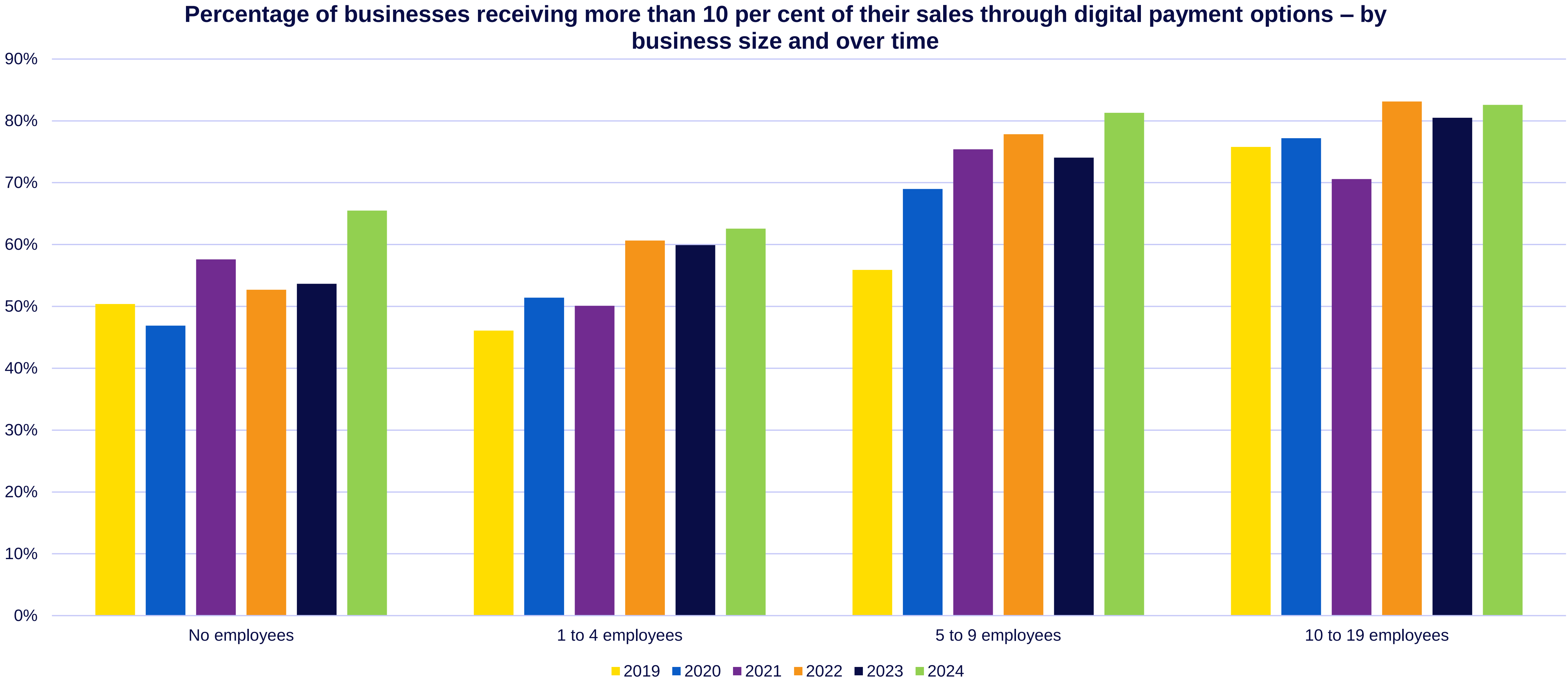


Long-established businesses remain significantly less likely to offer new payment technologies

Businesses receiving more than 10 per cent of their sales through digital payment options – by age of business and over time



Micro businesses remain much less likely to offer new payment technologies



Using social media for business purposes

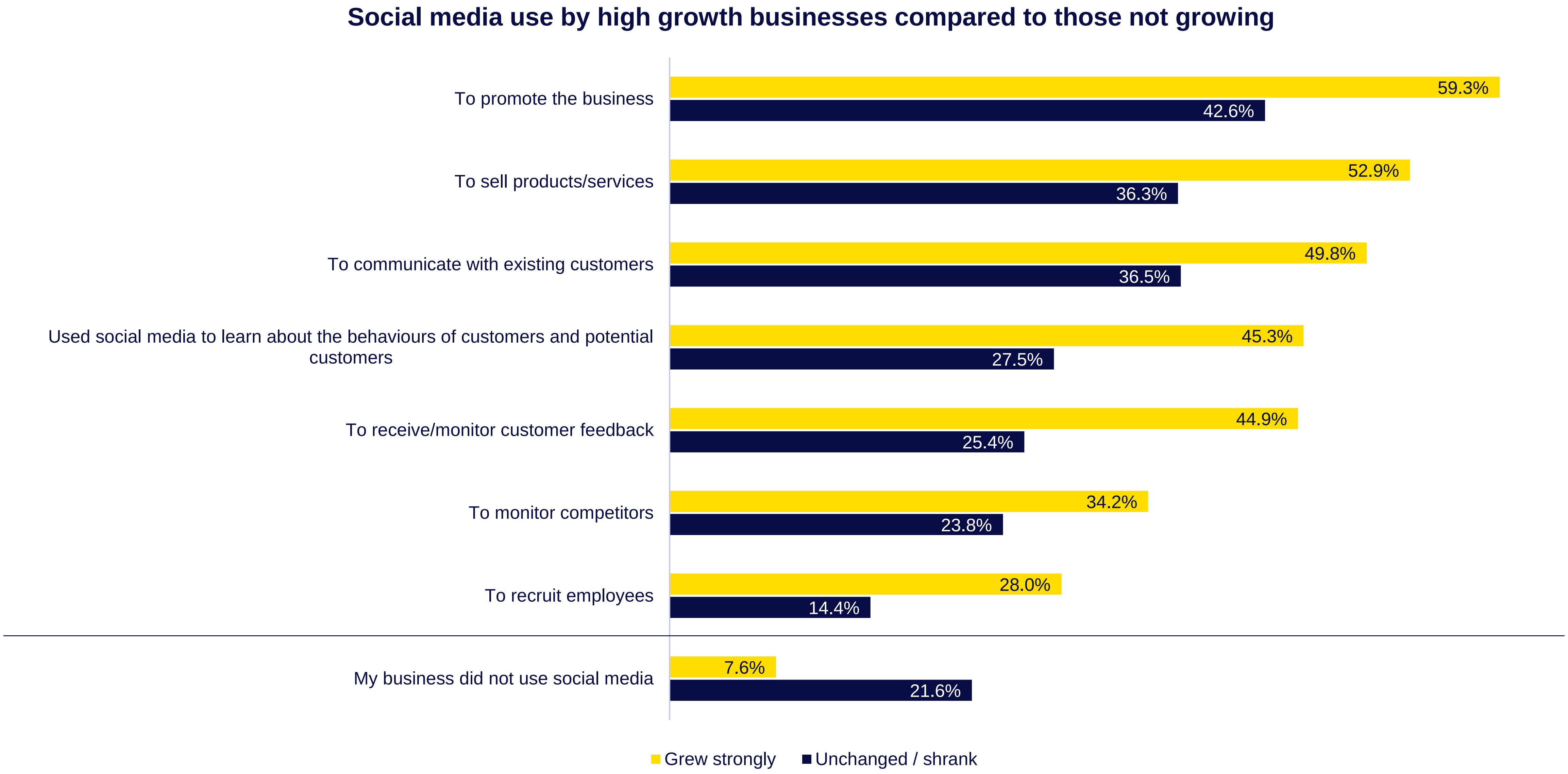
Growing businesses are more likely to incorporate social media into their operations and use it in diverse ways

Most small businesses commonly use social media to market their products and communicate with both current and potential customers. However, high-growth businesses are more likely to utilise social media for additional purposes such as, engaging with customers and selling online

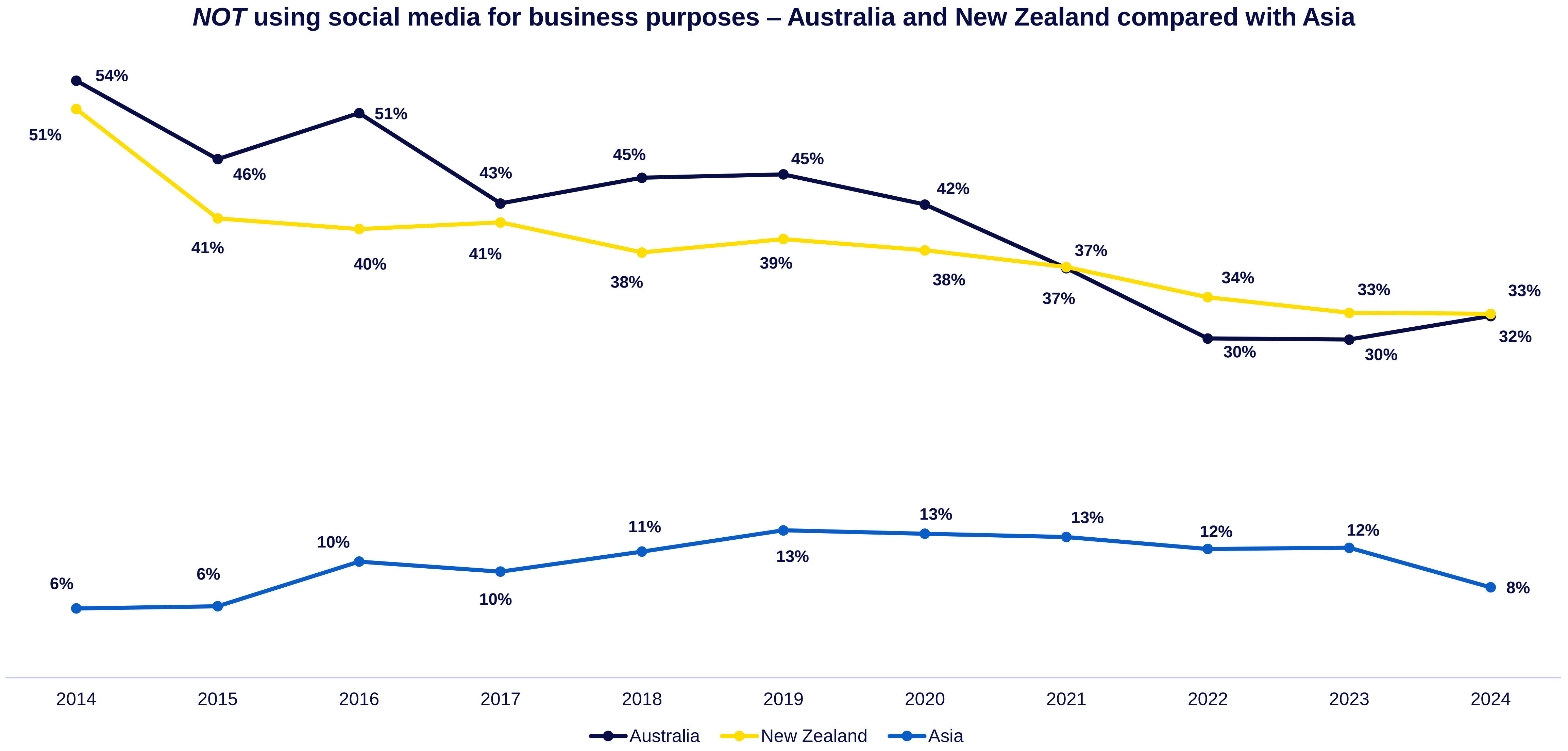
Australian and New Zealand small businesses remain significantly less likely to use social media for business purposes than small businesses in Asia

Older business owners, long-established businesses and micro businesses remain significantly less likely to adopt social media for business purposes. This is likely due to limited knowledge of how to use social media effectively

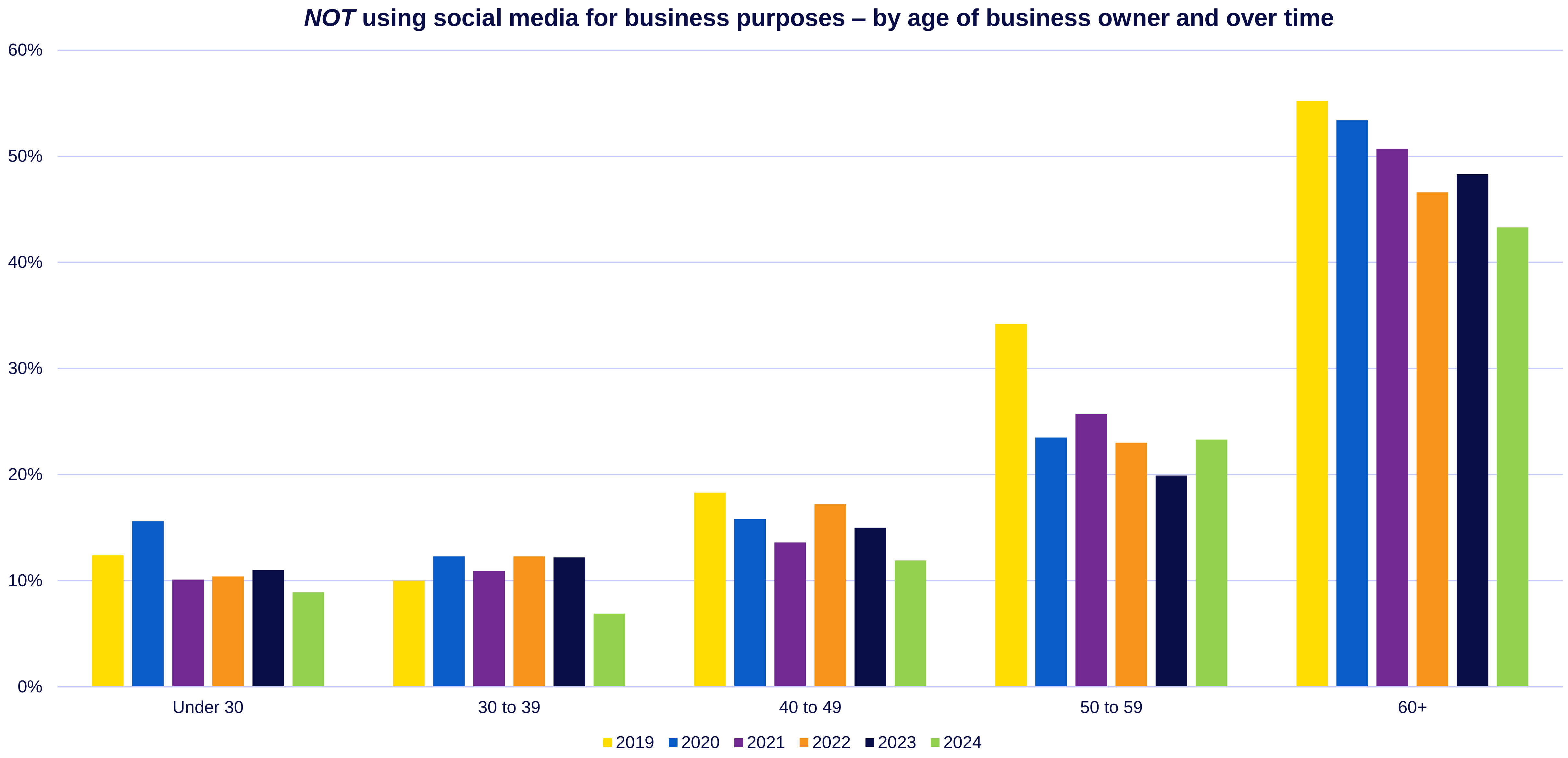
High growth businesses are more likely to use social media for a variety of purposes



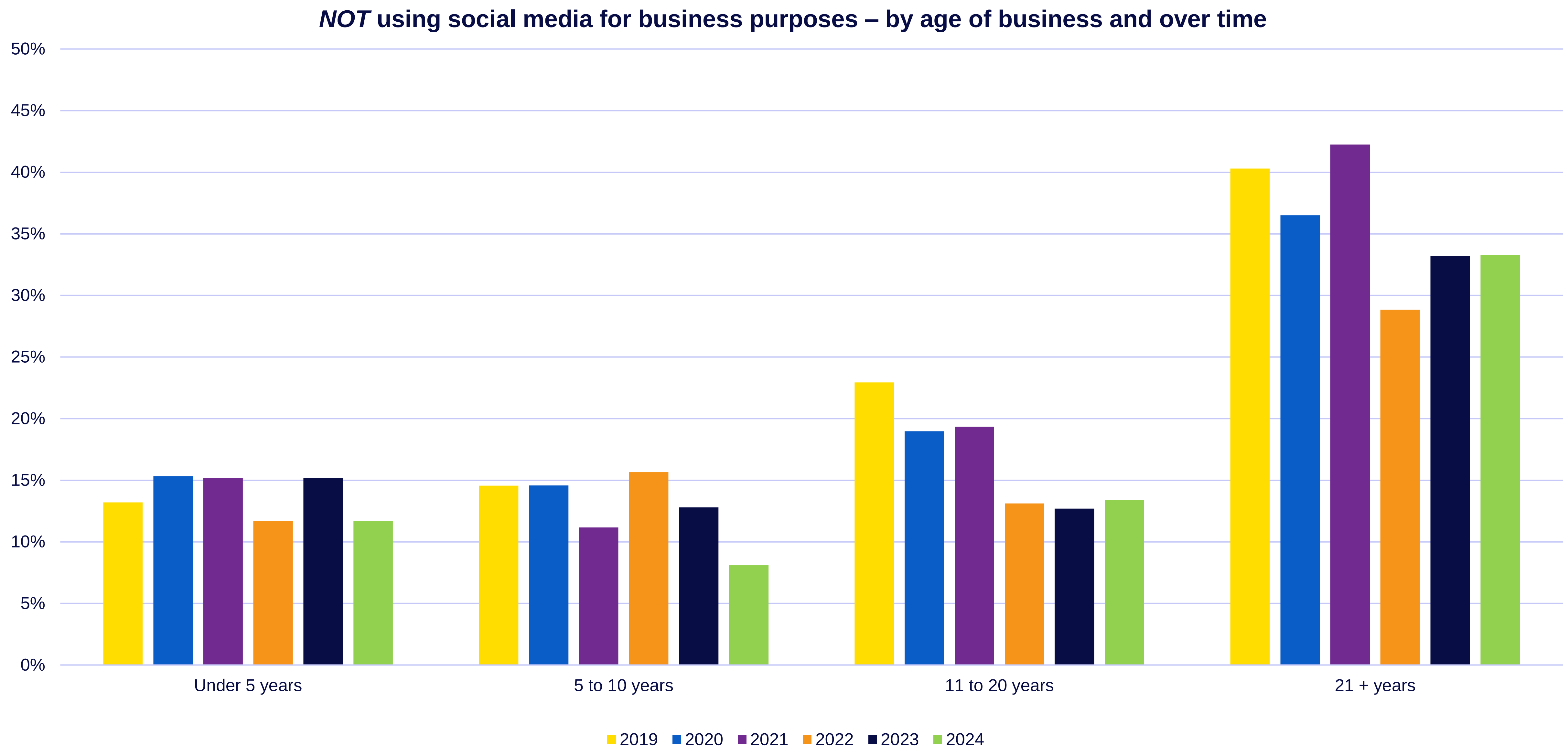
Australian and New Zealand small businesses remain significantly less likely to use social media for business purposes than small businesses in Asia



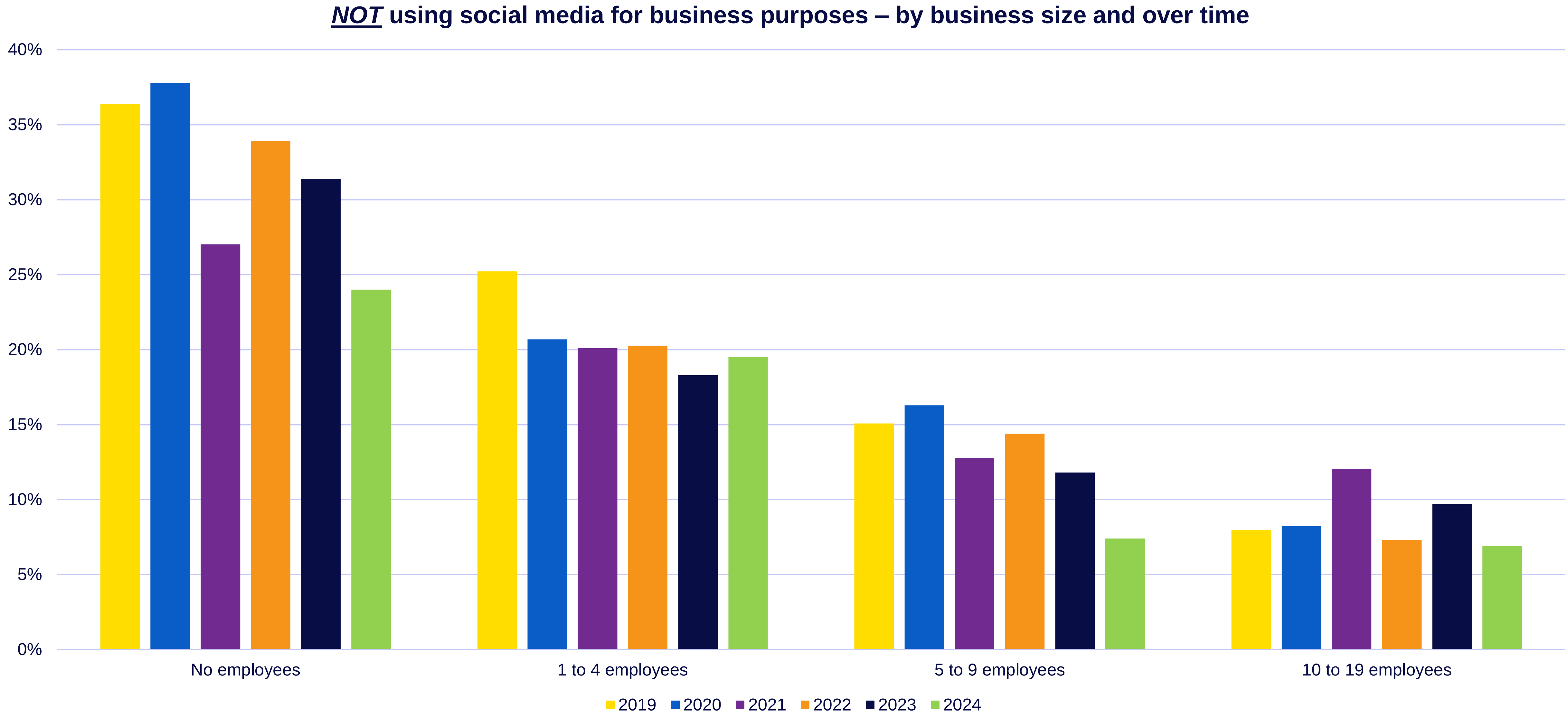
Older business owners remain significantly less likely to adopt social media



Long-established businesses remain significantly less likely to adopt social media



Micro businesses remain less likely to adopt social media for business purposes



Cyber risk and cybersecurity

High-growth businesses, being more reliant on technology, are significantly more likely to have lost time and / or money due to a cyberattack in 2024 or anticipate one in 2025

High-growth businesses are also significantly more likely to have reviewed their cybersecurity in the past six months.

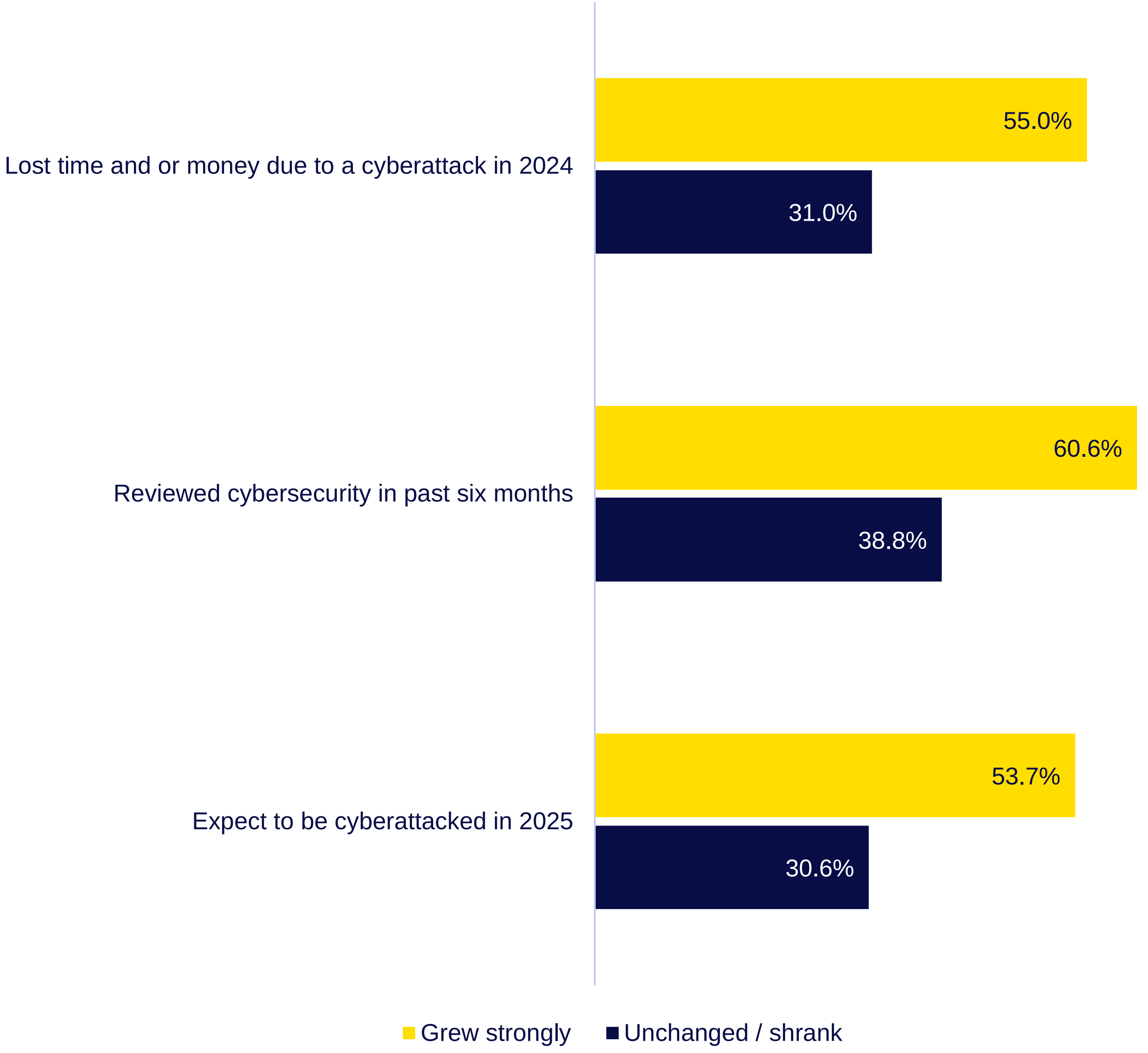
Hong Kong small businesses were the most likely to have lost time or money due to a cyberattack in 2024, while Vietnamese small businesses are the most likely to expect a cyberattack in 2025

Mainland Chinese small businesses are the most proactive in implementing protective measures against cyberattacks

Older business owners, long-established businesses and micro businesses are the least likely to have lost time and / or money due to a cyberattack in 2024 or to have taken proactive measures against such threats. Given their lower levels of digital adoption, this result is unsurprising

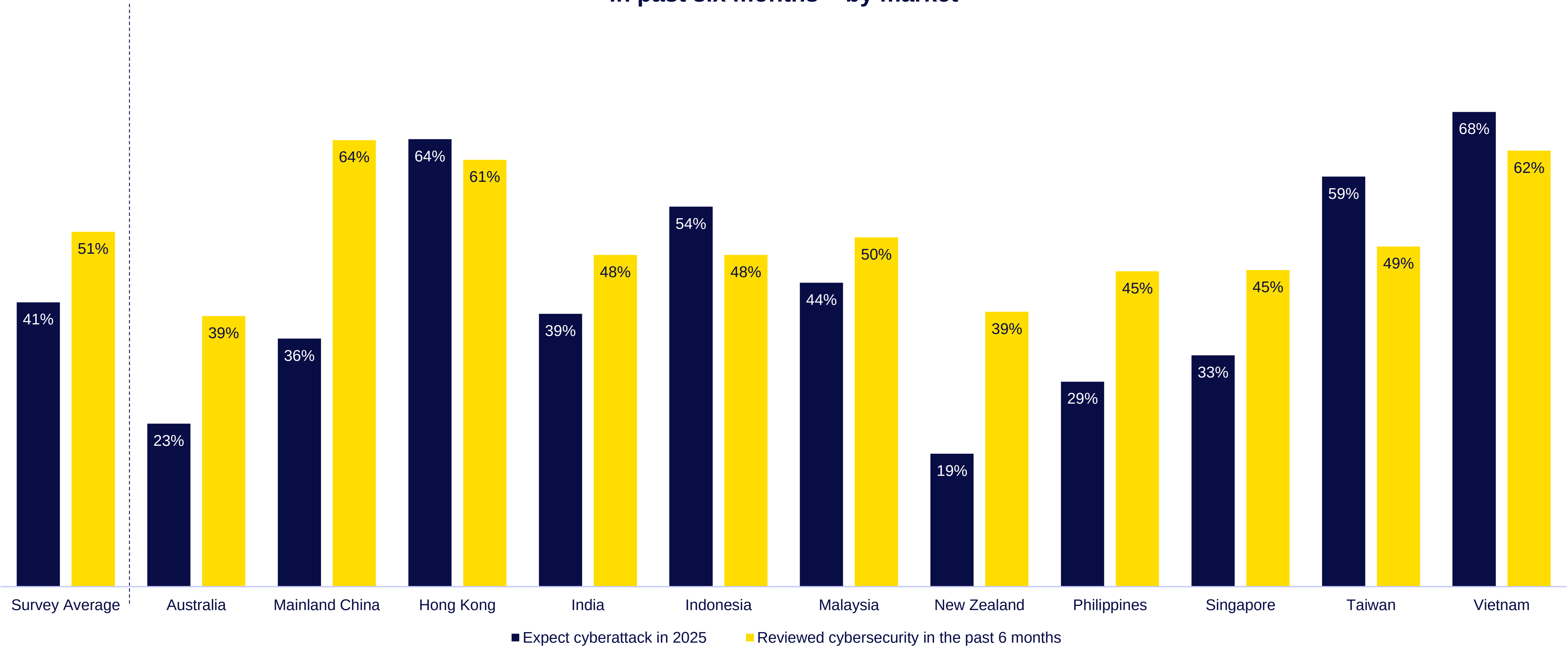
The connection between increased cybersecurity risks and high-growth businesses

The results indicate that high-growth businesses, being more reliant on technologies, are significantly more likely to have lost time or money due to a cyberattack in 2024 and anticipate further attacks in 2025. Consequently, they are more likely to take proactive measures to protect themselves from such threats.

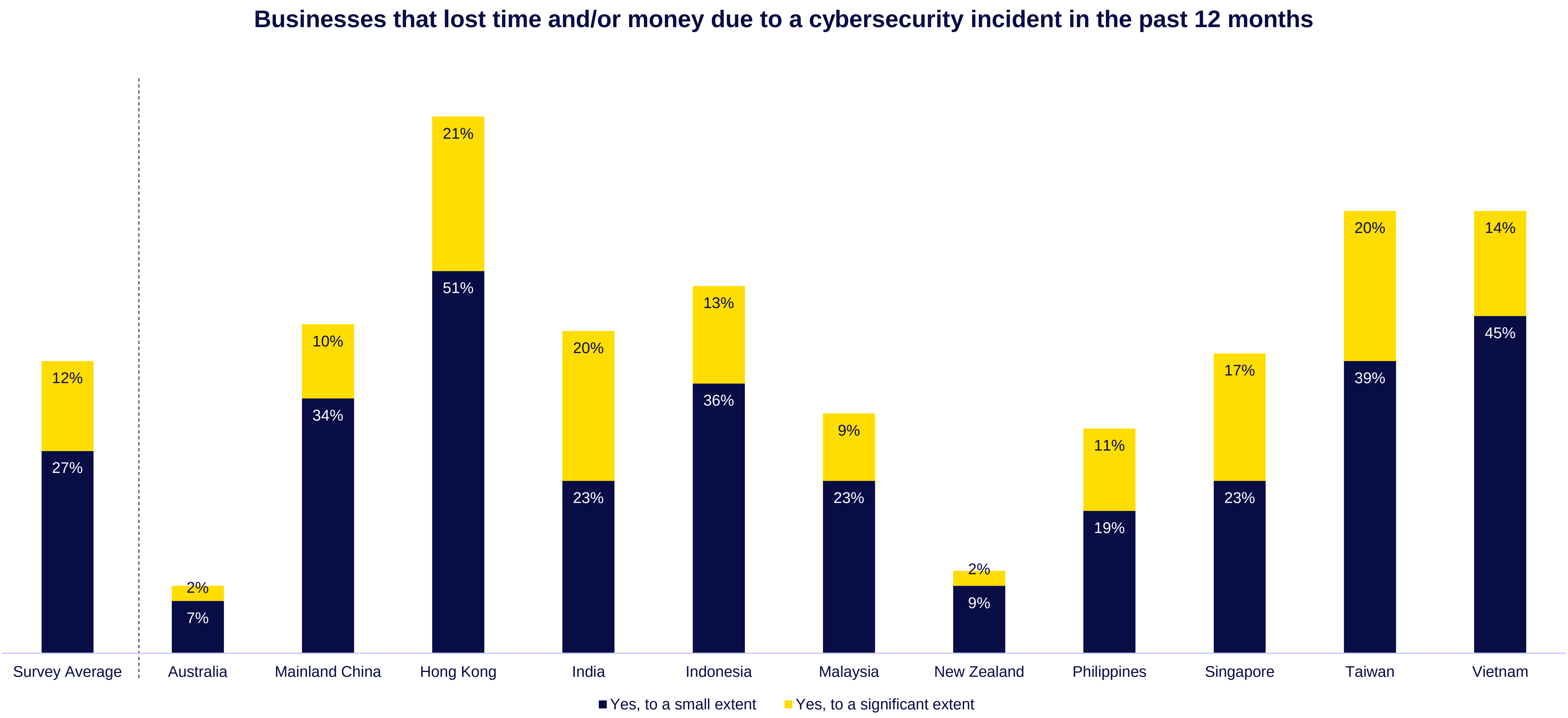


Vietnamese small businesses are the most likely to expect a cyberattack in 2025, while Mainland Chinese businesses are the most proactive in implementing protective measures

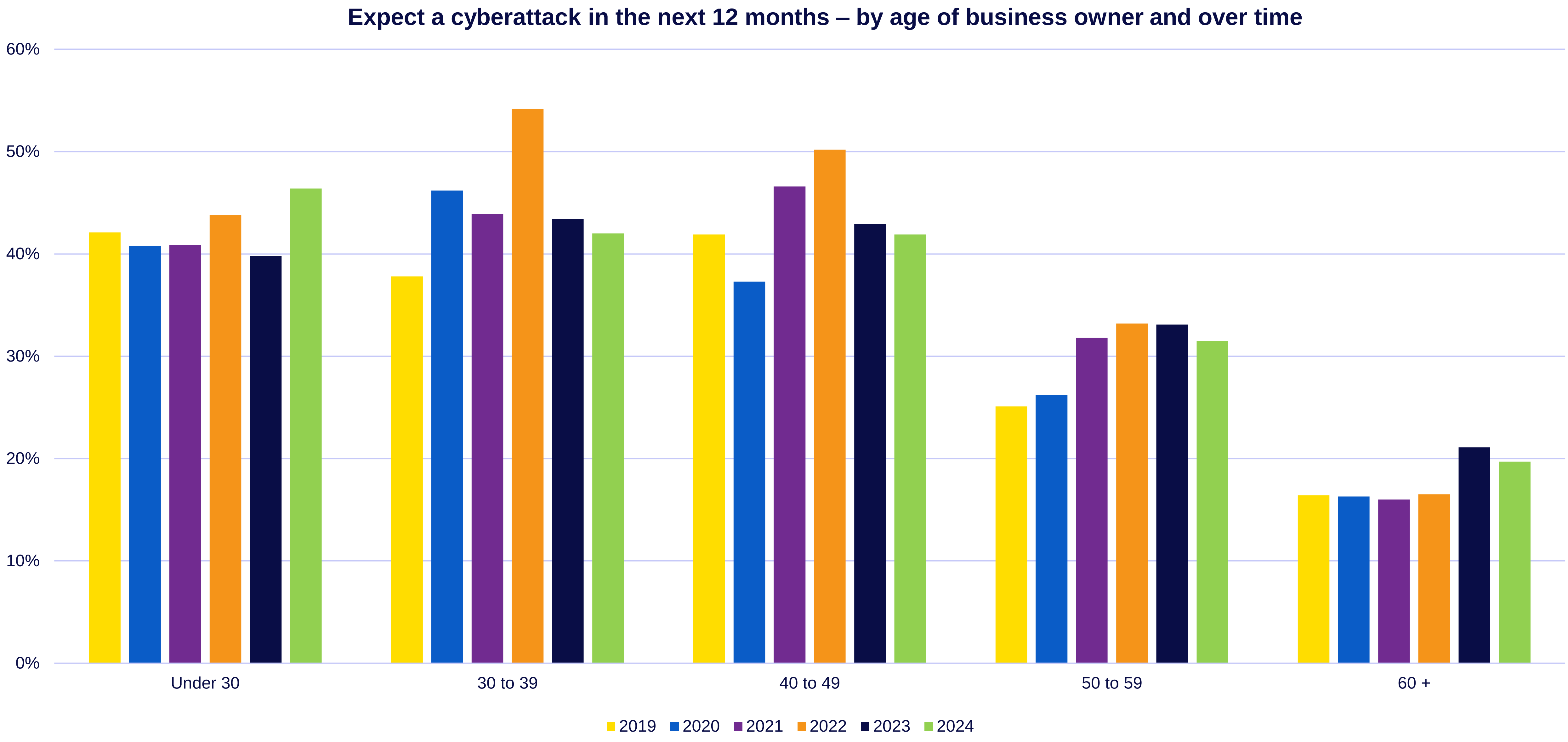
Comparison of those who believe a cyberattack is likely in 2025 against those that reviewed their cybersecurity in past six months – by market



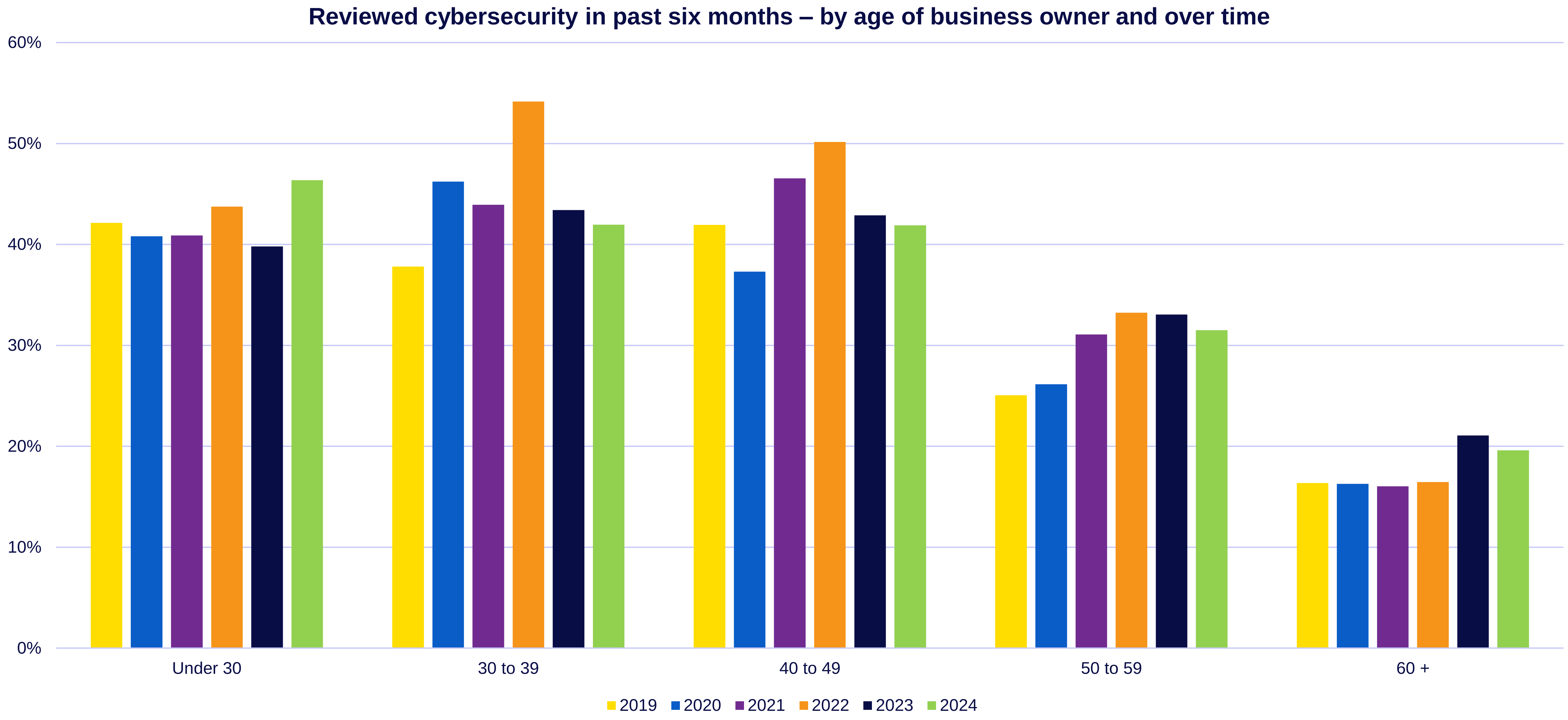
Hong Kong small businesses experienced the highest loss of time and/or money from a cyberattack in 2024



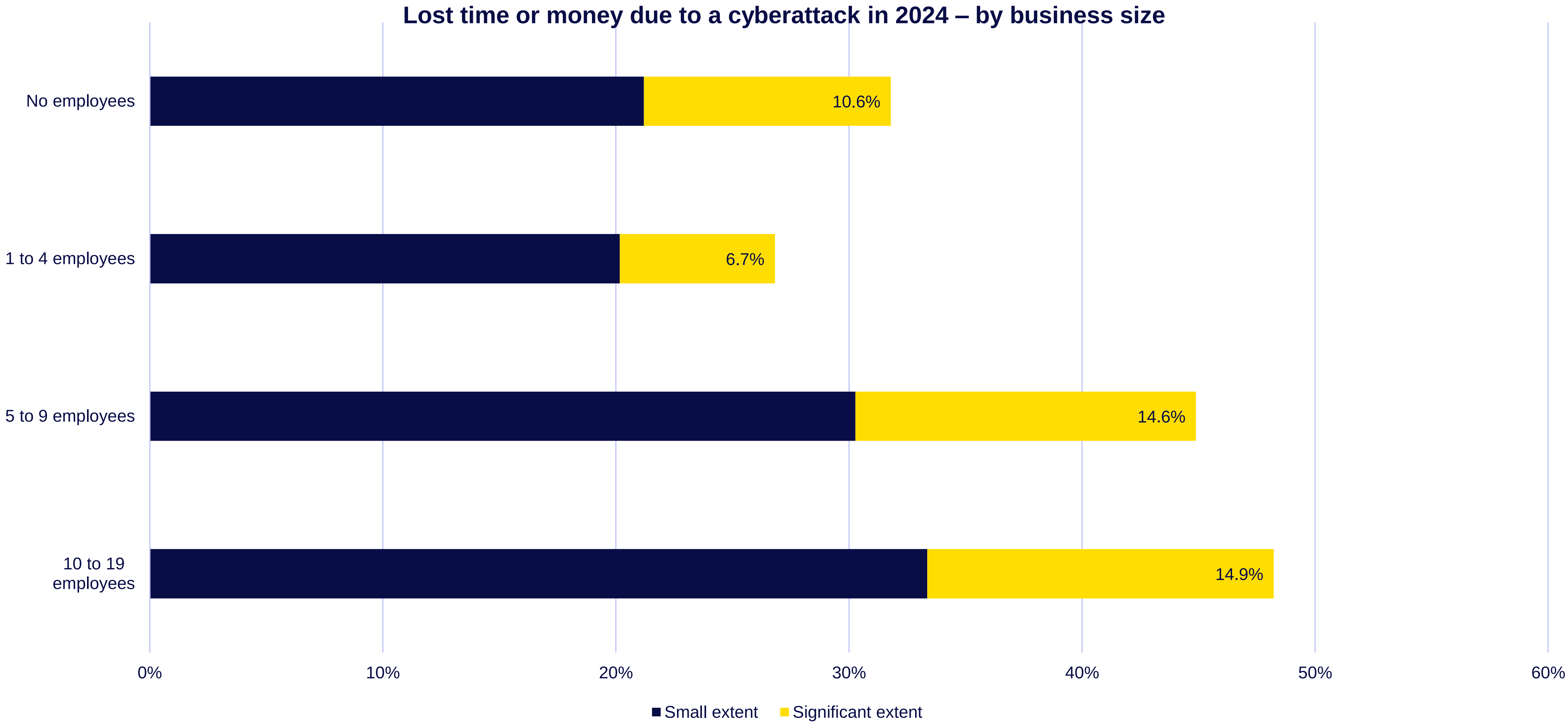
Older business owners are much less likely to expect to be cyberattacked



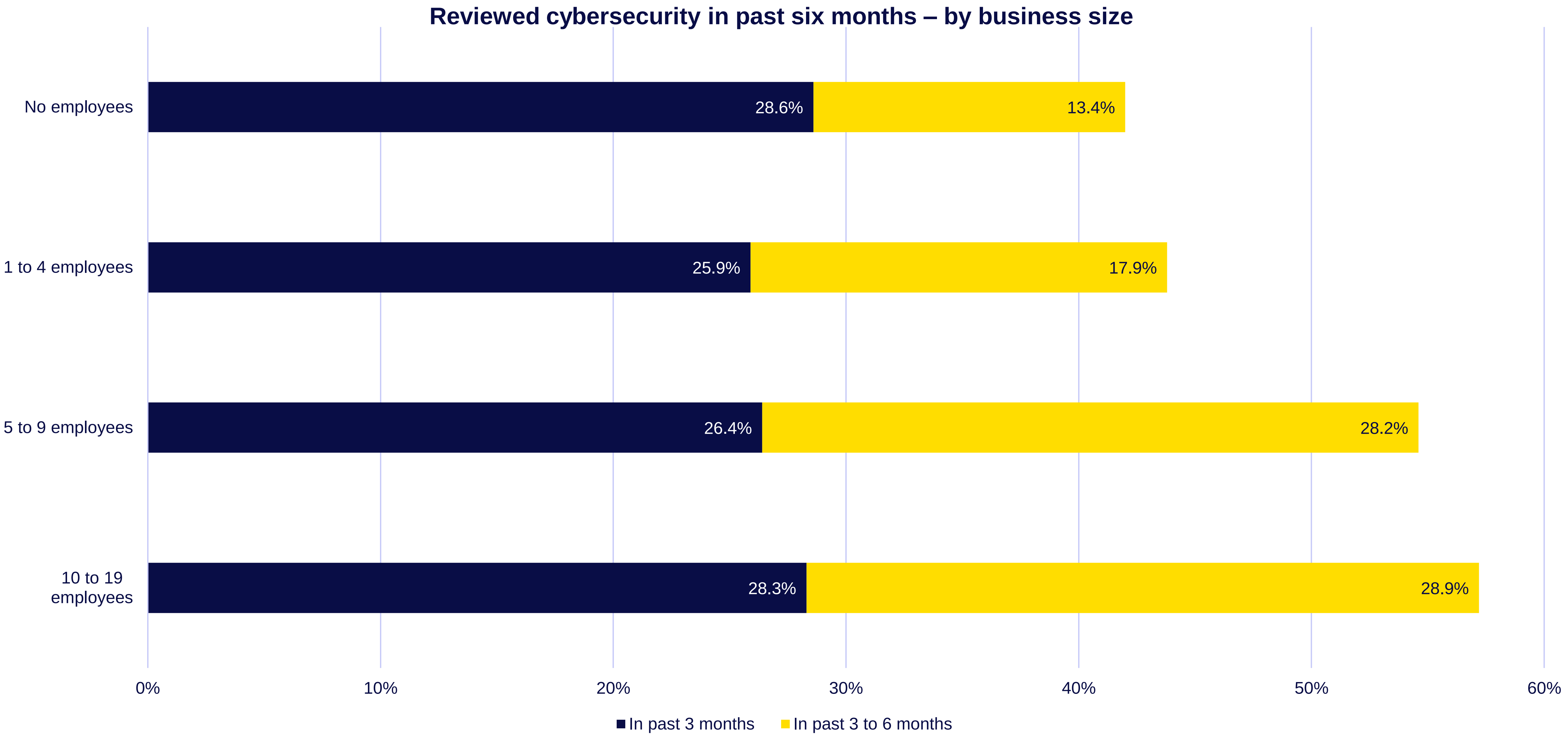
Despite most older business owners not expecting a cyberattack, many still review their cybersecurity measures on a regular basis



Larger small businesses are more likely to have lost time or money due to a cyberattack in 2024



Despite most micro businesses not being cyberattacked or expecting one, many still review their cybersecurity measures on a regular basis



Cybersecurity by industry

Top-five industries that were cyberattacked in 2024

1. Banking, finance or insurance – 56.4%
2. Information, media and telecommunications – 51.5%
3. Manufacturing – 51.1%
4. Health care and social assistance – 43.4%
5. Administrative and support services – 40.5%

Top-five industries that reviewed their cybersecurity in the past six months

1. Banking, finance or insurance – 63.3%
2. Information, media and telecommunications – 61.7%
3. Manufacturing – 61.6%
4. Professional, scientific and technical services – 55.9%
5. Transport and warehousing – 51.4%

Impact of technology on profitability in 2024

High-growth businesses remain more likely to invest in technology that rapidly boosts profitability. This suggests they are better at selecting and using technologies that enhance business performance

Vietnamese small businesses stood out as the most likely to report significant profitability gains from their technology investments in 2024

Australian and New Zealand small businesses, with their lower rates of technology adoption and older demographic profile, were the least likely to report profitability gains from their technology investment in 2024

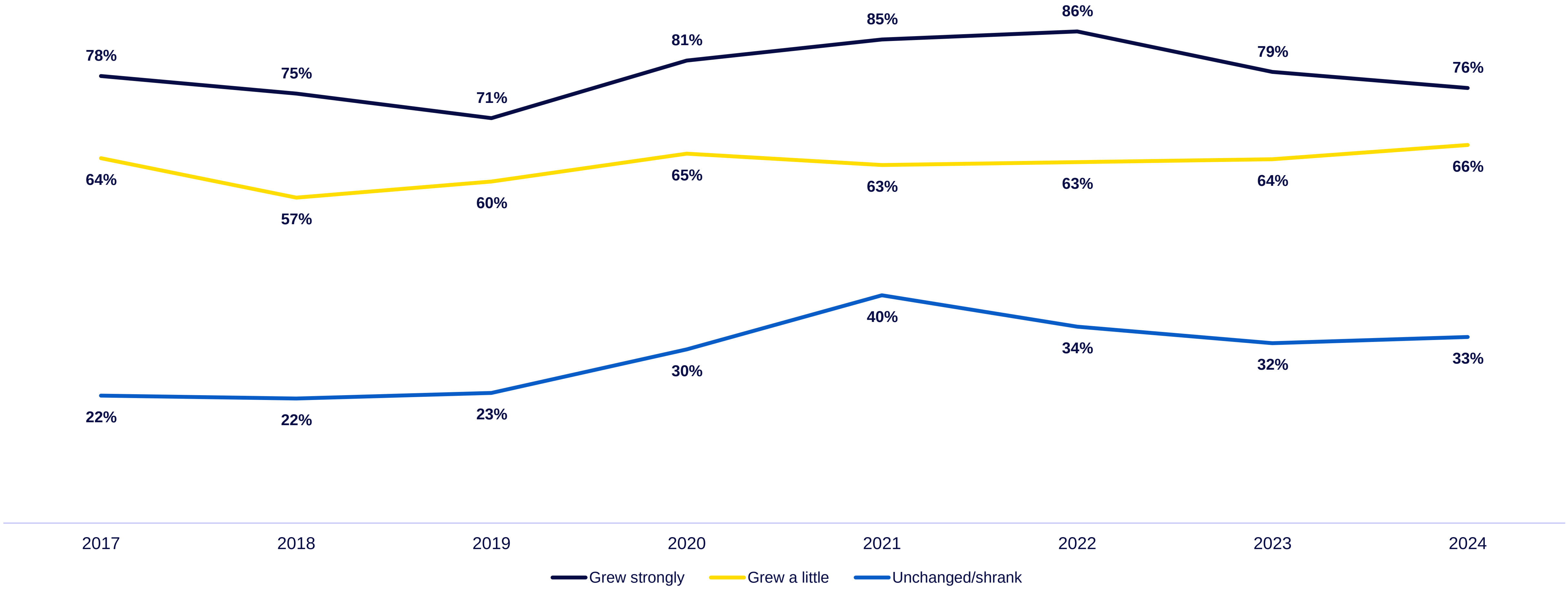
Older business owners, long-established businesses and micro businesses were significantly less likely to invest in technology that boosted profitability in 2024. This may reflect a lack of knowledge of available technology options and how best apply them in their business

A generation gap exists in successful technology adoption. Technology vendors should improve how they communicate the value of their products or services to older business owners. Governments should provide independent information on available technology options for smaller businesses and support or provide technology training for older business owners

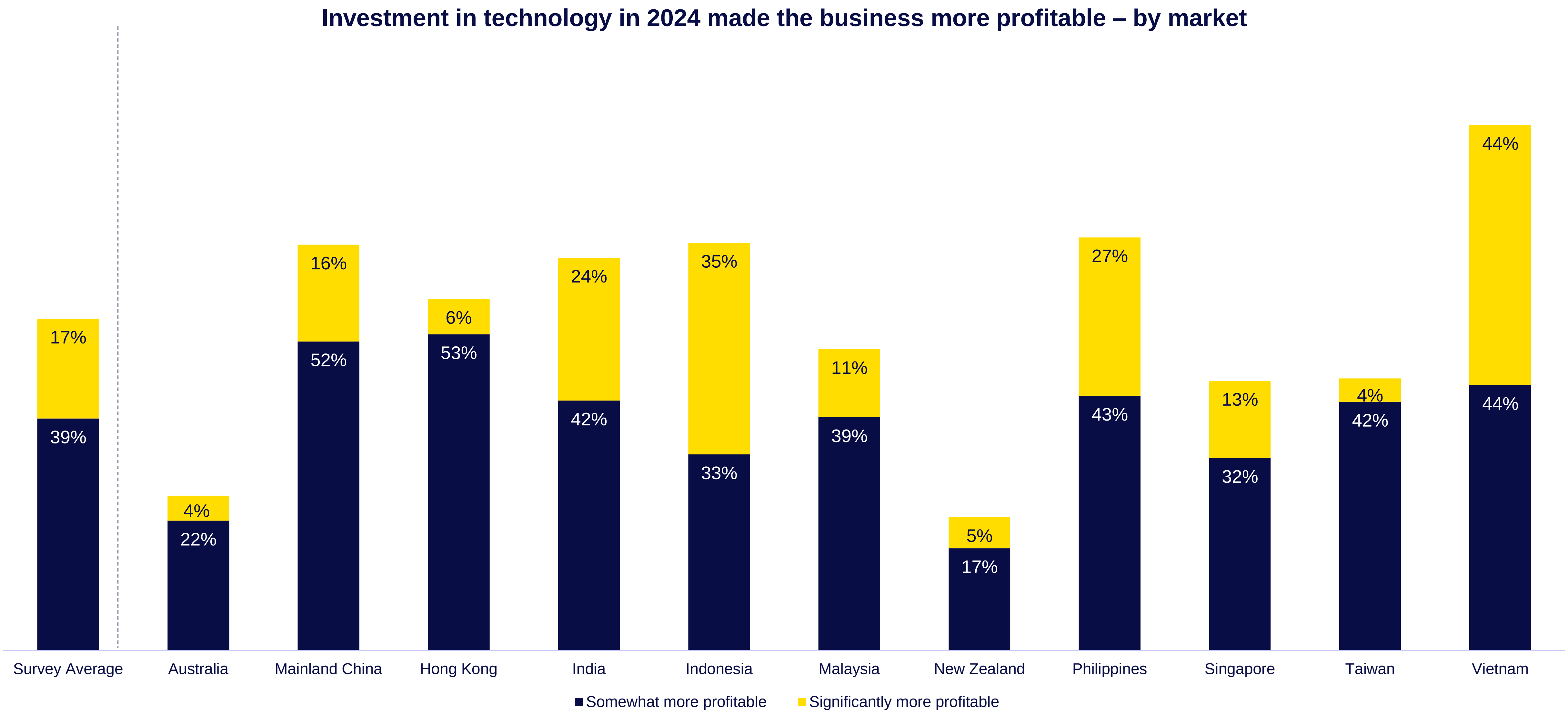
Small businesses are most likely to invest heavily in computer hardware, although investment in AI has surged

High-growth businesses remain more likely to invest in technology that quickly improves their profitability

Investment in technology in 2024 made the business more profitable – by whether they grew or not, and over time

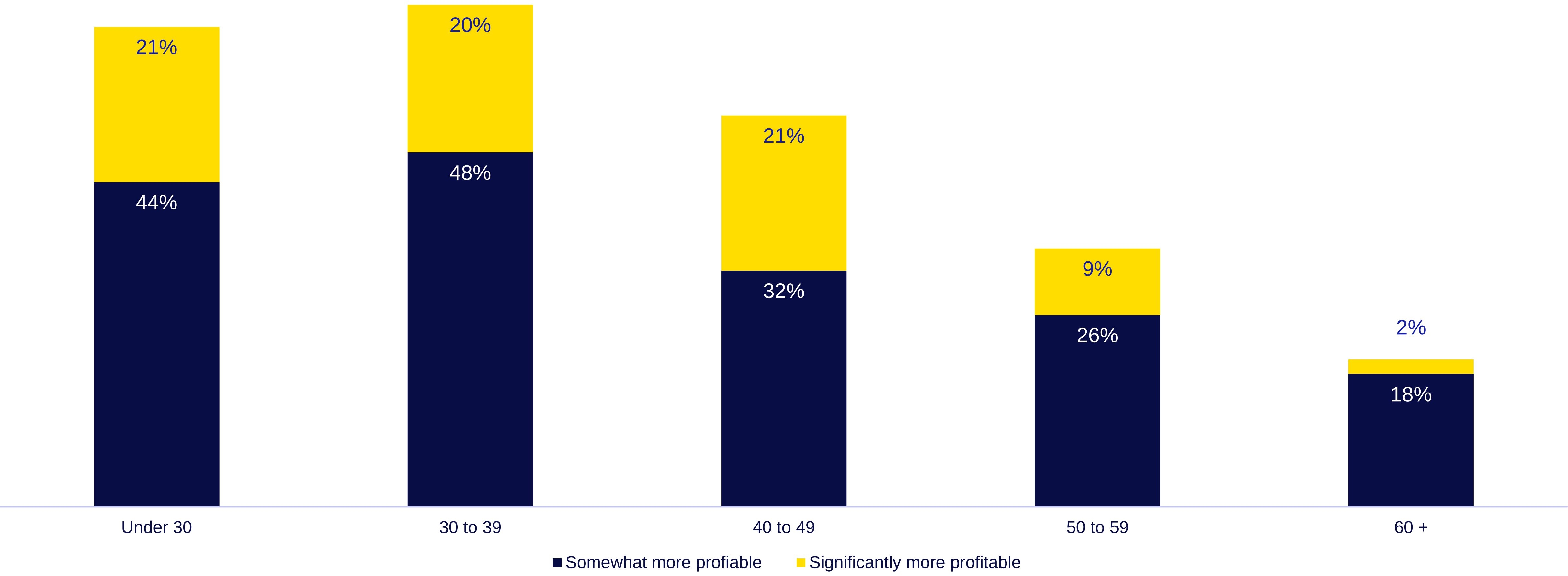


Vietnam's small businesses lead the way in investing in technology that quickly improves their profitability, with New Zealand and Australia a long way behind

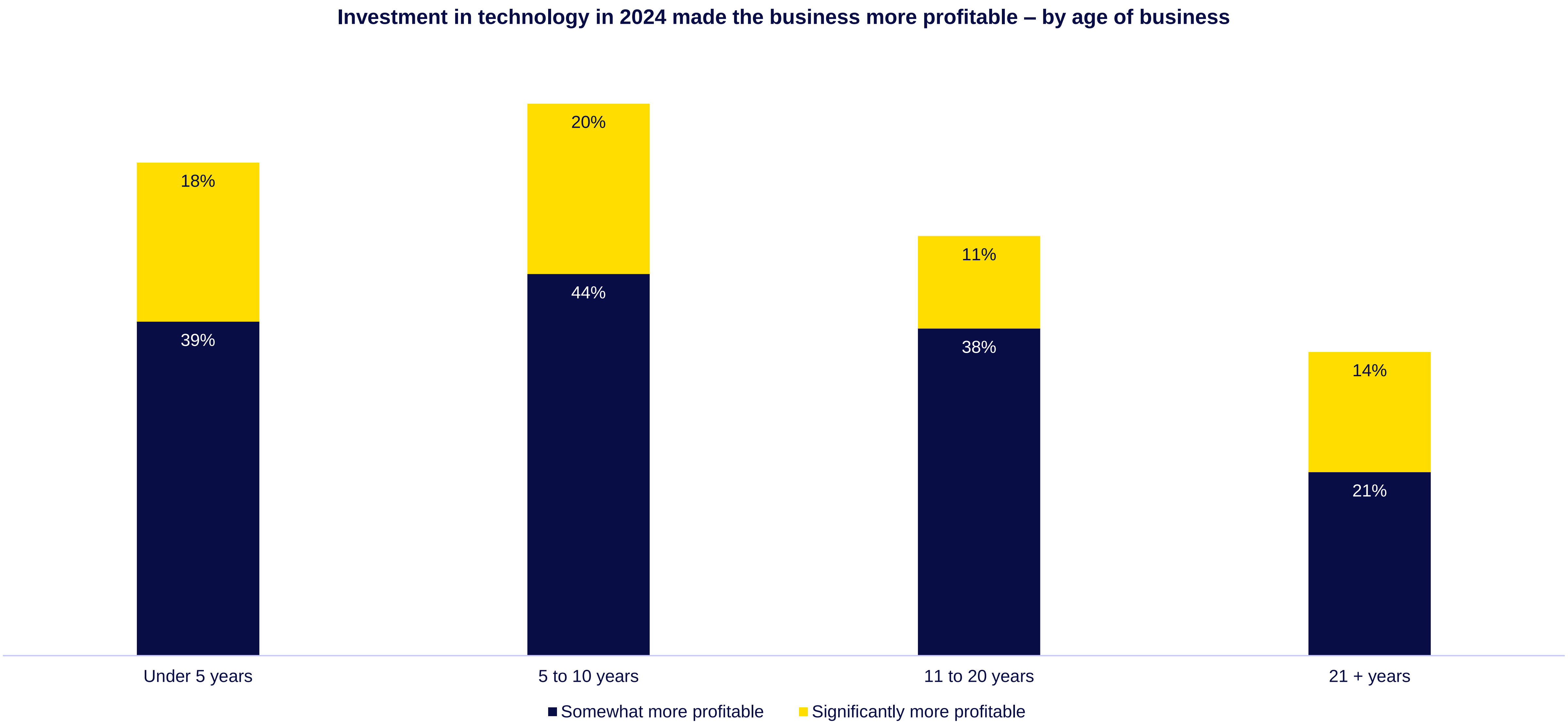


Younger business owners are significantly more likely to be purchasing technology that rapidly improves their profitability

Investment in technology in 2024 made the business more profitable – by age of business owner

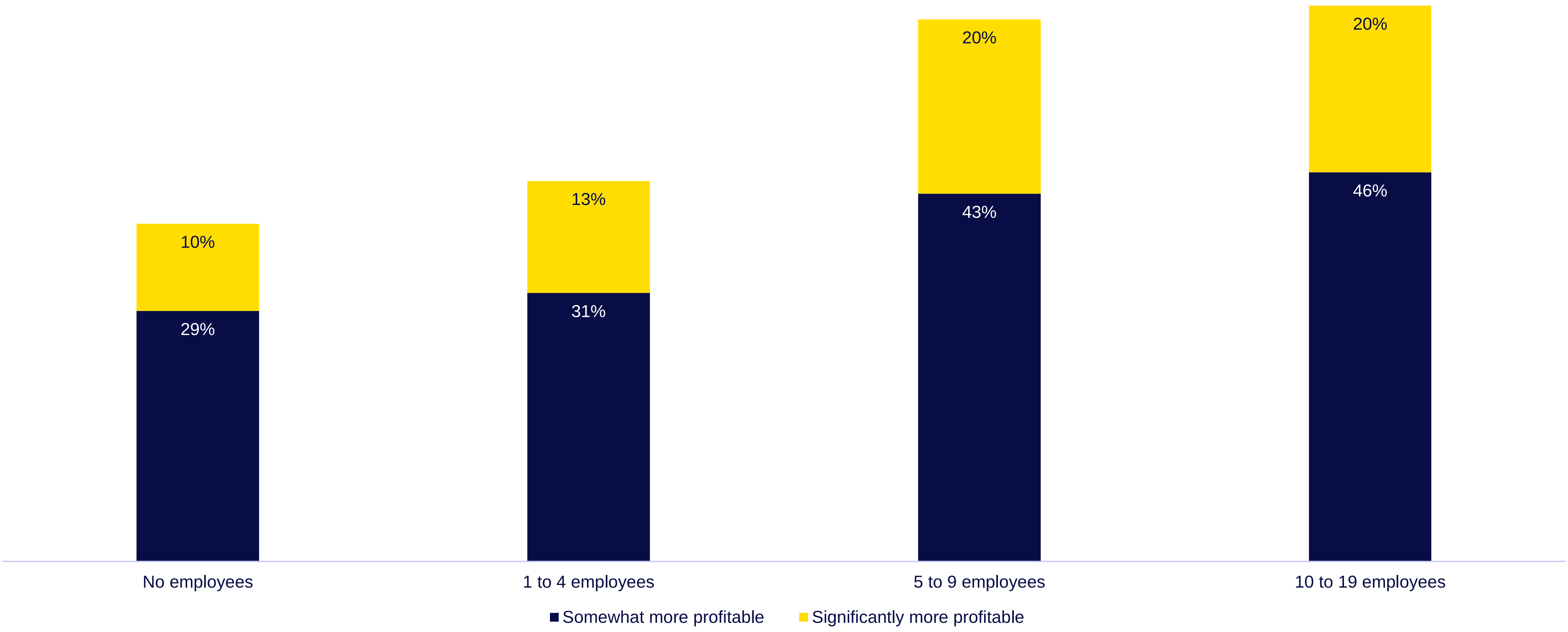


Newer businesses are far more likely to be purchasing technology that rapidly improves its profitability



Micro businesses are much less likely to invest in technologies that rapidly boost their profitability

Investment in technology in 2024 made the business more profitable – by size of business

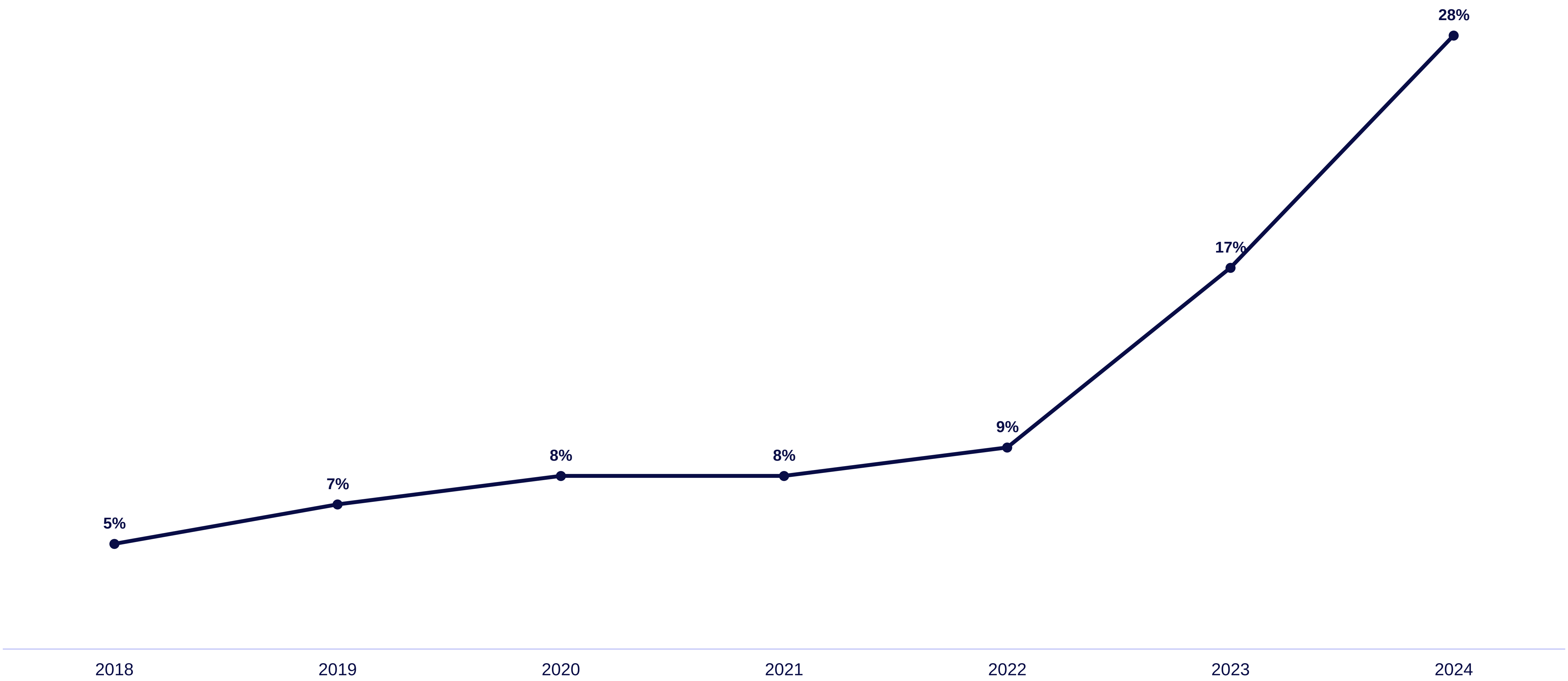


Top technologies small business invested in in 2024 – by market

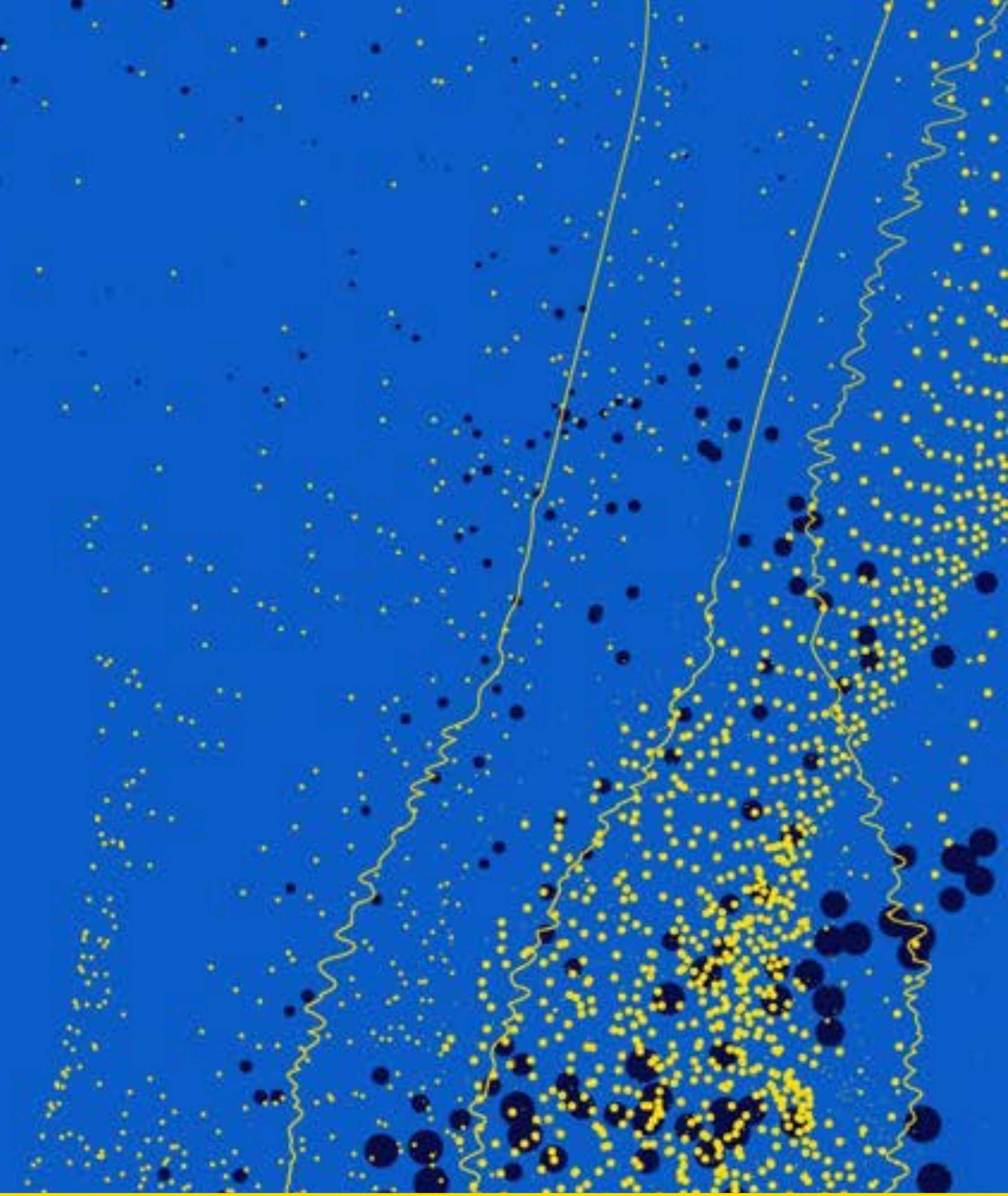
	Most invested in	Second most invested in	Third most invested in
High-growth businesses	Computer equipment (27.1%)	Artificial intelligence & Cloud computing (27.0%)	Mobile apps (24.3%)
Australia	Computer equipment (42.7%)	Website (33.5%)	Accounting software (33.2%)
Mainland China	Artificial intelligence (42.2%)	Enterprise resource planning software (41.6%)	Business intelligence and analytical software (33.8%)
Hong Kong	Artificial intelligence (40.5%)	Cloud computing (31.1%)	Customer Relationship Management software (28.4%)
India	Computer equipment (30.1%)	Artificial intelligence (26.4%)	Website (26.2%)
Indonesia	Mobile apps (37.8%)	Computer equipment (35.5%)	Website (25.1%)
Malaysia	Computer equipment (34.9%)	Mobile apps (32.0%)	Artificial intelligence (27.1%)
New Zealand	Website (39.7%)	Computer equipment (34.9%)	Accounting software (23%)
Philippines	Computer equipment (37.9%)	Mobile apps (28.3%)	Website (20.4%)
Singapore	Cloud computing (24.3%)	Customer Relationship Management software & computer equipment (23.5%)	Website (23%)
Taiwan	Computer equipment (34%)	Enterprise resource planning software (29.6%)	Artificial intelligence (29.2%)
Vietnam	Artificial intelligence (44.2%)	Customer Relationship Management software (29.6%)	Mobile apps (28.9%)

Investment into AI has surged in the past two years

Percentage of business who invested in AI over the past 12 months



Small business conditions in 2024

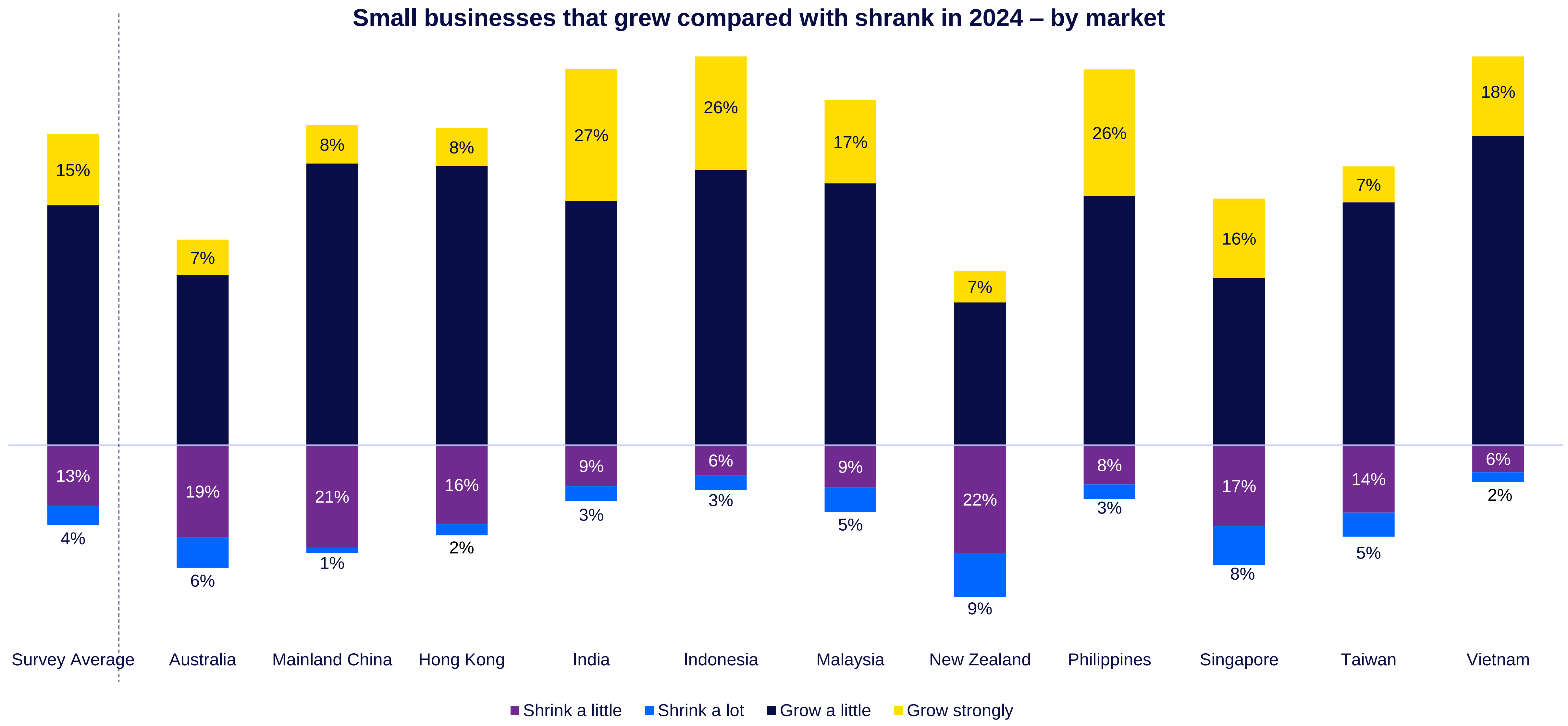


Business growth in 2024

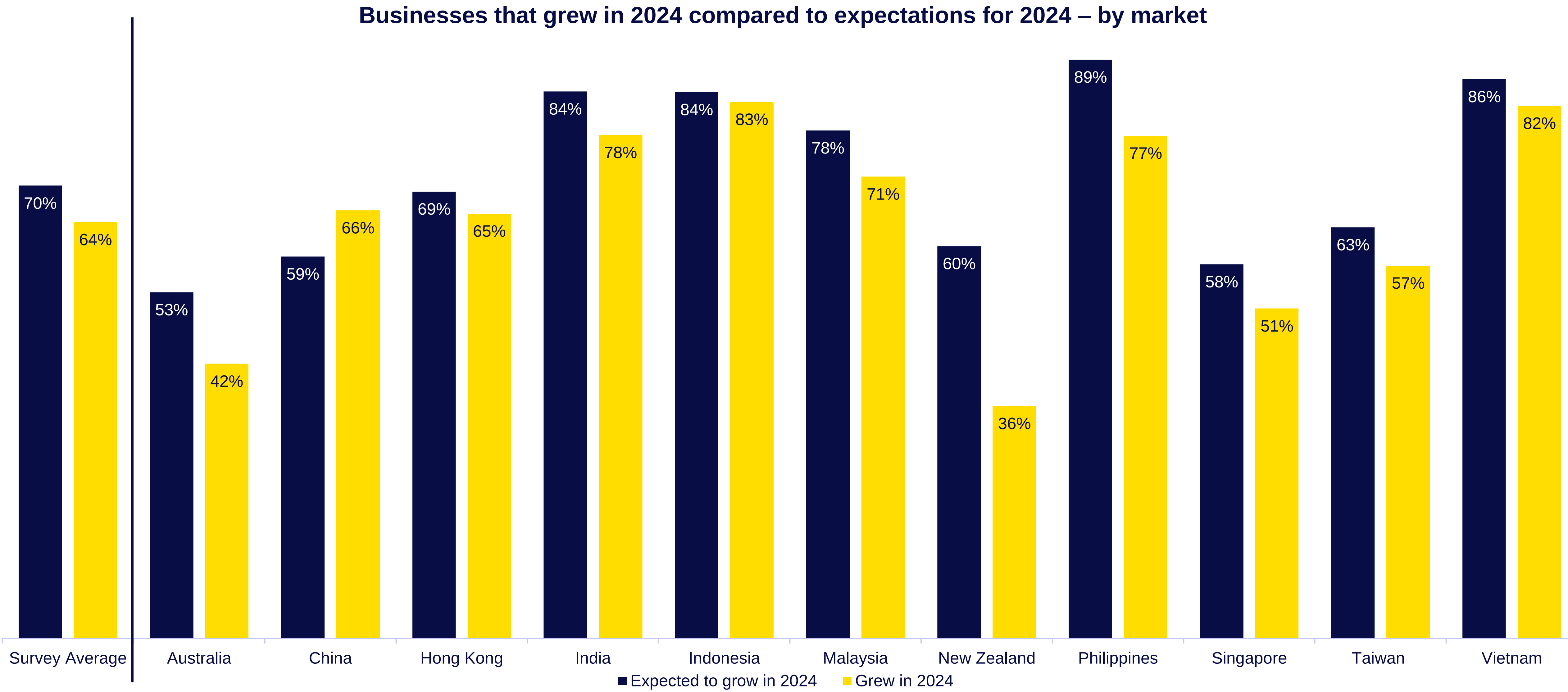
Indonesia’s small businesses were the most likely to grow in 2024, continuing the trend from 2023.

New Zealand's small businesses were the least likely to grow in 2024. Additionally, it had the highest number of businesses that declined in 2024.

Most markets reported an increase in the number of small businesses that grew in 2024 compared to 2023



Only China outperformed their expectations for 2024, while New Zealand significantly missed theirs



Industries that grew the most – by year

	Highest	Second highest	Third highest
2024	Manufacturing – 75.2%	Accommodation and food services – 70.0%	Banking, finance or insurance – 67.6%
2023	Banking, finance or insurance – 70.0%	Agriculture, forestry and fishing – 66.1%	Arts and recreation services – 64.3
2022	Health care and social assistance – 67.4%	Property and construction – 65.4%	Accommodation and food services – 62.2%
2021	Agriculture, forestry and fishing – 63.5%	Banking, finance or insurance – 60.9%	Accommodation and food services – 53.7%
2020	Information, media and telecommunications – 63.0%	Banking, finance or insurance – 60.4%	Professional, scientific and technical – 51.4%
2019	Banking, finance or insurance – 81.5%	Accommodation and food services – 74.0%	Health care and social support – 70.1%
2018	Manufacturing – 74.5%	Accommodation and food services – 74.2%	Administrative and support services – 71.1%
2017	Manufacturing – 83.9%	Accommodation and food services – 76.6%	Property and construction – 76.3%
2016	Manufacturing – 79.7%	Accommodation and food services – 74.1%	Property and construction – 72.1%
2015	Manufacturing – 82.4%	Accommodation and food services – 77.0%	Banking, finance or insurance – 72.9&

Industries that grew the most – advanced vs developing economies

Advanced economies

	Highest	Second highest	Third highest
2024	Manufacturing – 69%	Transport and warehousing – 60%	Banking, finance or insurance – 55%
2023	Banking, finance or insurance – 64%	Health care and social assistance – 61%	Arts and recreation services – 54%
2022	Agriculture, forestry and fishing – 62%	Banking, finance or insurance – 56%	Retail trade – 55%
2021	Banking, finance or insurance – 52%	Accommodation and food services – 51%	Retail trade – 38%
2020	Banking, finance or insurance – 40%	Information, media and telecommunications – 40%	Health care and social assistance – 35%
2019	Banking, finance or insurance – 66%	Education and training – 56%	Health care and social assistance – 54%

Developing economies

	Highest	Second highest	Third highest
2024	Wholesale trade – 79% Manufacturing – 79%	Accommodation and food services – 77.5%	Professional, scientific and technical – 77%
2023	Arts and recreation services – 76% Professional, scientific and technical – 76%	Banking, finance or insurance – 75%	Education and training – 72%
2022	Health care and social assistance – 79%	Property and construction – 78%	Rental, hiring and real estate services – 72%
2021	Agriculture, forestry and fishing – 74%	Banking, finance or insurance – 69%	Arts and recreation services – 61%
2020	Information, media and telecommunications – 77%	Banking, finance or insurance – 77%	Professional, scientific and technical – 73%
2019	Banking, finance or insurance – 90%	Health care and social assistance – 88%	Accommodation and food services – 86%

Small business impact on job creation in 2024

Indian small businesses remained the most likely to expand their workforce in 2024

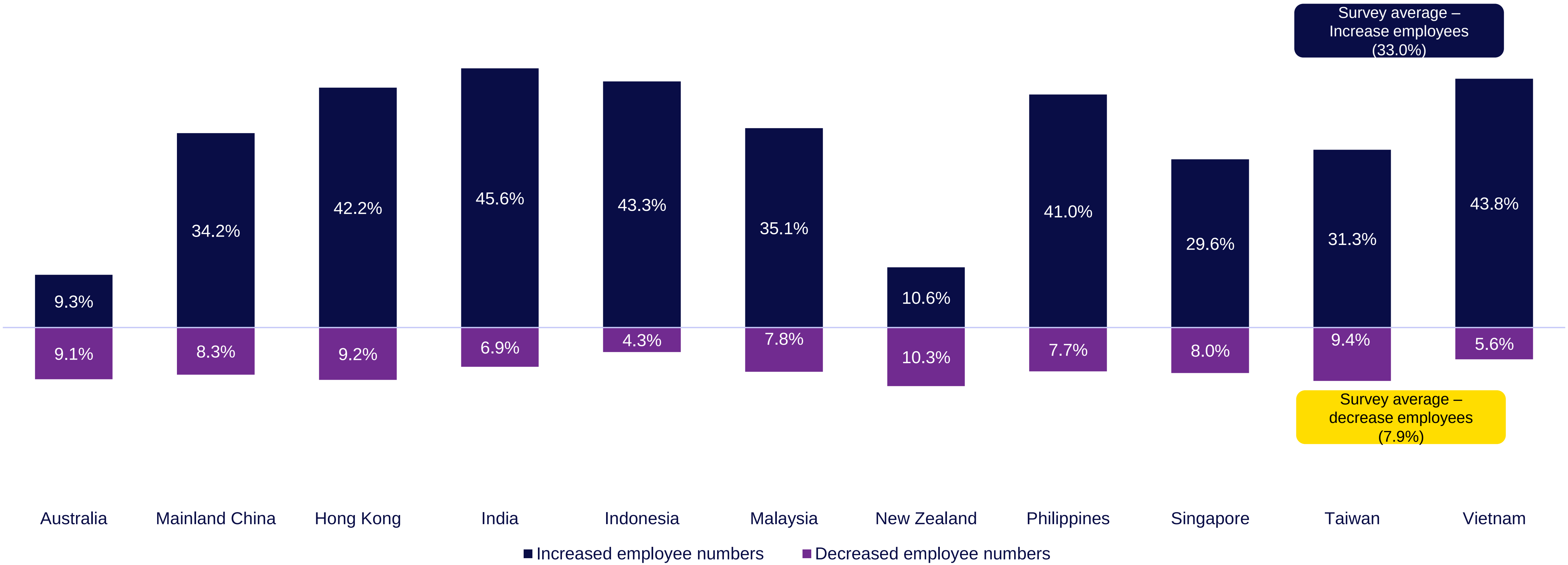
Overall, more small businesses expanded their workforce in 2024 than downsized, reflecting improved economic conditions

Newer businesses and younger business owners were significantly more likely to expand their workforce in 2024, highlighting their stronger growth

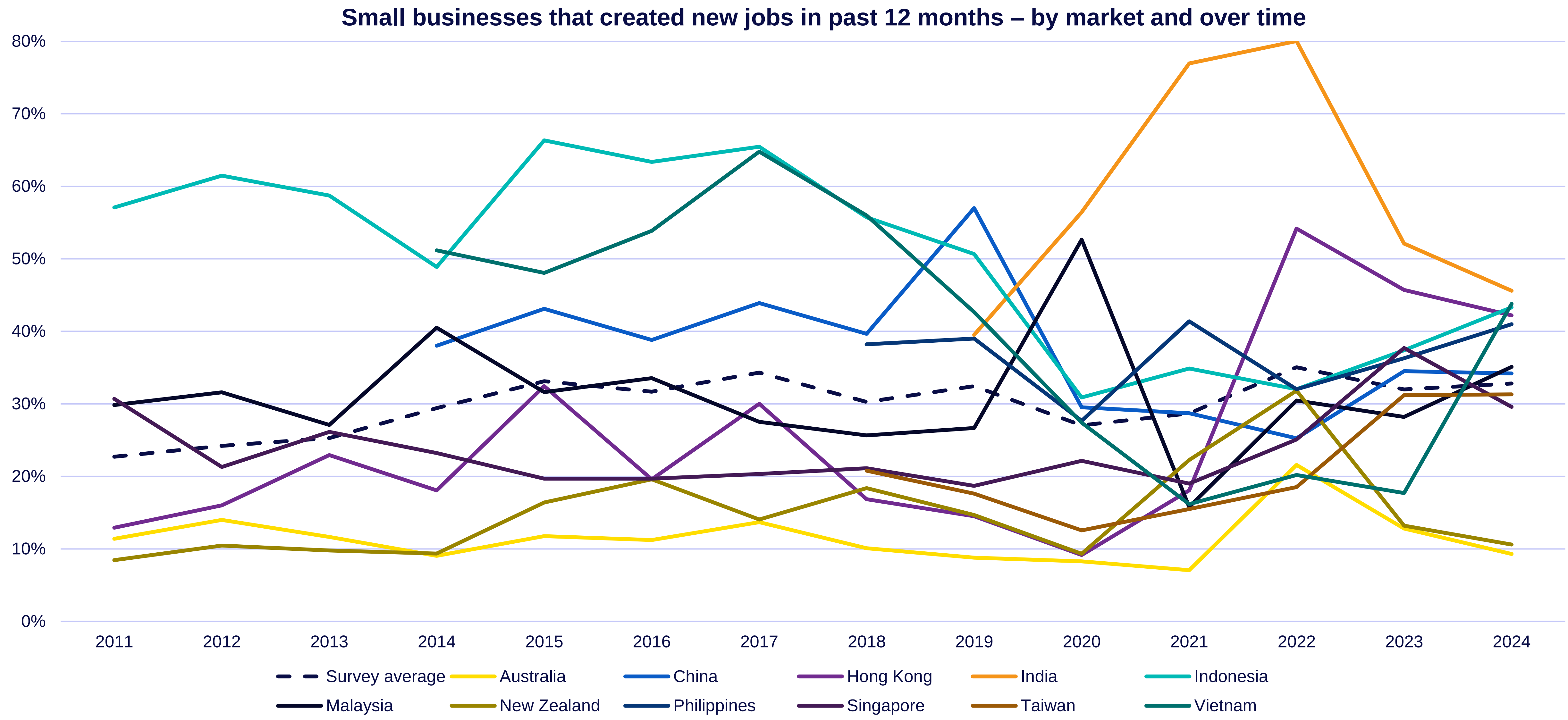
Vietnamese small businesses were the only ones to exceed their projected employee growth for 2024. Meanwhile, India experienced the largest gap between anticipated workforce expansion and actual increase

India’s small businesses were the largest creators of new jobs in 2024

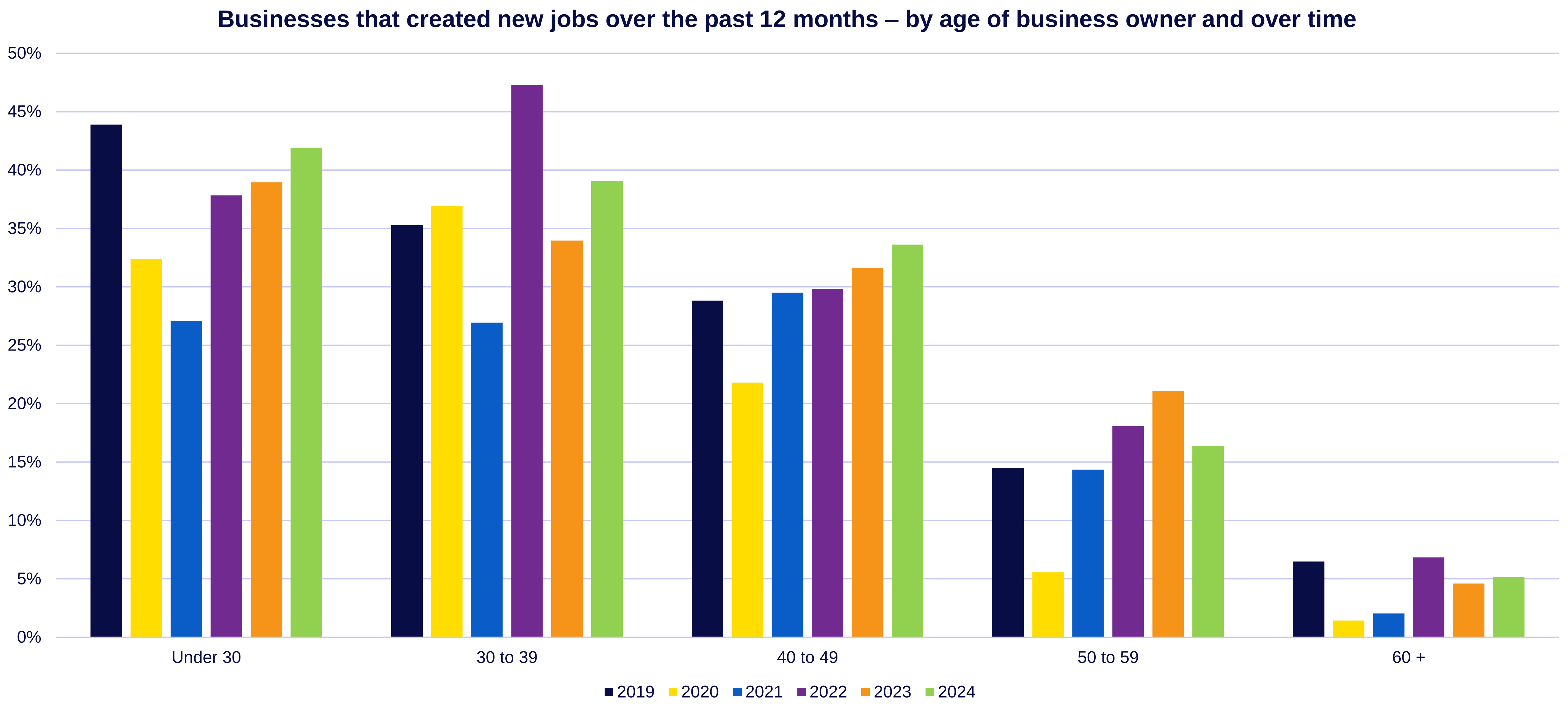
Small businesses that created new jobs in 2024 compared with reduced jobs – by market



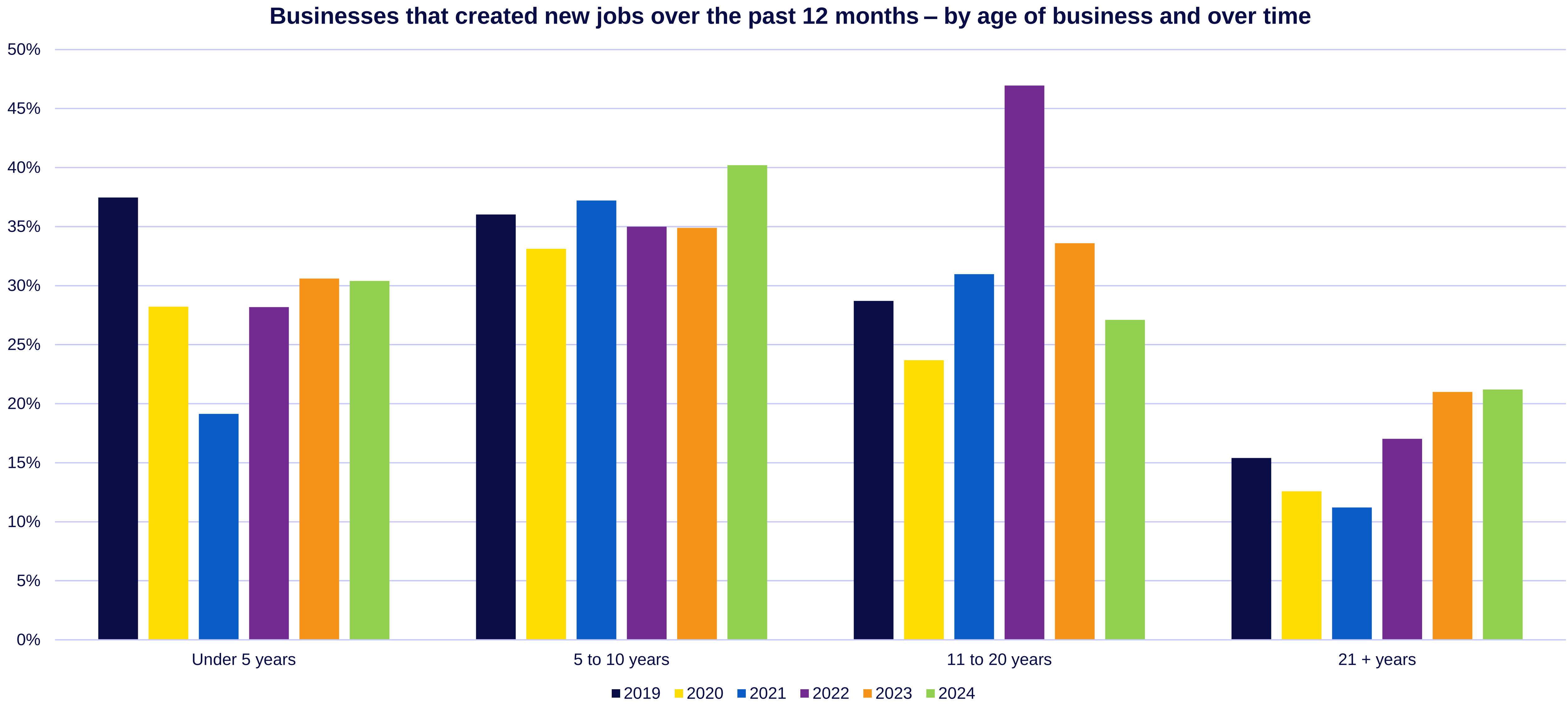
Most markets saw an increase in the number of small businesses creating new jobs in 2024, with Vietnam experiencing the sharpest rise



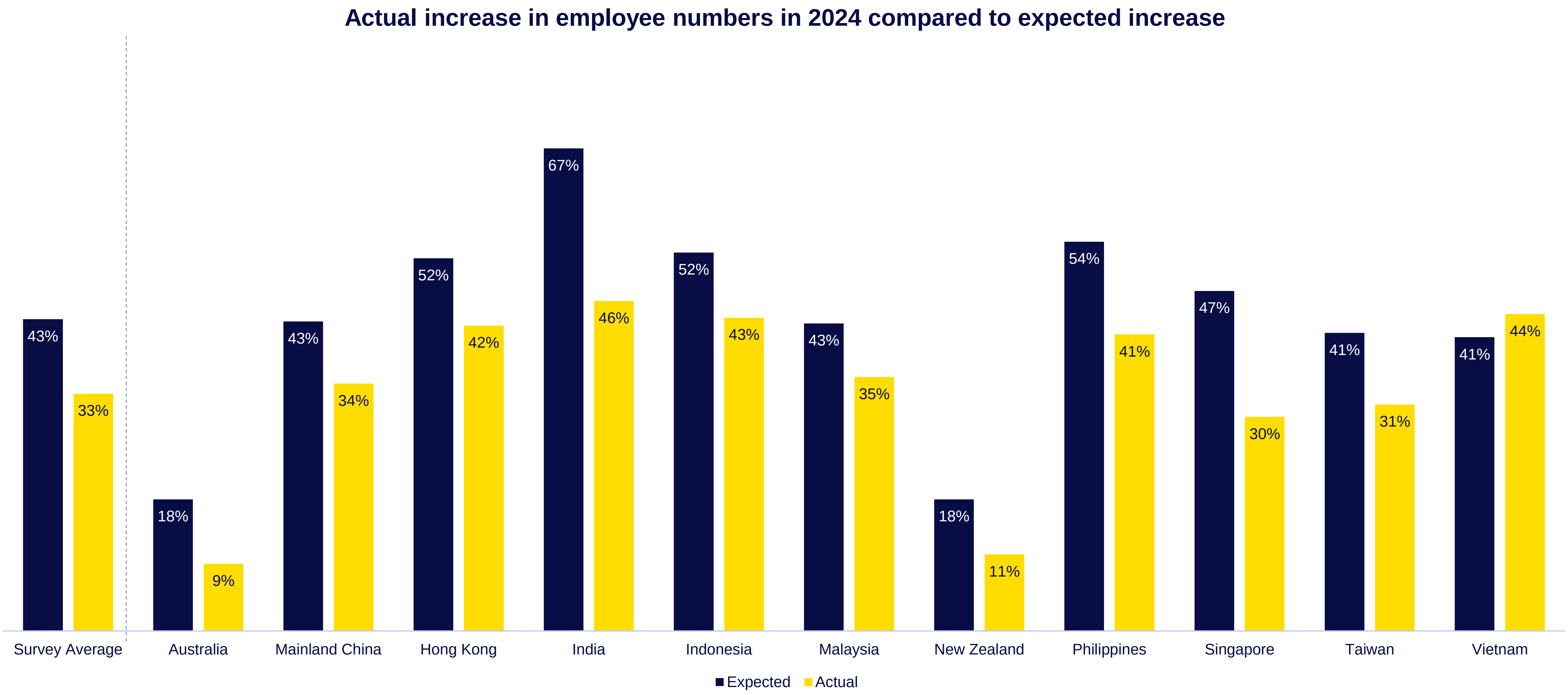
Businesses owned or operated by younger respondents were noticeably more likely to increase employee numbers in 2024



Newer businesses were more likely to increase employee numbers in 2024 than their older competitors



Only Vietnamese small business increased their employee numbers more than expected, while India showed the largest gap between expected and actual increase



Top-five industries that increased employee numbers in 2024

- Most of these industries reported strong growth in 2024 which is commensurate with the increased need for employees

Banking, finance or insurance – 45.2%

Healthcare and social assistance – 38.8%

Manufacturing– 37.2%

Wholesale trade – 36.7%

Administrative and support services – 35.7%

Small business' ability to pay their debts

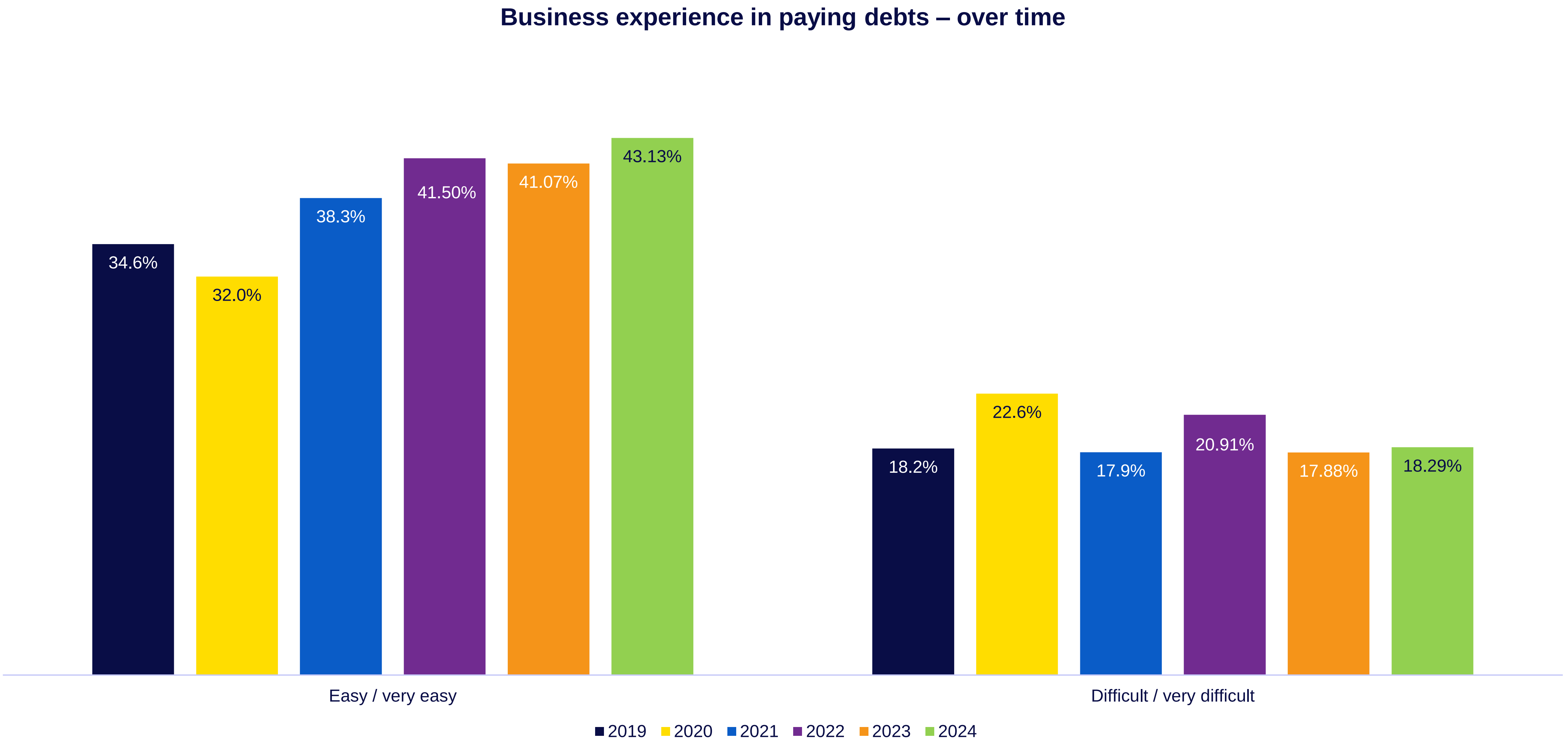
Since 2019, there has been a slight but consistent increase in the number of businesses that found it easy or very easy to pay their debts

Small businesses in Vietnam found it easiest to pay their debts 2024

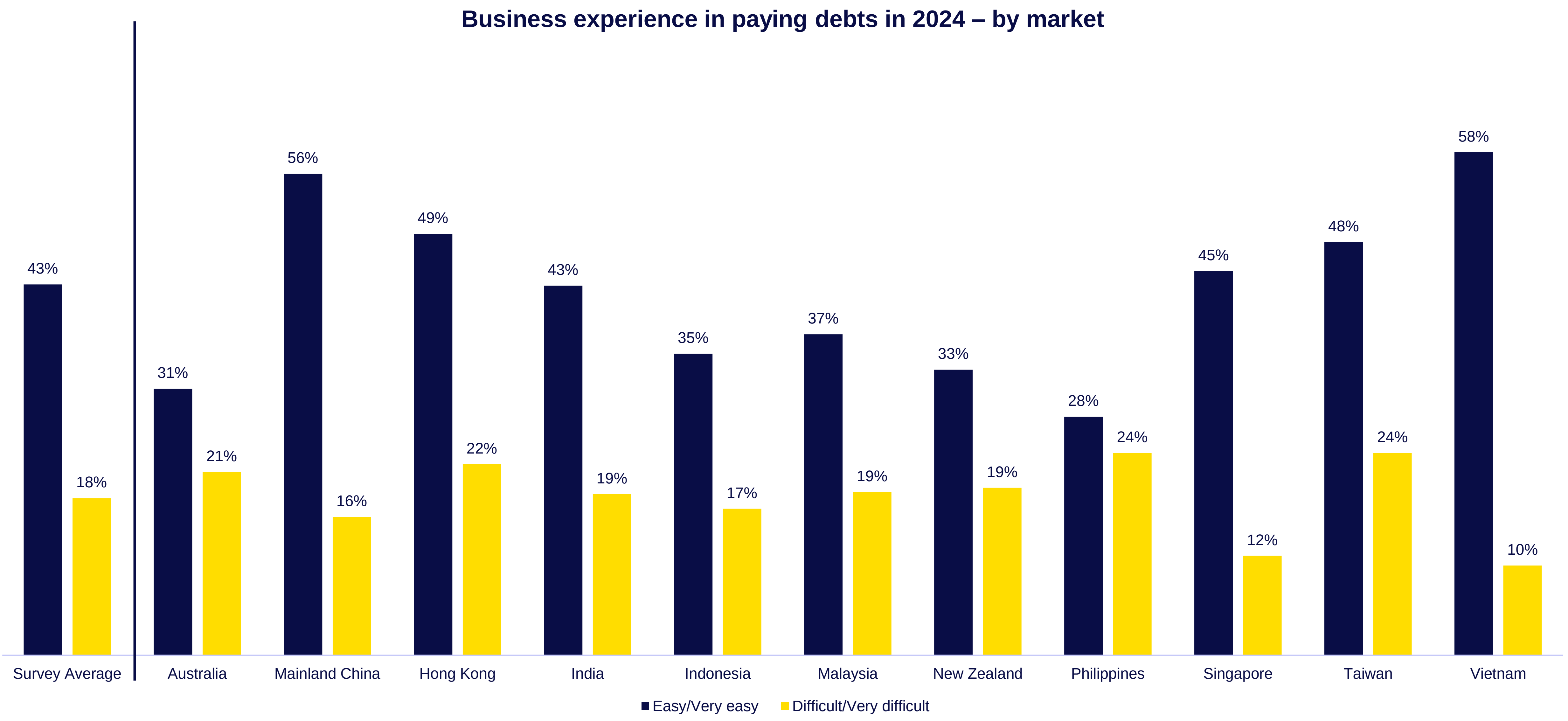
Philippine and Taiwanese small businesses faced the greatest challenges in repaying their debts in 2024

Small businesses struggling to repay their debts were most likely to reduce costs, secure additional funding, and reduce their overall debt in response

Despite rising interest rates and cost increases, most businesses do not seem to face challenges repaying their debts



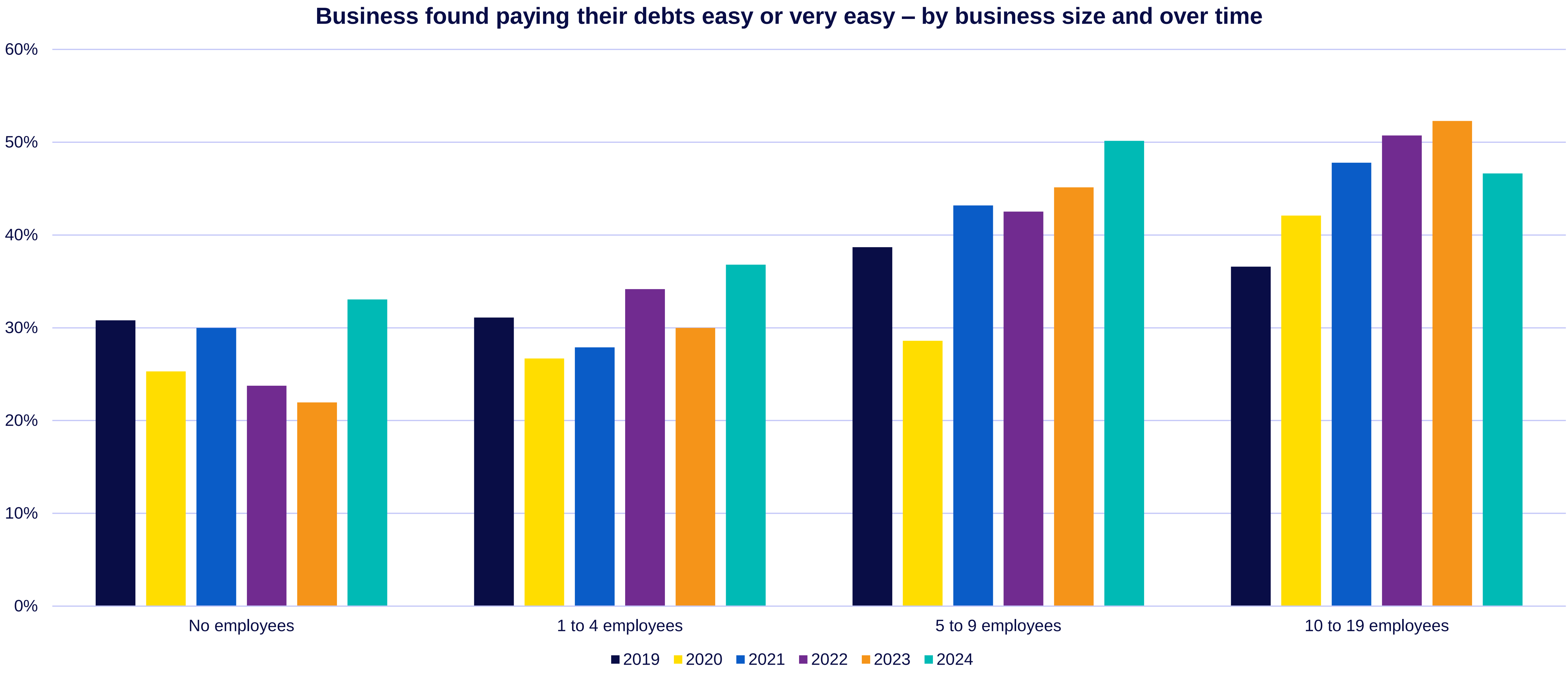
Small businesses across all markets found debt repayment easier rather than challenging in 2024



Top measures small business took in response to struggling to pay their debts in 2024 – by market

	First	Second	Third
Survey average	Cut costs (49%)	Sourced additional funding (35%)	Reduced debt (29%)
Australia	Cut costs (70%)	Paid creditors slow & business owner lent or invested their own money into the businesses (32%)	Reduced debt (27%)
Mainland China	Sourced additional funding (47.5%)	Rewarded staff behaviour that improved cash flow (43%)	Cut costs & paid creditors slower (40%)
Hong Kong	Cut costs (40%)	Sourced additional funding (34%)	Reduced staff numbers & paid creditors slower (32%)
India	Cut costs (48%)	Collect outstanding debts quicker (33%)	Sourced additional funding & reduced debt (25.3%)
Indonesia	Reduced debt (50%)	Cut costs (48%)	Sourced additional funding (44%)
Malaysia	Cut costs (65%)	Sourced additional funding (57%)	Reduced debt (45%)
New Zealand	Cut costs (77%)	Paid creditors slower (39%)	Business owner lent or invested their own money into the businesses (32%)
Philippines	Cut costs (36%)	Sourced additional funding (32%)	Reduced debt (29%)
Singapore	Cut costs (58%)	Collect outstanding debts quicker (42%)	Reduced staff numbers (33%)
Taiwan	Rewarded staff behaviour that improved cash flow (38%)	Collect outstanding debts quicker & reduced debt (32%)	Sourced additional funding & sought professional advice to assist with managing debts (27%)
Vietnam	Sourced additional funding (63%)	Cut costs & reduced stock levels (53%)	Collect outstanding debts quicker (50%)

Small businesses with more employees found it easier to repay their debts in 2024 compared to sole traders. However, sole traders saw an improvement over 2023



Top-three industries that found paying their debts was easy or very easy in 2024

1. Manufacturing – 57.6%
2. Banking, finance or insurance – 54.4%
3. Accommodation and food services – 48.7%

Top-three industries that found paying their debts was difficult or very difficult in 2024

1. Property and construction – 46.9%
2. Retail trade – 44.6%
3. Professional, scientific and technical services – 43.9%

Positive and negative impacts on Asia Pacific small businesses in 2024

In 2024, high-growth businesses identified having good staff as the most significant positive influence on their success. In contrast, businesses that stagnated or declined choose customer loyalty as their most important positive factor

High-growth businesses were much more likely to attribute their success to improvements in business strategy, management and customer satisfaction compared to businesses that stagnated or declined

Businesses that stagnated or declined were more likely to state they received positive benefits from defensive strategies, such as cost control

Rising costs remained the biggest challenge to small businesses in 2024, especially in New Zealand, and least so in Hong Kong

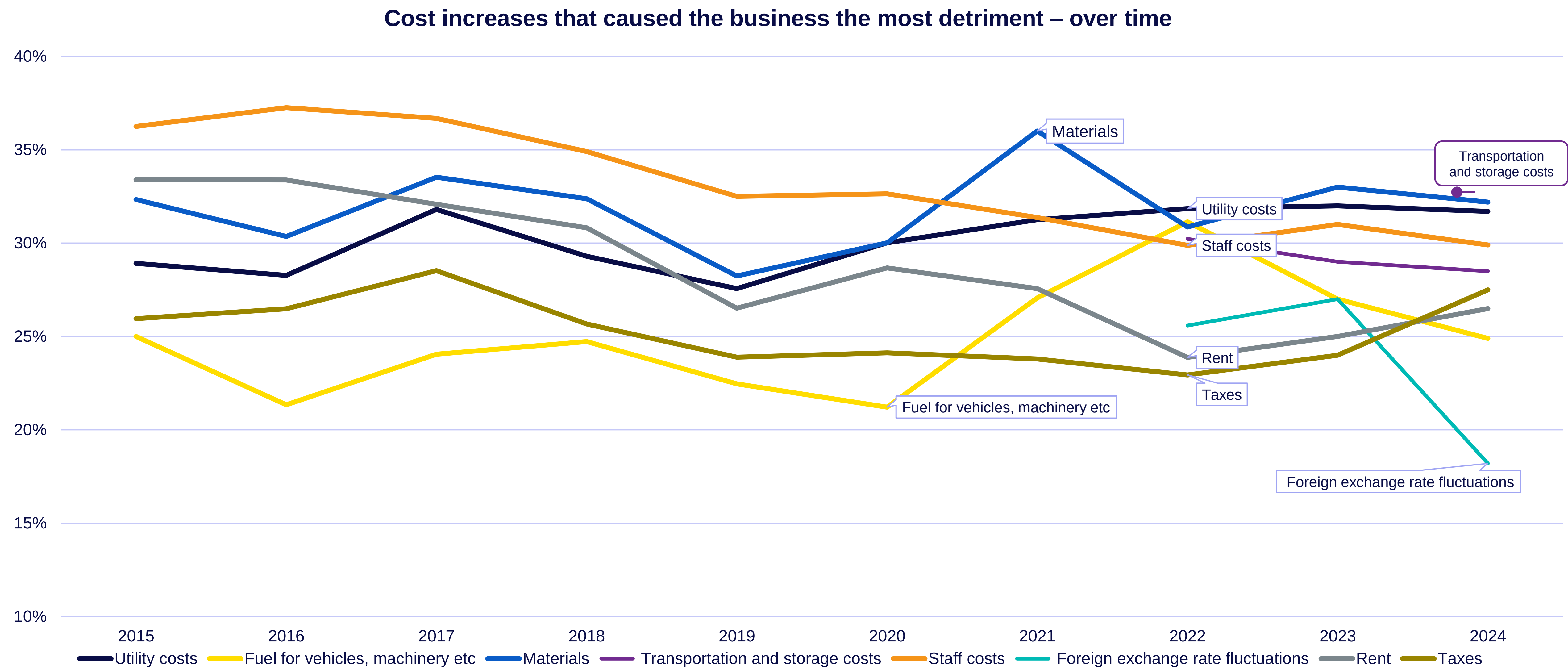
Most popular positive influences on business in 2024 – by market

	Most popular	Second most popular	Third most popular
High-growth businesses	**Good staff (38.9%)**	**Customer loyalty (37.8%)**	**Improved business strategy & improve customer satisfaction (36.5%)**
Businesses that were unchanged or shrank	**Customer loyalty (34.8%)**	**Cost control (26.5%)**	**Good staff (21.2%)**
Australia	Customer loyalty (47.6%)	Cost control (27.1%)	Good staff (26.7%)
China	Introduced a new product or services (30.6%)	Improved business management (30.1%)	Entering new markets (28%)
Hong Kong	Customer loyalty (22.5%)	Positive overall economic environment (21.6%)	Political stability & internet connection (19.9%)
India	Good staff (42.2%)	Customer loyalty (40.6%)	Technology (37.5%)
Indonesia	Customer loyalty (40.3%)	Improved customer satisfaction (38.4%)	Improved business strategy (37%)
Malaysia	Customer loyalty (39%)	Technology (35.7%)	Improved business strategy (34.7%)
New Zealand	Customer loyalty (41.3%)	Good staff (30.6%)	Cost control (22.6%)
Philippines	Customer loyalty (45.8%)	Improved customer satisfaction (37.4%)	Good staff (36.5%)
Singapore	Customer loyalty (31.2%)	Cost control (25.1%)	Technology (24.4%)
Taiwan	Customer loyalty (26.8%)	Cost control (24.8%)	Entering new markets (24.5%)
Vietnam	Technology (48.4%)	E-commerce (43.1%)	Improved business strategy (42.5%)

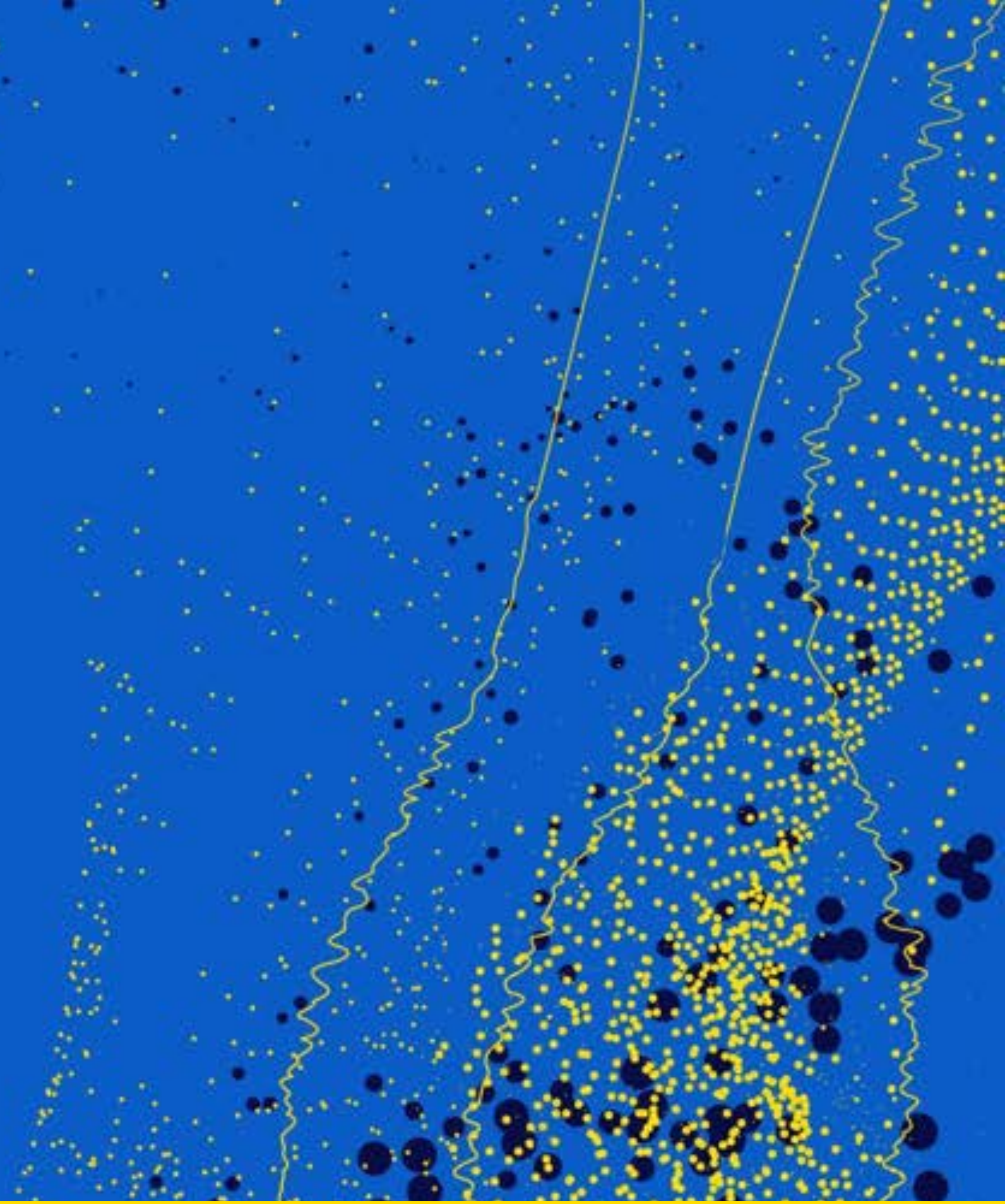
Most popular negative influences on business in 2024 – by market

	Most popular negative influence	Second most popular negative influence	Third most popular negative influence
Survey average	**Increasing costs (38.1%)**	**Increasing competition (30.5%)**	**Poor overall economic environment (24.2%)**
Australia	Increasing costs (47.8%)	Poor overall economic environment (32%)	Rising interest rates (25.1%)
China	Increasing costs (32.1%)	Increasing competition (29.1%)	Poor overall economic environment (25.2%)
Hong Kong	Poor overall economic environment (23.9%)	Increasing competition (23.2%)	Difficulty expanding into new markets (19.9%)
India	Increasing costs (40.4%)	Increasing competition (35.3%)	Increasing rent (27.2%)
Indonesia	Increasing competition (40.3%)	Increasing costs (35.1%)	Tax (31.8%)
Malaysia	Increasing costs (47.4%)	Increasing competition (34.1%)	Tax (33.1%)
New Zealand	Increasing costs (50.6%)	Poor overall economic environment (41.9%)	Tax (23.5%)
Philippines	Increasing costs (40.3%)	Increasing competition (35.2%)	Tax (26.1%)
Singapore	Increasing costs (36.7%)	Increasing competition (29.3%)	Increasing rent (21.9%)
Taiwan	Increasing costs (26.5%)	Increasing competition (22.9%)	Poor overall economic environment (19.7%)
Vietnam	Increasing competition (48.4%)	Increasing costs (43.1%)	Rising interest rates (37.3%)

The cost of materials remains a concern for small businesses across the region



Small business and innovation



The impact of innovation on small business

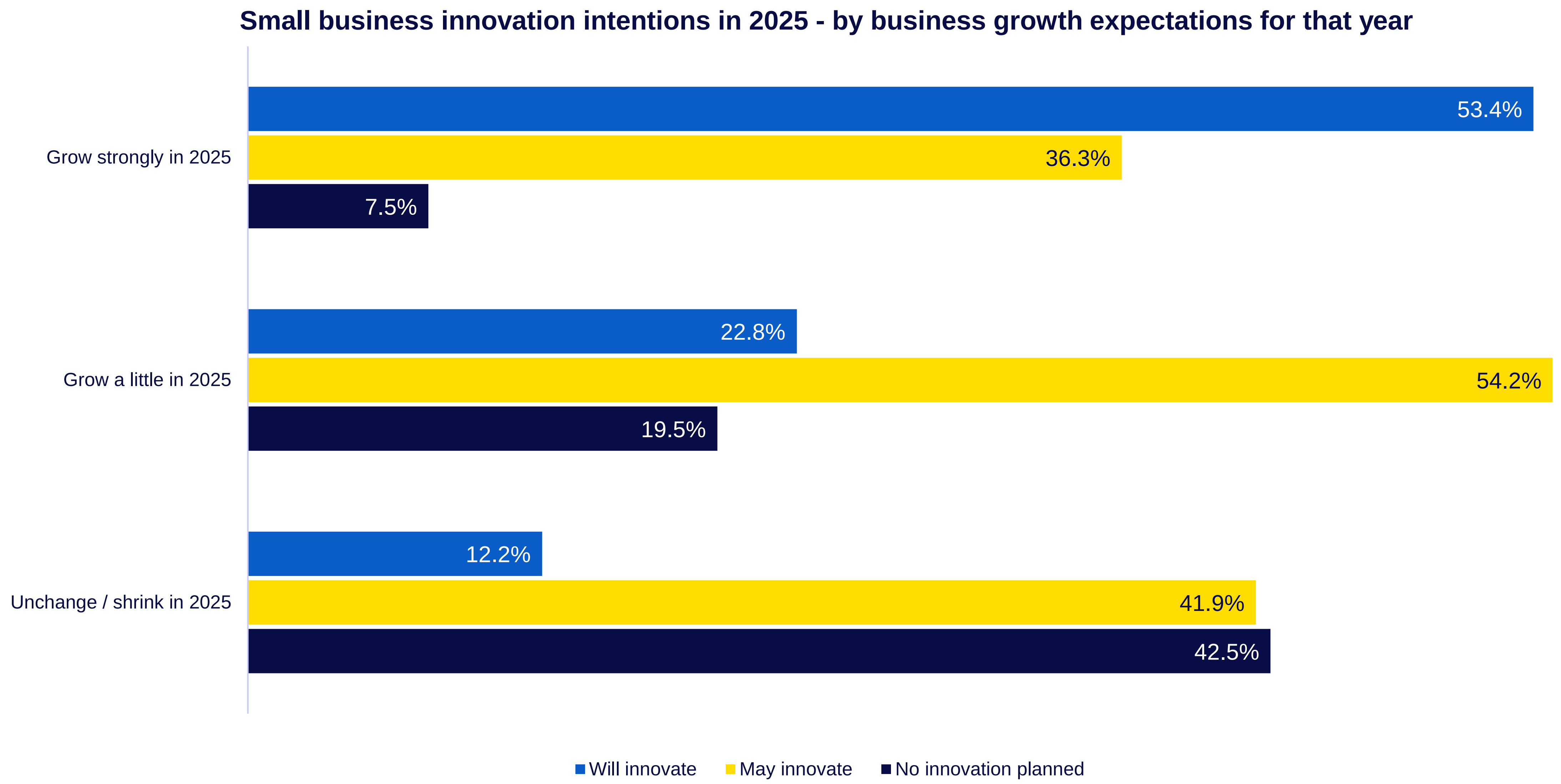
Small businesses that will introduce a product, service or process that is new to their market or the world in 2025 are significantly more likely to expect to grow that year

2025 appears to be a more subdued year for innovation across most markets. Only small businesses in Indonesia and Malaysia expect to increase innovation in 2025 compared to 2024

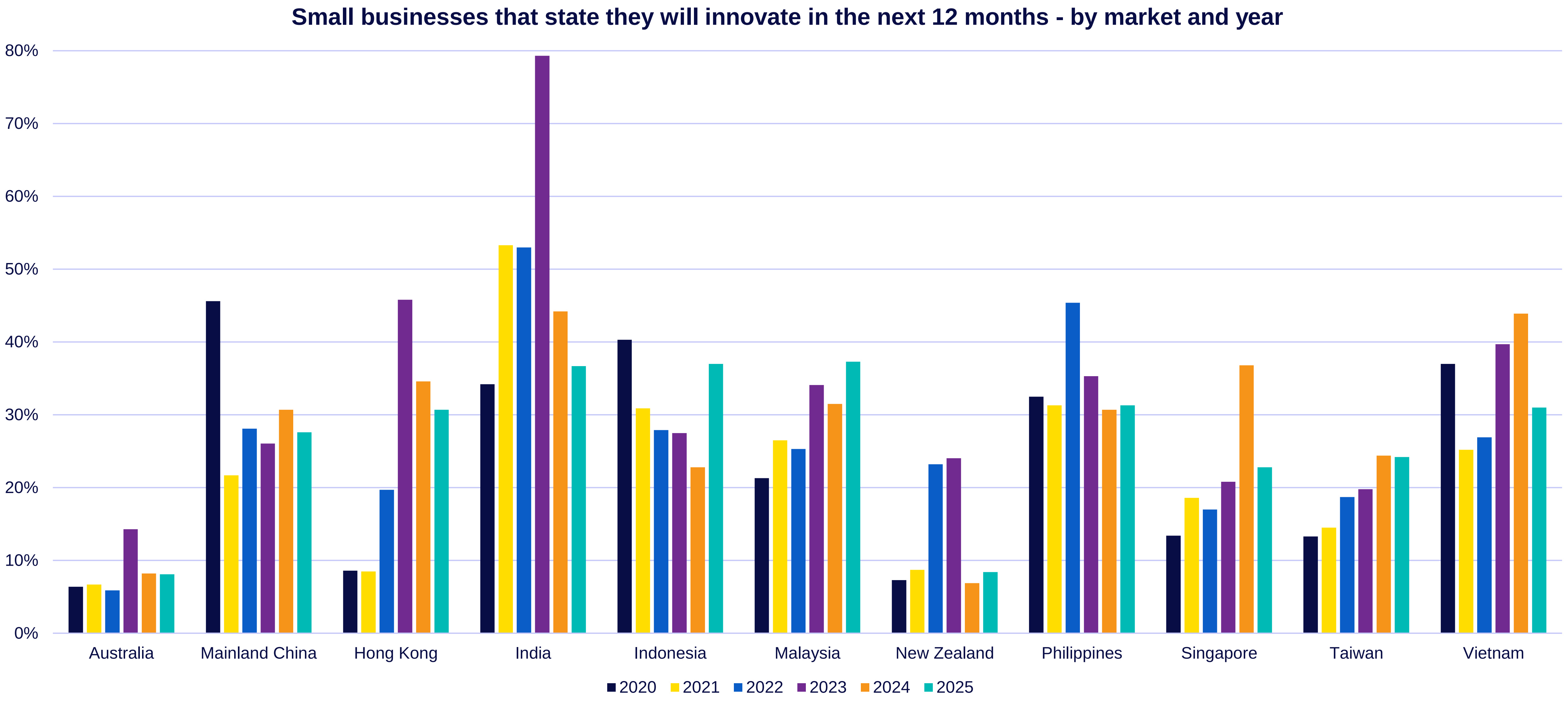
Notably, small businesses in Singapore and Vietnam have sharply lowered their expectations for innovation in 2025, possibly due to having fully utilised their innovation capacity after an increase from 2023 to 2024.

Younger businesses, younger business owners and larger small businesses are more likely to say they will innovate in 2025

High growth small businesses are significantly more likely to say they will innovate in 2025

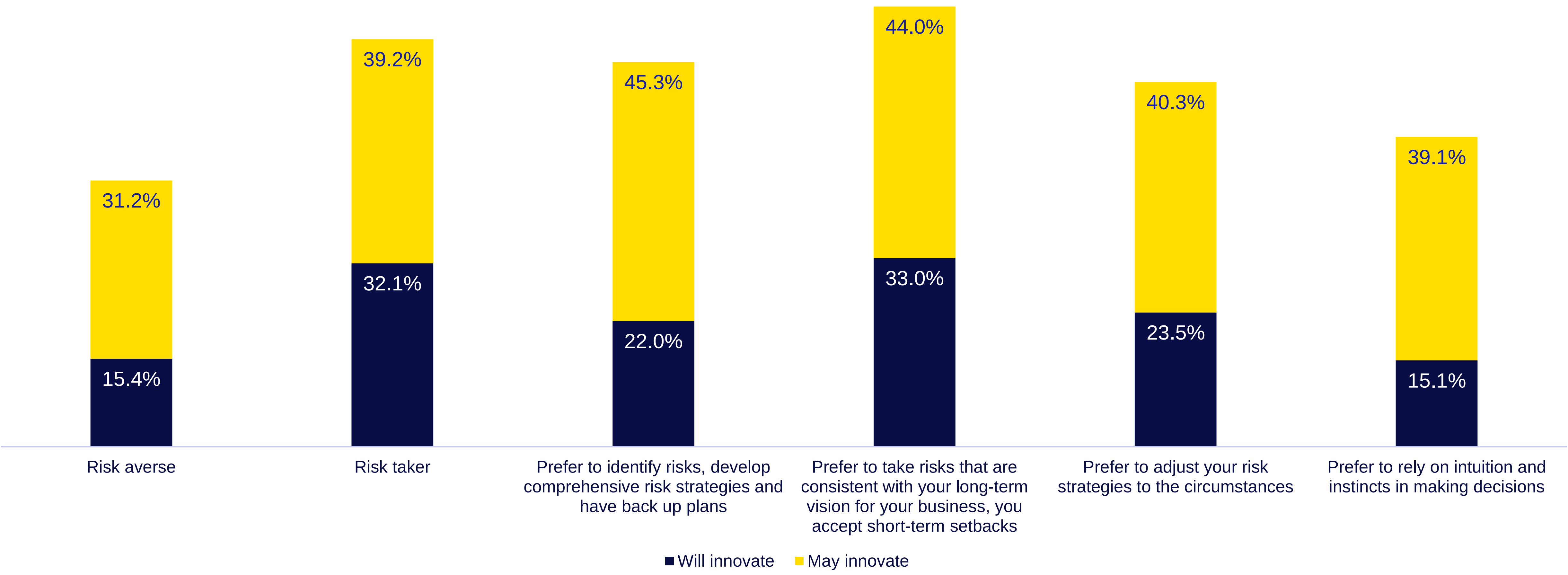


In 2025, Indonesia, Malaysia and the Philippines are the only markets expected to see an increase in the number of small businesses that will innovate compared to 2024

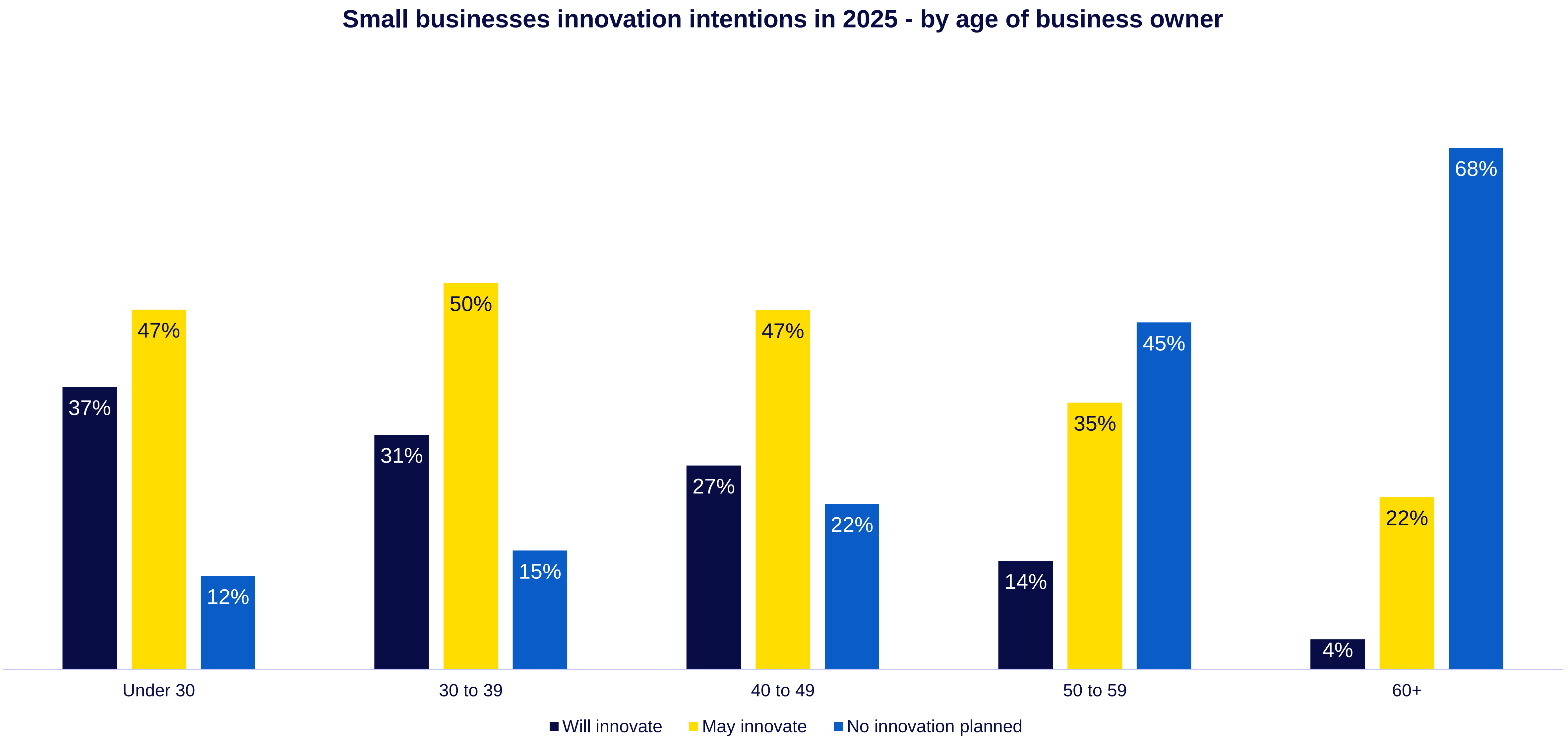


Unsurprisingly, risk averse business owners are the least likely to expect to innovate in 2025. In contrast, those who prefer to take risks aligned with their long-term vision are the most likely to innovate

Small businesses that will/may innovate in the next 12 months by attitude of business owner to risk

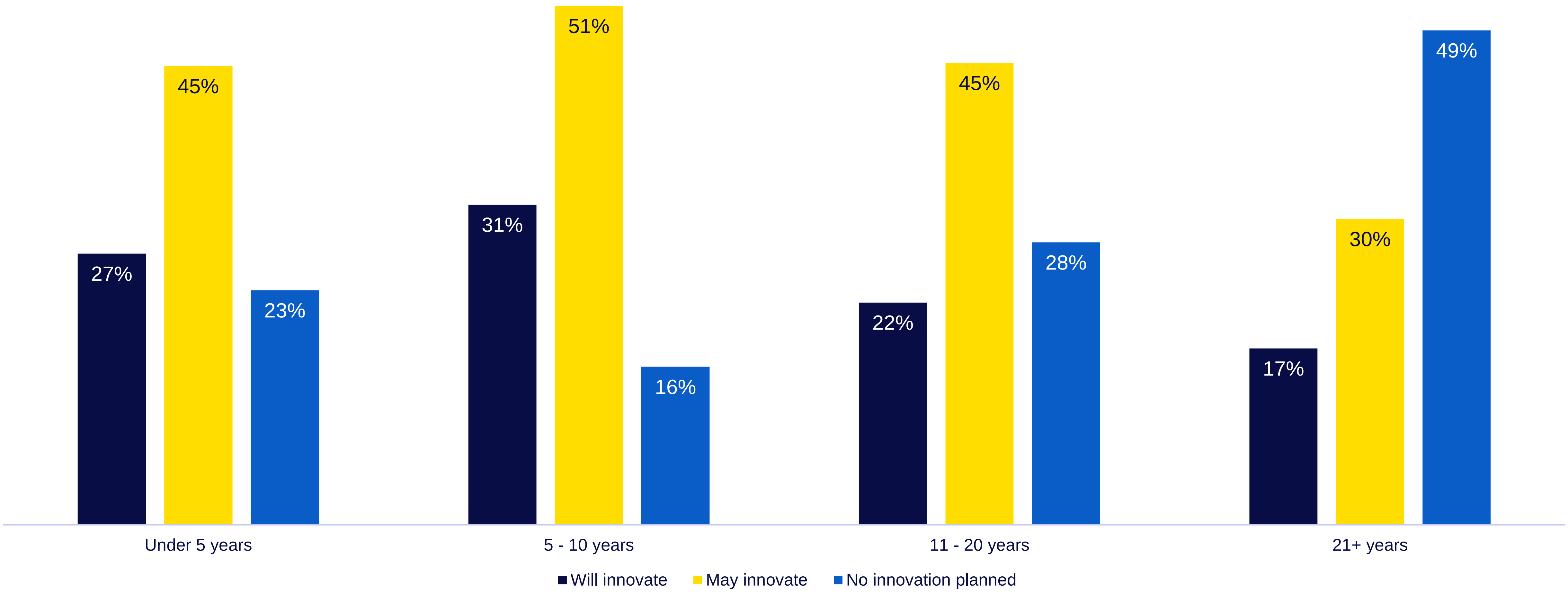


Business owners under 40 are the most likely to say they will innovate in 2025, whereas those aged 60 and over are significantly more likely to say they won't

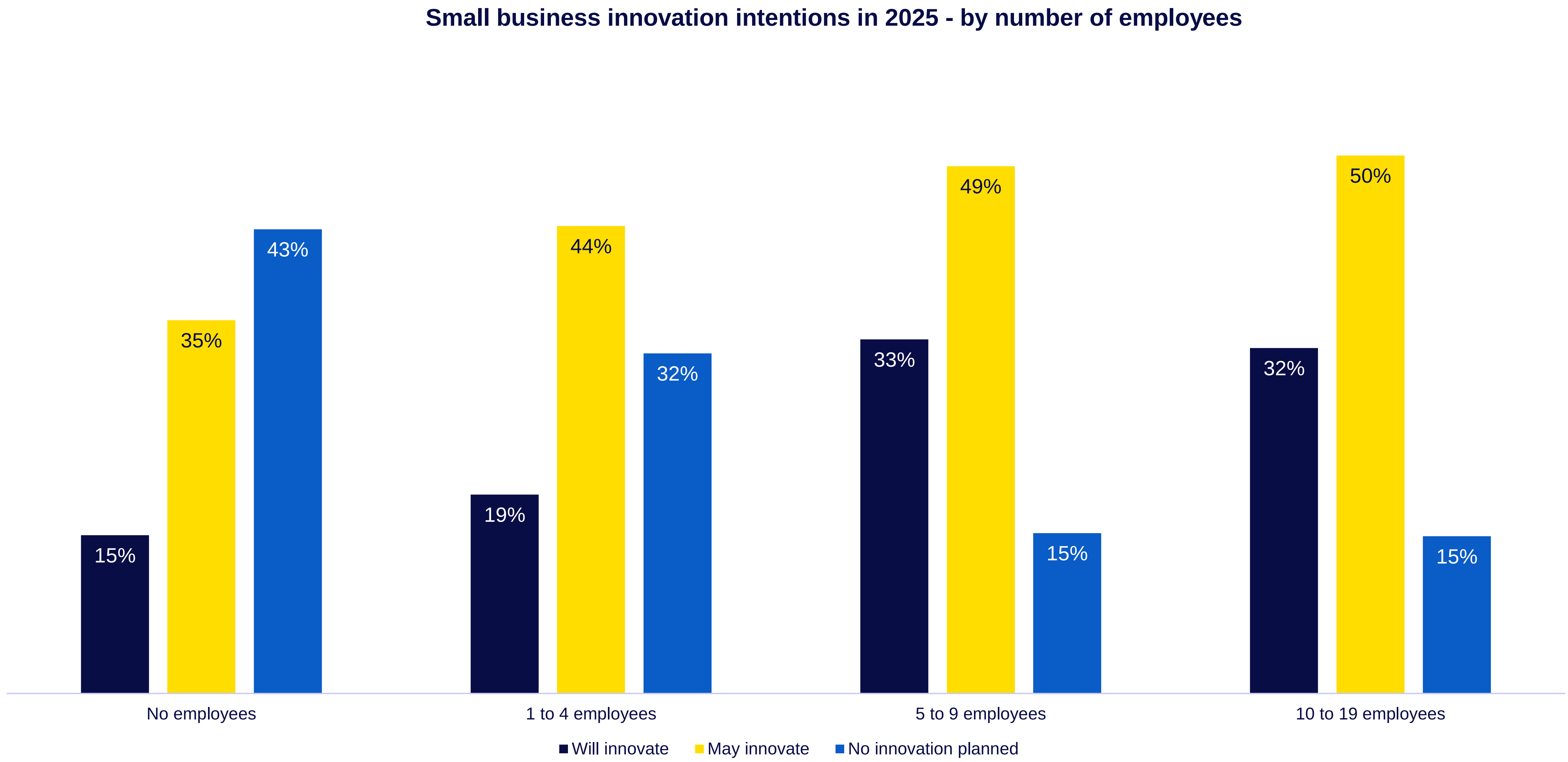


Businesses established 5 to 10 years are the most likely to innovate in 2025, whereas those operating over 20 years are the least likely to innovate

Small business innovation intentions in 2025 - by age of business



Small businesses with more employees are much more likely to innovate in 2025



Top three industries that will innovate in 2025

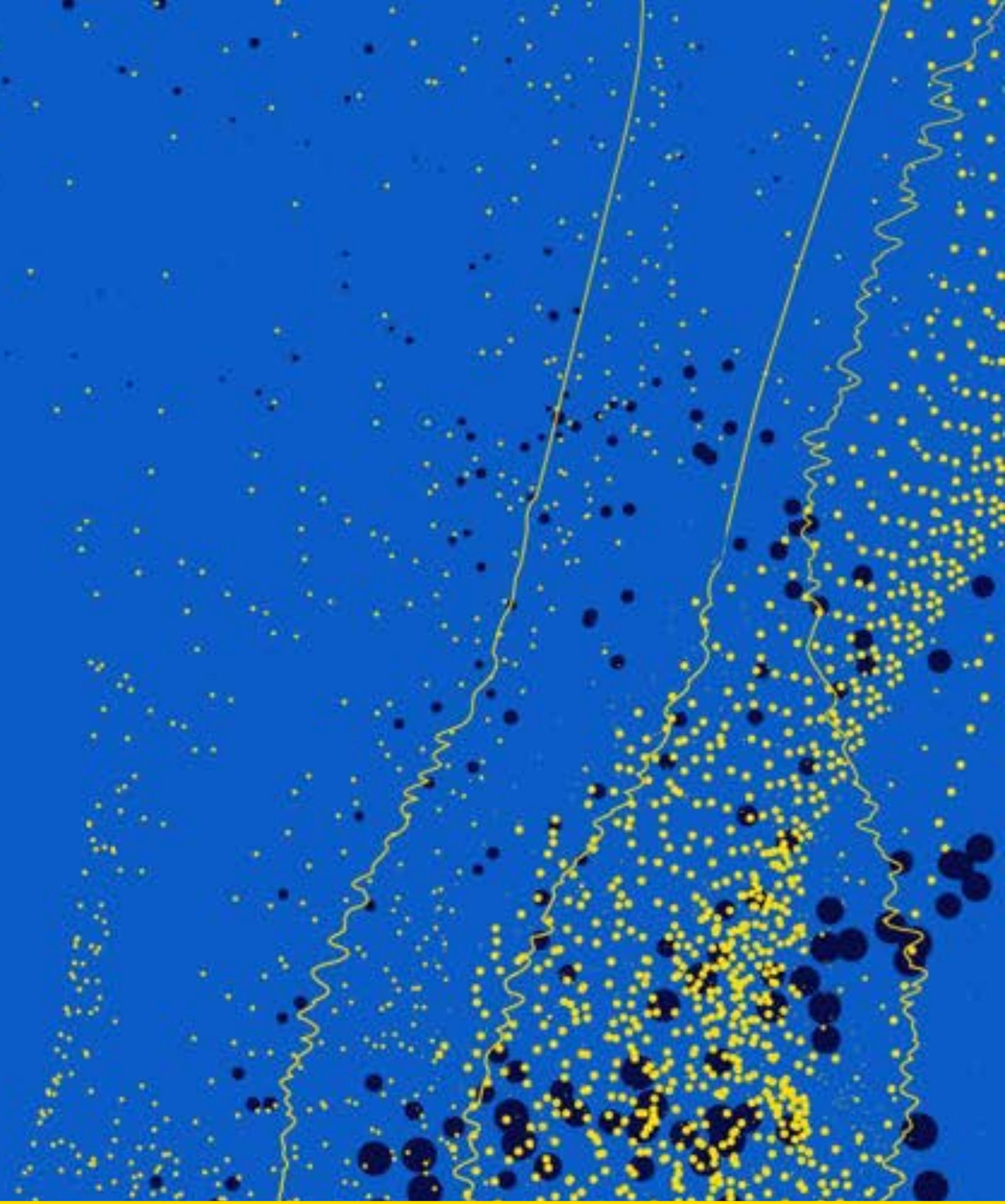
- The banking, finance or insurance sector is expected to lead innovation in 2025. This trend is likely driven by regulations, technological advancements, and the growing demand for digital financial services.

Banking, finance or insurance – 37.5%

Wholesale trade – 36.7%

Information, media and telecommunications – 36.2%

Small business expectations in 2025

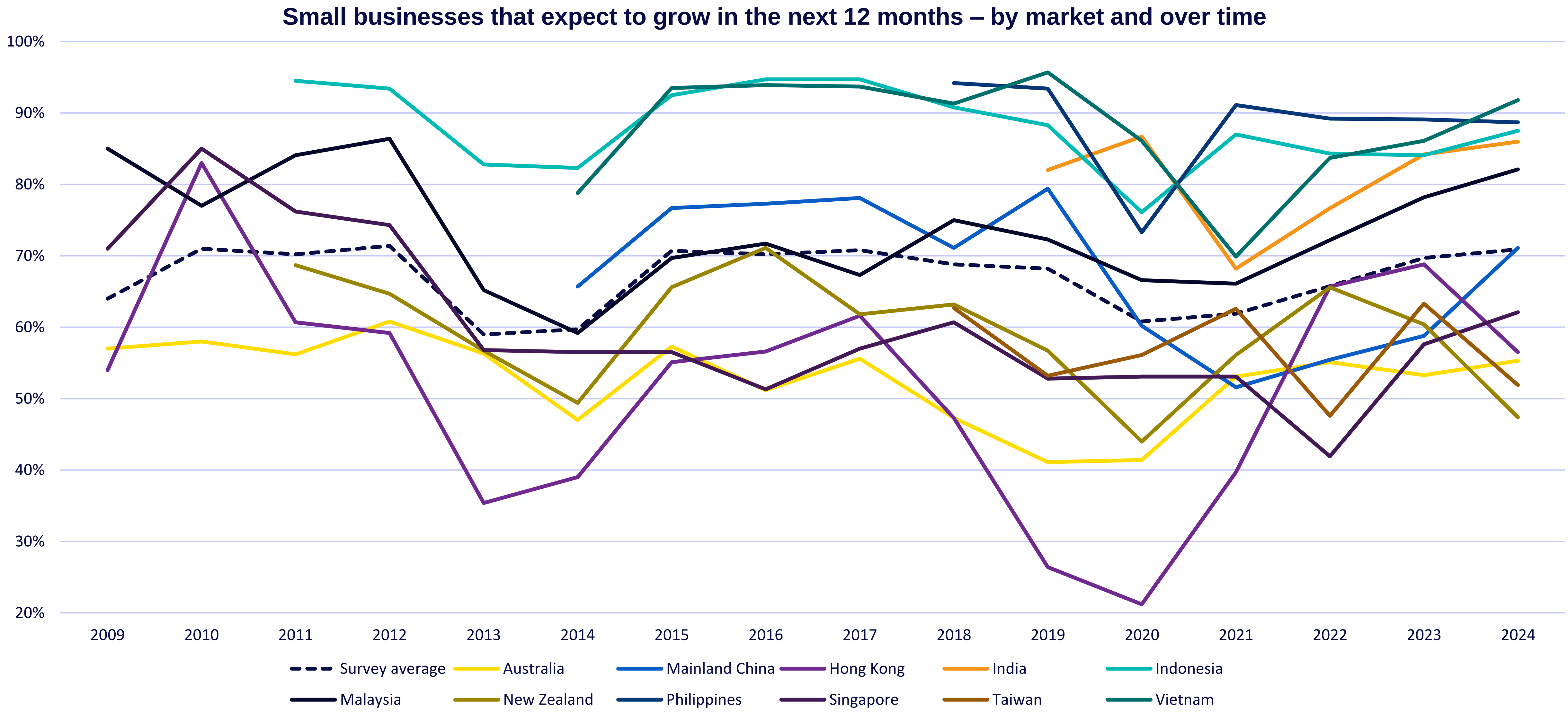


Small business growth expectations for 2025

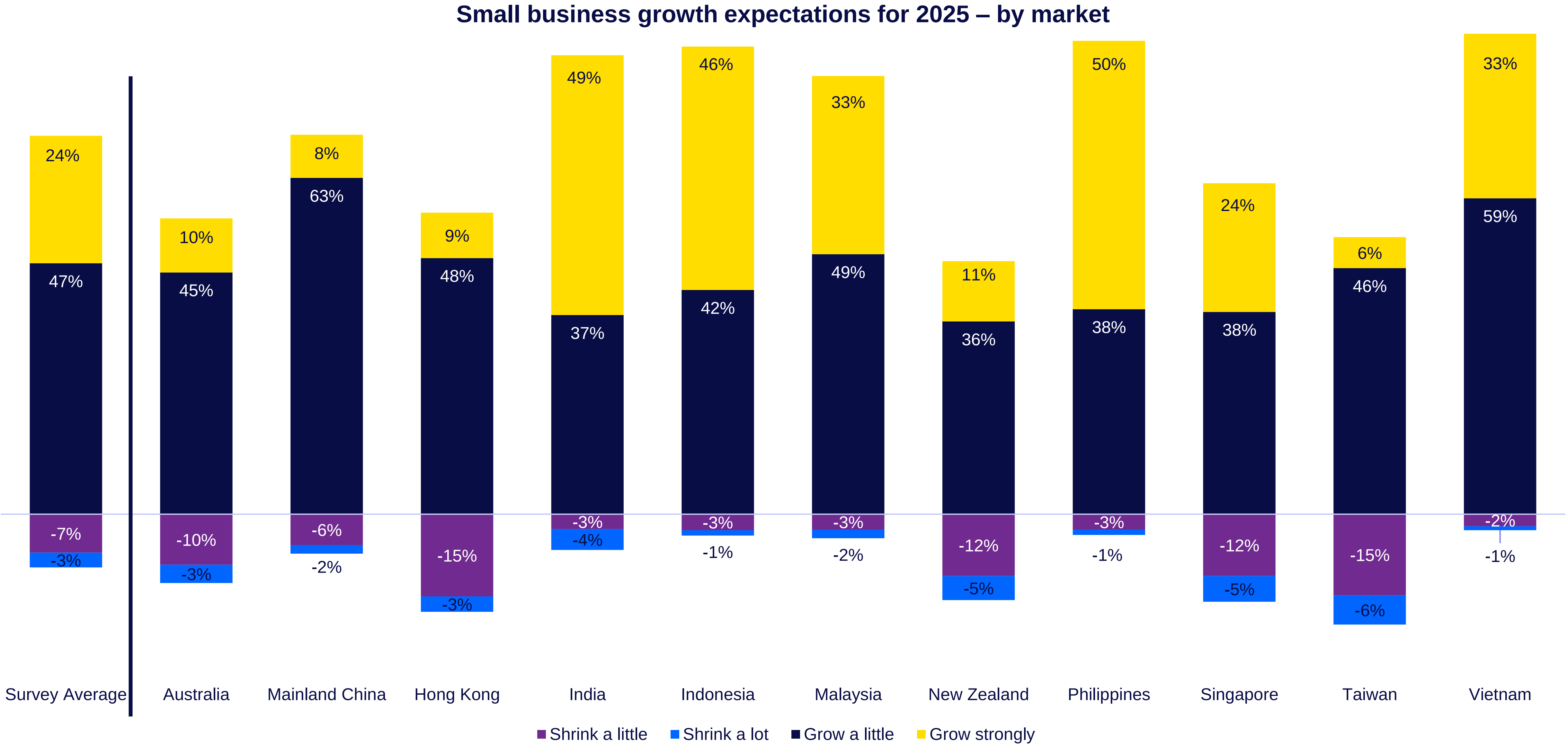
Growth expectations for small businesses in 2025 are optimistic. Survey results indicate a significant rise in the number of small businesses anticipating strong growth this year, especially in India, Indonesia, and the Philippines

Consistent with growth trends from 2024, newer businesses, younger business owners, and larger small businesses are more likely to expect strong growth in 2025

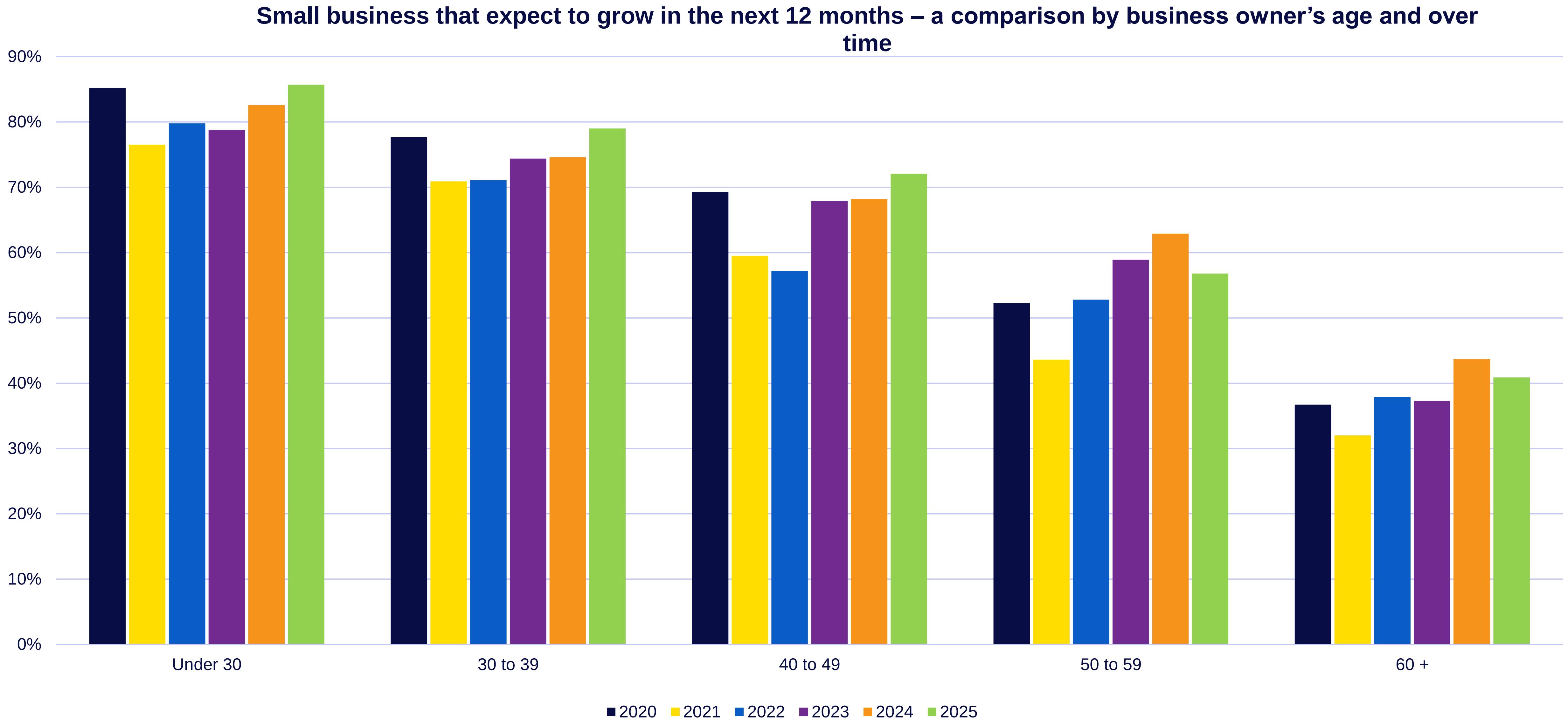
Small businesses from Vietnam, Philippines and Indonesia are the most likely to expect to grow in 2025



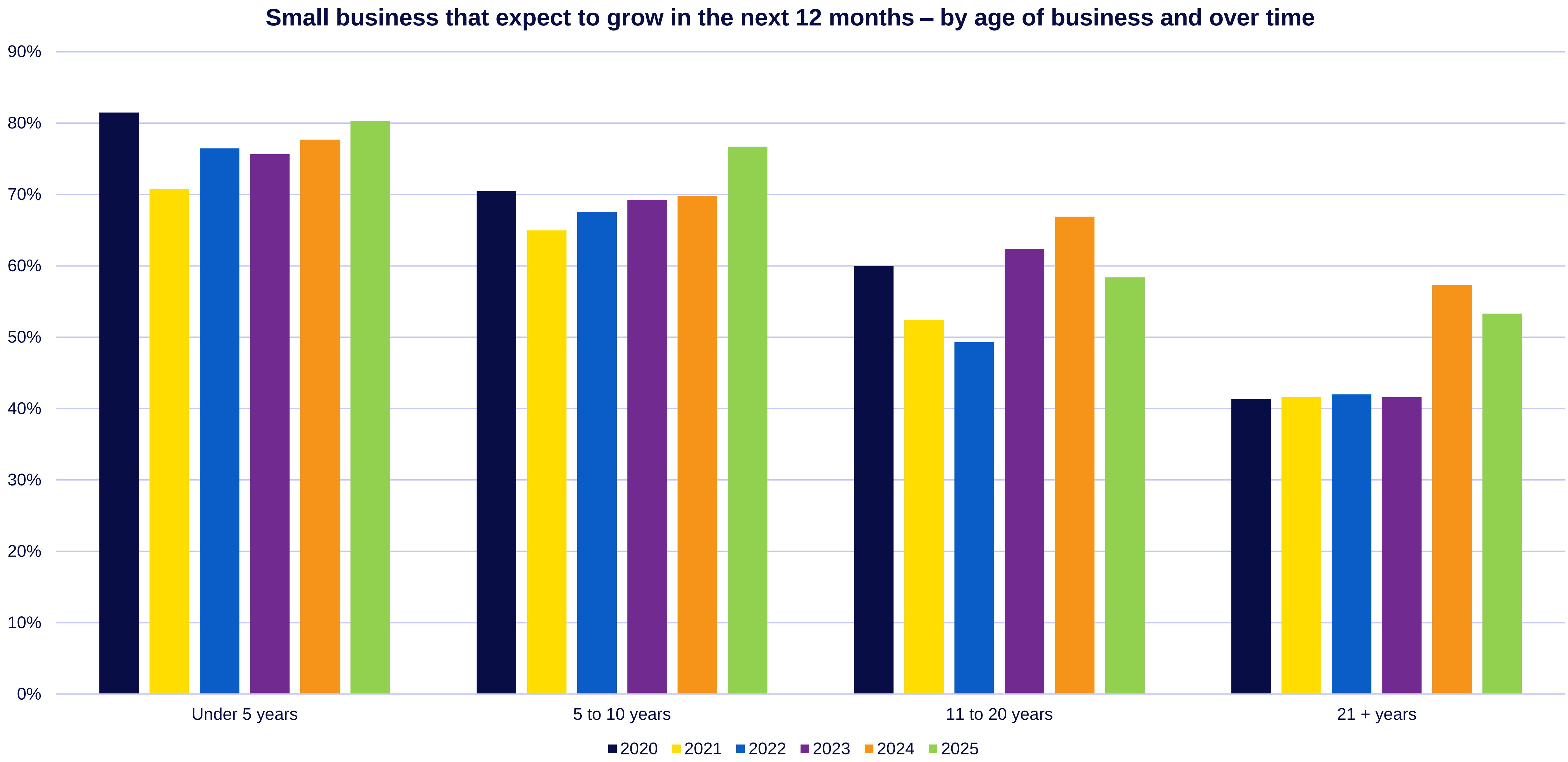
Most small businesses in the region expect to grow in 2025



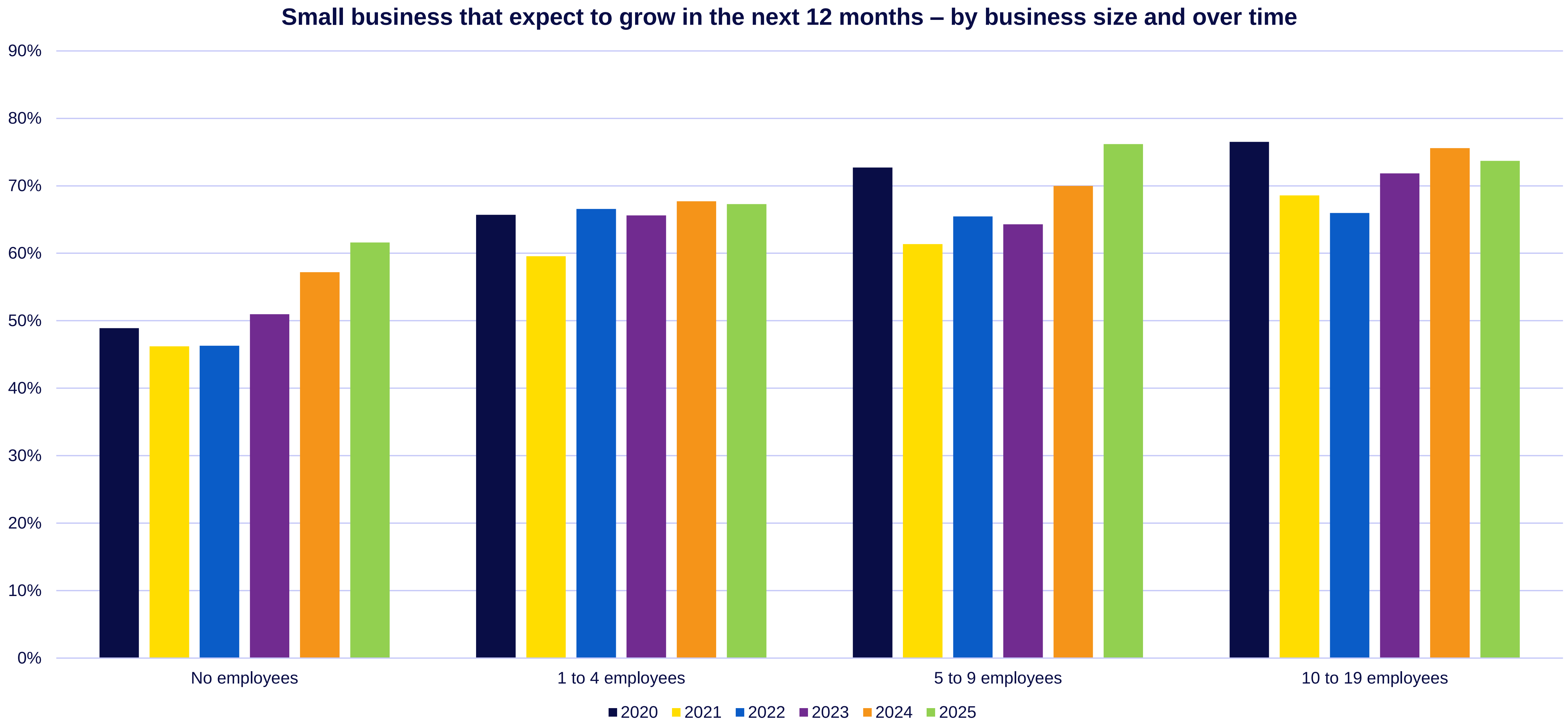
Younger small business owners are more likely to expect their business to grow in 2025



Newer businesses are more likely to expect to grow in 2025



Businesses with more employees are more likely to expect to grow in 2025



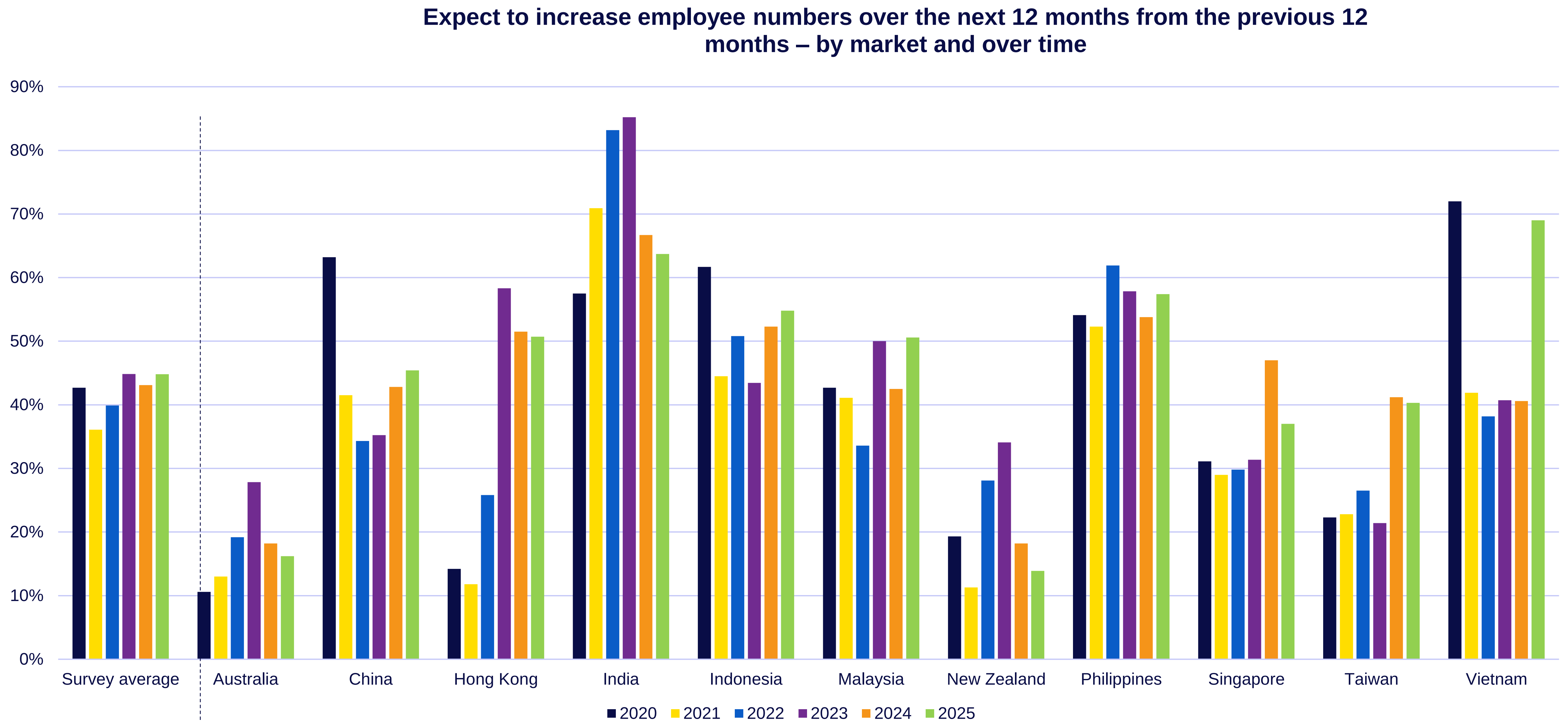
Small business job creation expectations for 2025

Vietnam's small businesses are the most optimistic about increasing employee numbers in 2025, with a significantly higher proportion expecting to expand their workforce compared to 2024

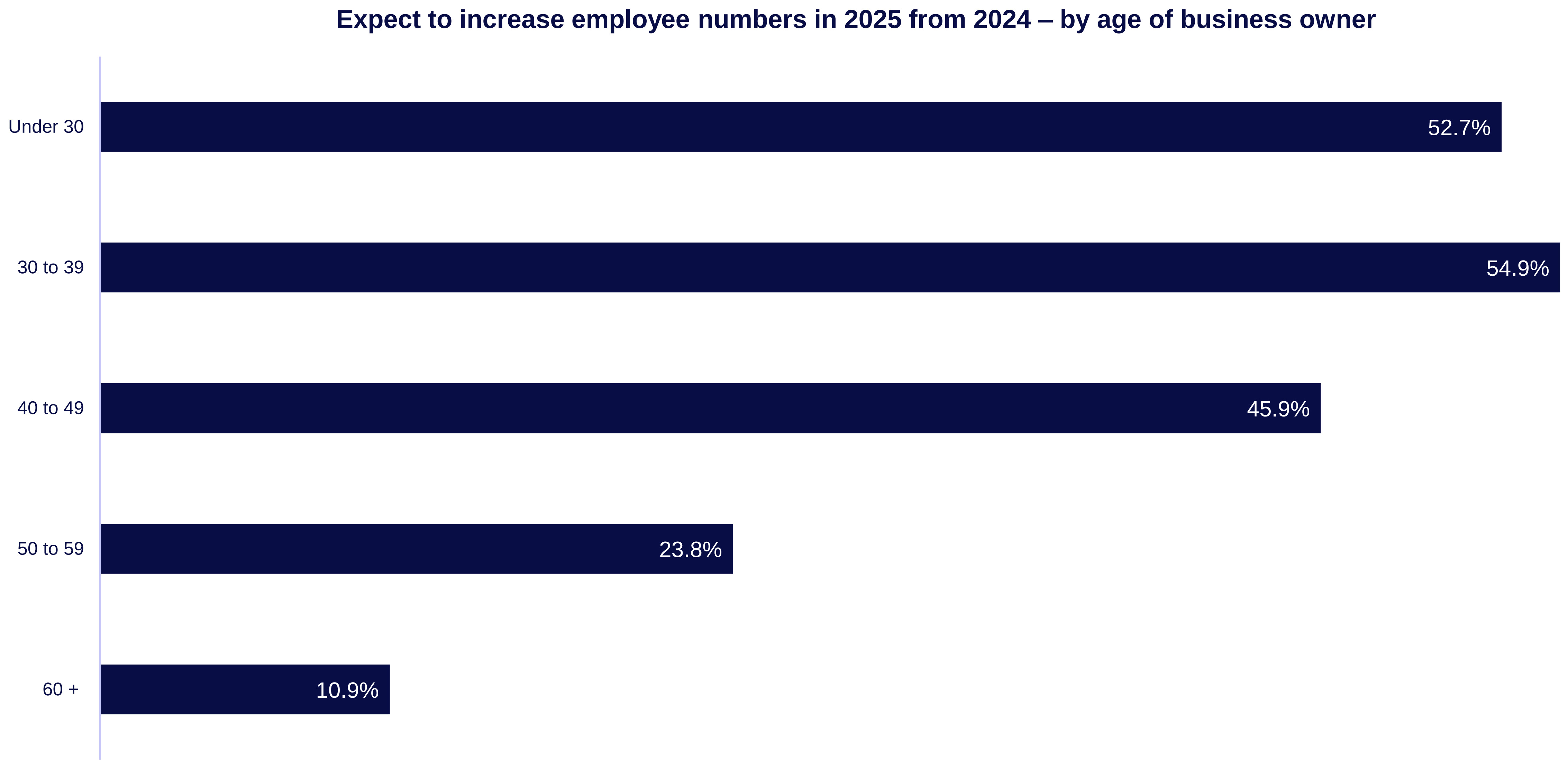
In contrast, Australian and New Zealand small businesses are the least likely to anticipate growth in employee numbers. This aligns with their expectations for growth in 2025

Younger business owners and larger small businesses are more likely to be planning for an increase in their workforce in 2025

Vietnam's small businesses are expected to create the most new jobs in 2025, with a substantial increase from 2024

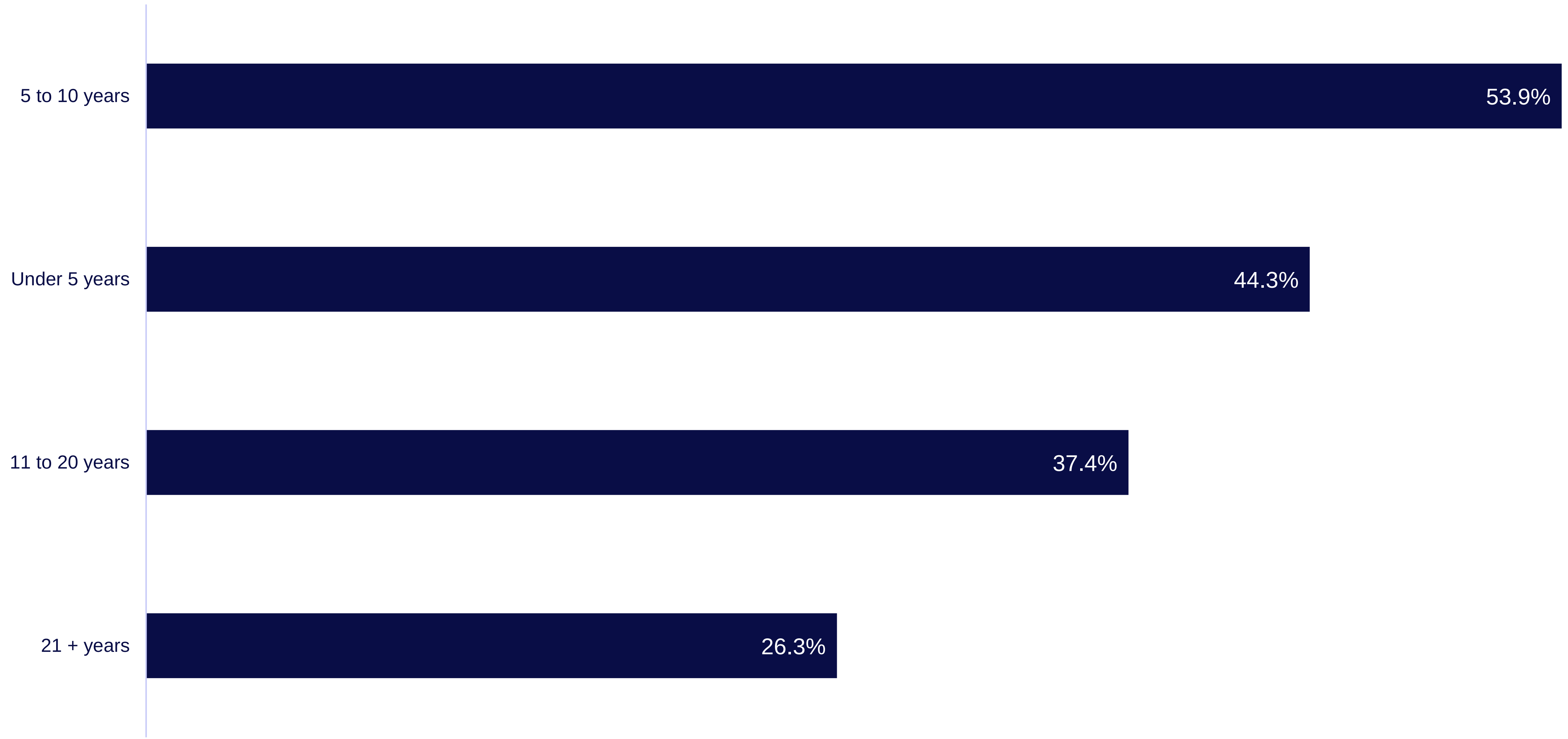


As in previous years, younger business owners are more likely to expect their small business will increase employee numbers



As in previous years, older small businesses are significantly less likely to expect to increase employee numbers in 2025

Expect to increase employee numbers in 2025 from 2024 – by age of business



Top-five industries that will increase employee numbers in 2025

- Accommodation and food services – 56.7%
- Manufacturing – 52.5%
- Wholesale trade – 47.3%
- Information, media and telecommunications – 47.2%
- Education and training – 45.4%

Small business and exporting

Small businesses anticipating strong growth in 2025 are much more likely to expect a significant increase in their export sales

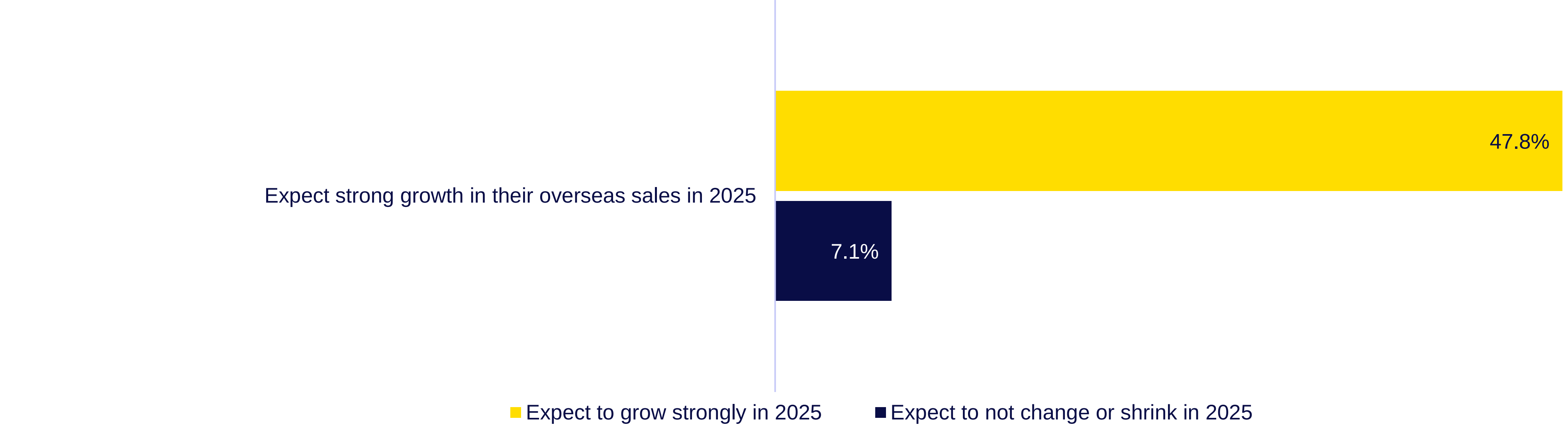
Many businesses that experienced strong growth in 2024 stated that entering new markets was one of the most positive influences on their success

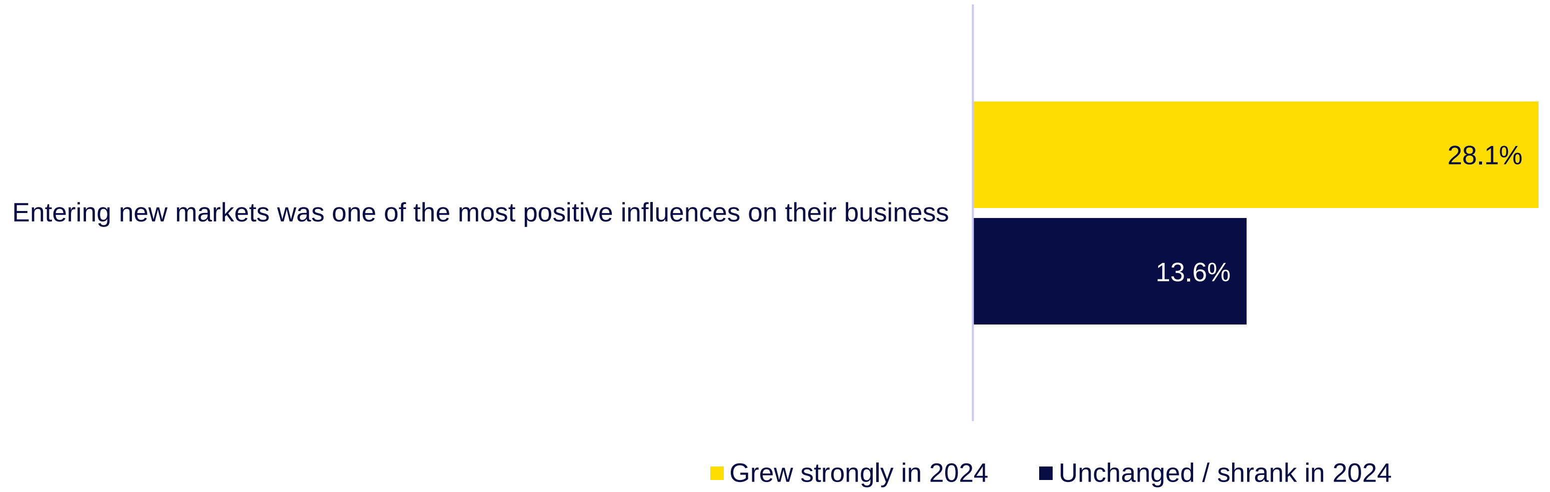
Hong Kong businesses rank highest in expecting growth in revenue from overseas sales in 2025, followed by those in Vietnam and India. In contrast, Australia has the lowest percentage of small businesses anticipating an increase in export sales

Younger business owners, newer businesses and larger small businesses are much more likely to expect an increase in their export revenue in 2025

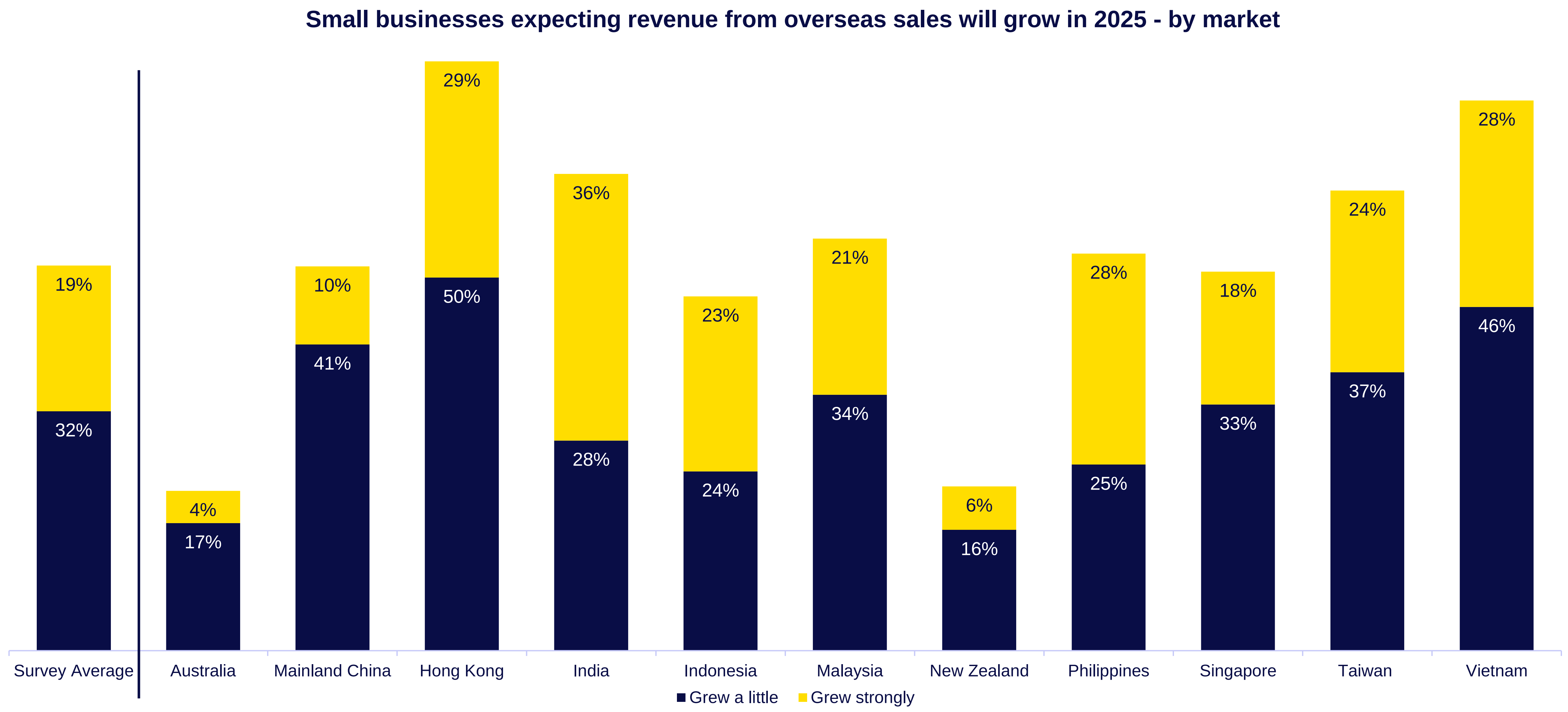
The potential imposition of higher tariffs poses a significant challenge to exporters, particularly those targeting the US. Additionally, uncertainty around trade policies and tariffs could deter businesses from entering new markets, hindering export growth

High-growth small businesses are significantly more likely to expect strong growth in overseas sales in 2025



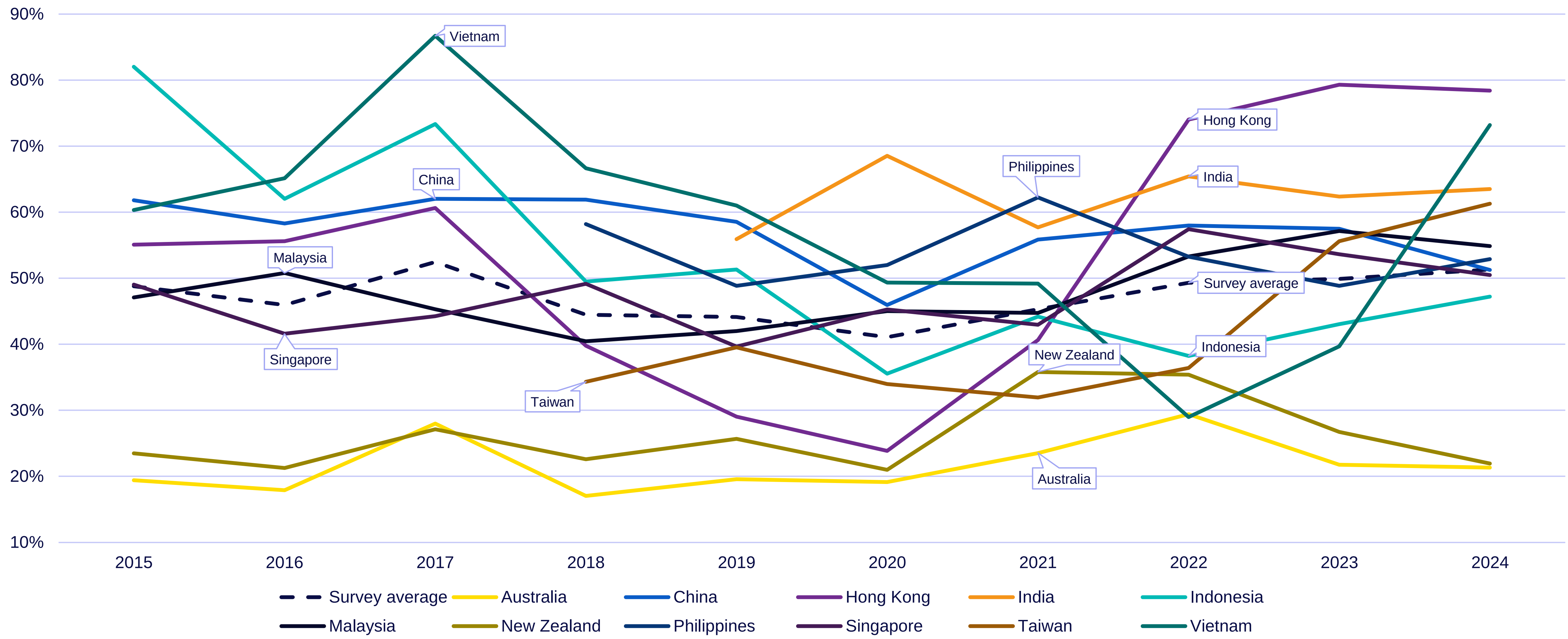


Small businesses in Hong Kong and Vietnam are significantly more likely to expect their overseas sales to grow in 2025

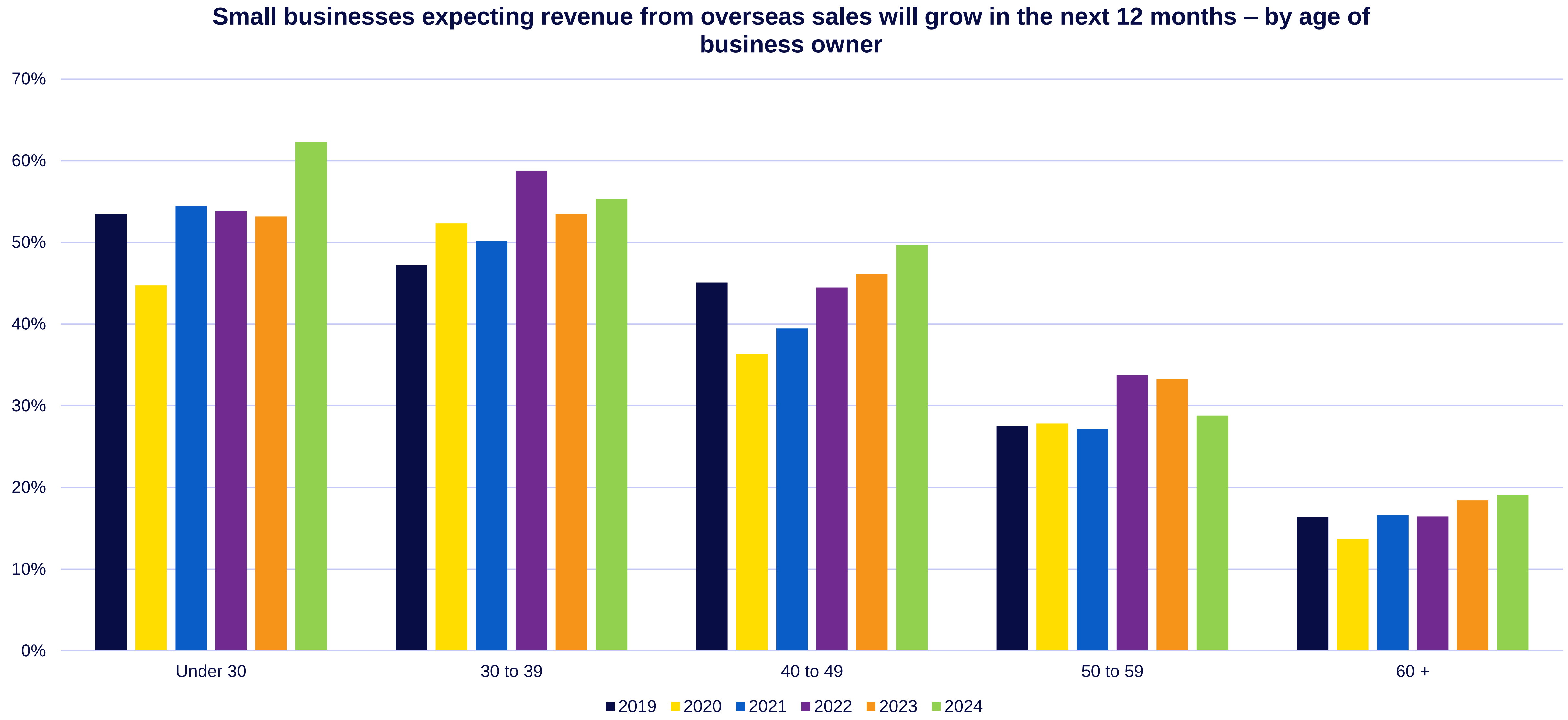


Hong Kong small businesses remain the most internationally focused, with nearly 80 per cent expecting overseas sales growth in 2025. Vietnam's small businesses anticipate the sharpest growth in exports

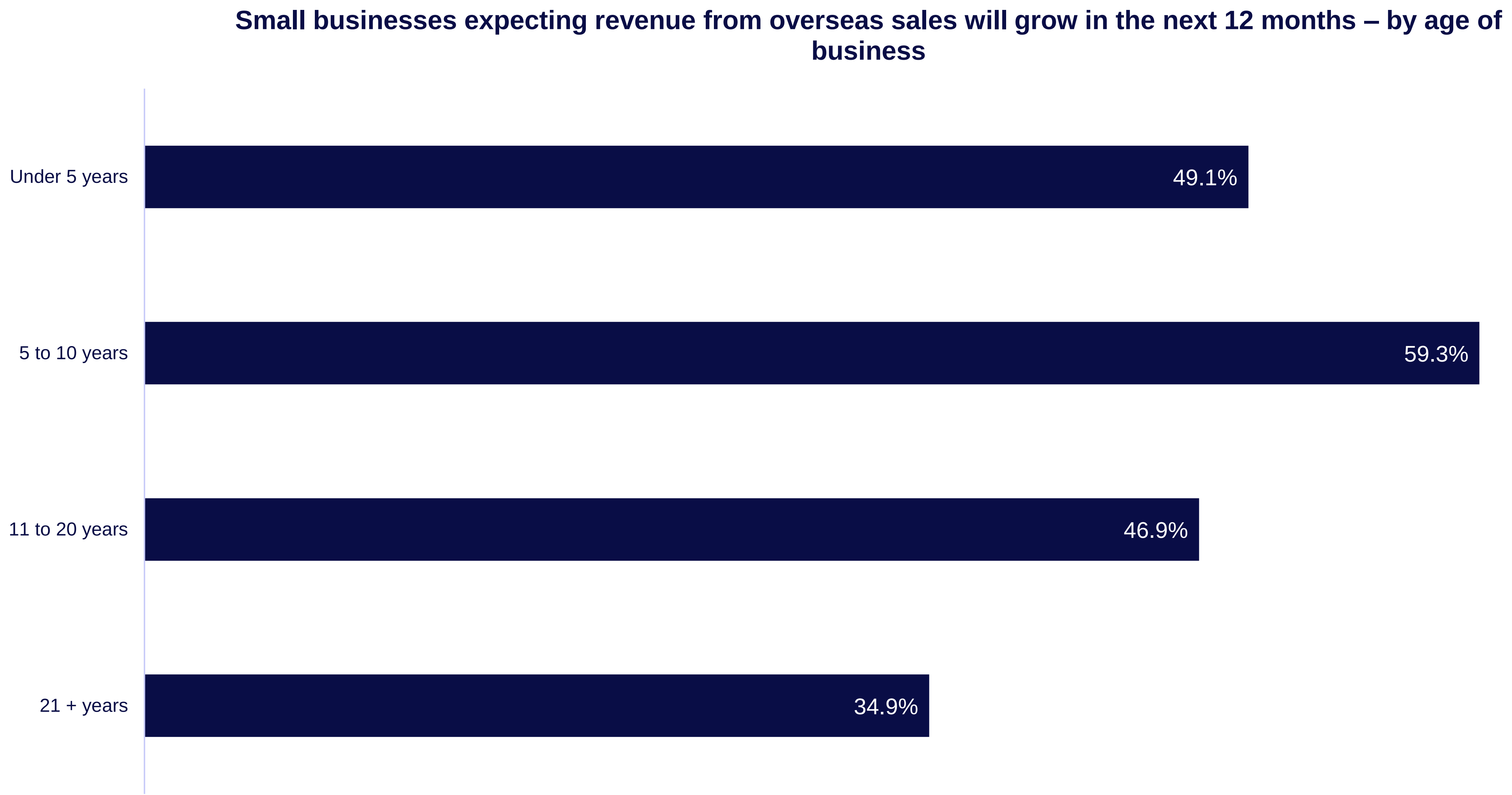
Small businesses that forecast their overseas sales will grow in the next 12 months - over time and by market



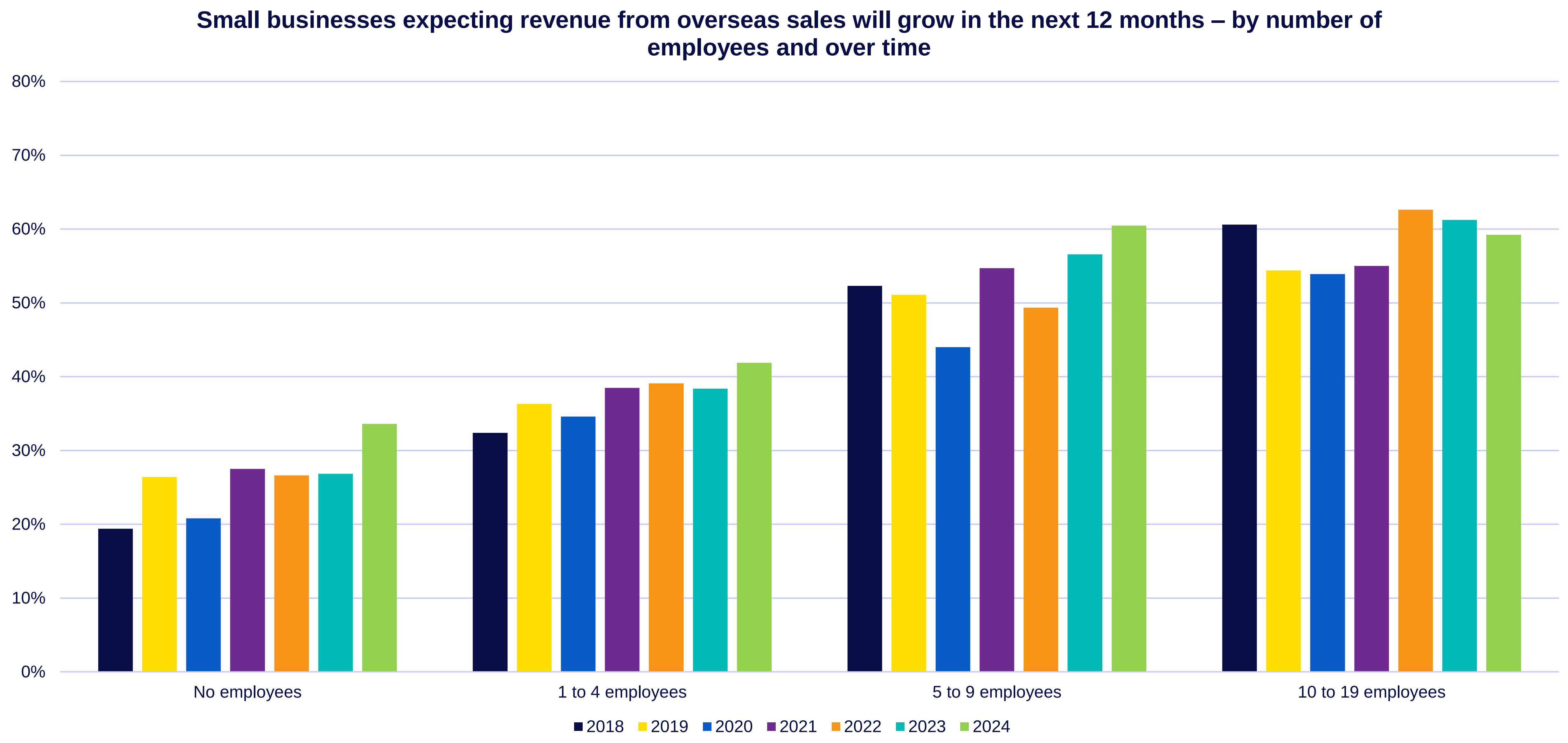
Younger business owners are significantly more likely to be involved in businesses that are expanding their overseas sales



Newer businesses have a stronger focus on exporting



Small businesses with more employees are more likely to be focused on exporting



Top-five industries expecting revenue from overseas sales to increase in 2025

- High-growth industries are more likely to seek overseas expansion
- These expectations might be affected by rising geopolitical tensions and trade wars
- To expand overseas amid such challenges, small businesses should diversify their target markets, leverage digital channels, strengthen supply chains, and stay informed on trade policies.

Information, media and telecommunications – 67.2%

Manufacturing – 61.3%

Banking, finance or insurance – 60.6%

Wholesale trade – 59.5%

Administrative and support services – 58.3%

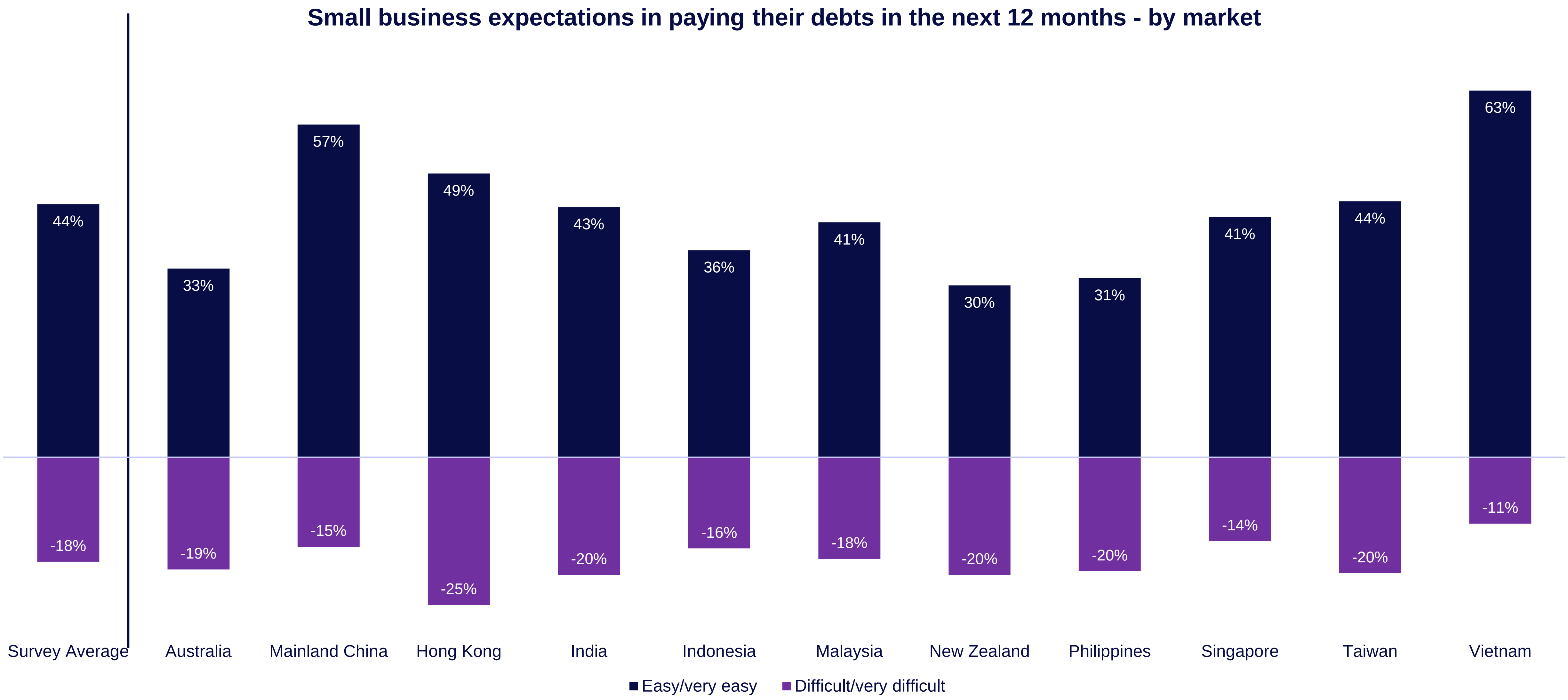
Small business paying their debts in 2025

Small businesses are more likely to expect it will be easy to pay their debts in 2025 than difficult. This is especially so for small businesses in Vietnam, Mainland China and Hong Kong

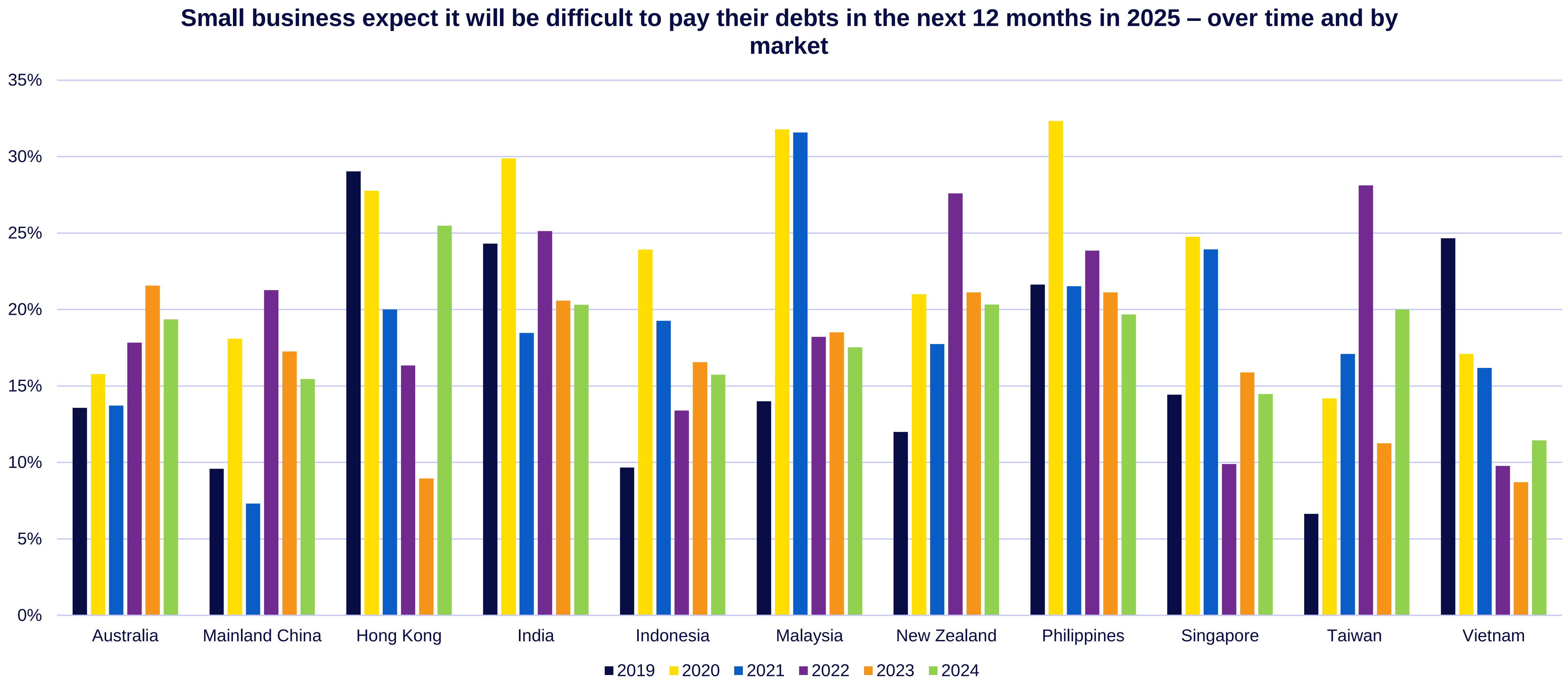
Solvency challenges are most likely to impact businesses in Hong Kong, New Zealand, India and Taiwan in 2025

Newer businesses are less likely to believe that paying their debts will be easy this year. Similarly, businesses with fewer than five employees are less likely to believe that paying their debts will be easy

Small businesses in Vietnam and Mainland China are the least likely to face solvency challenges in 2025



Hong Kong and Taiwan expect a large increase in the number of small businesses facing solvency challenges in 2025

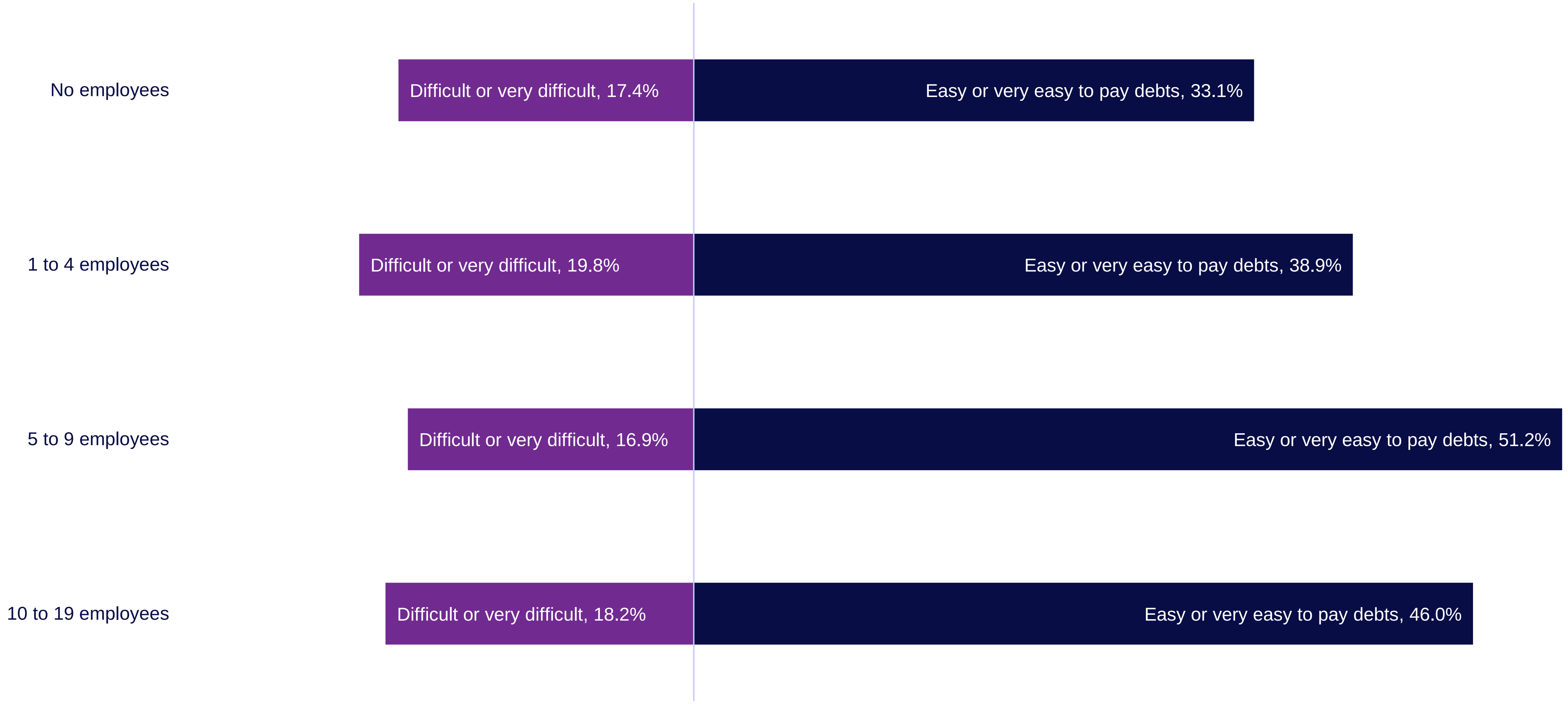


The age of the business owner doesn’t significantly impact whether it will be easy or difficult to pay business debts in 2025

Businesses established less than five years are less likely to expect it will be easy for them to pay their debts in 2025

Small businesses with more employees are more likely to expect to find it easy to pay their debts in 2025

Small businesses that expect it will be easy or difficult to pay their debts in 2025 – by size of business



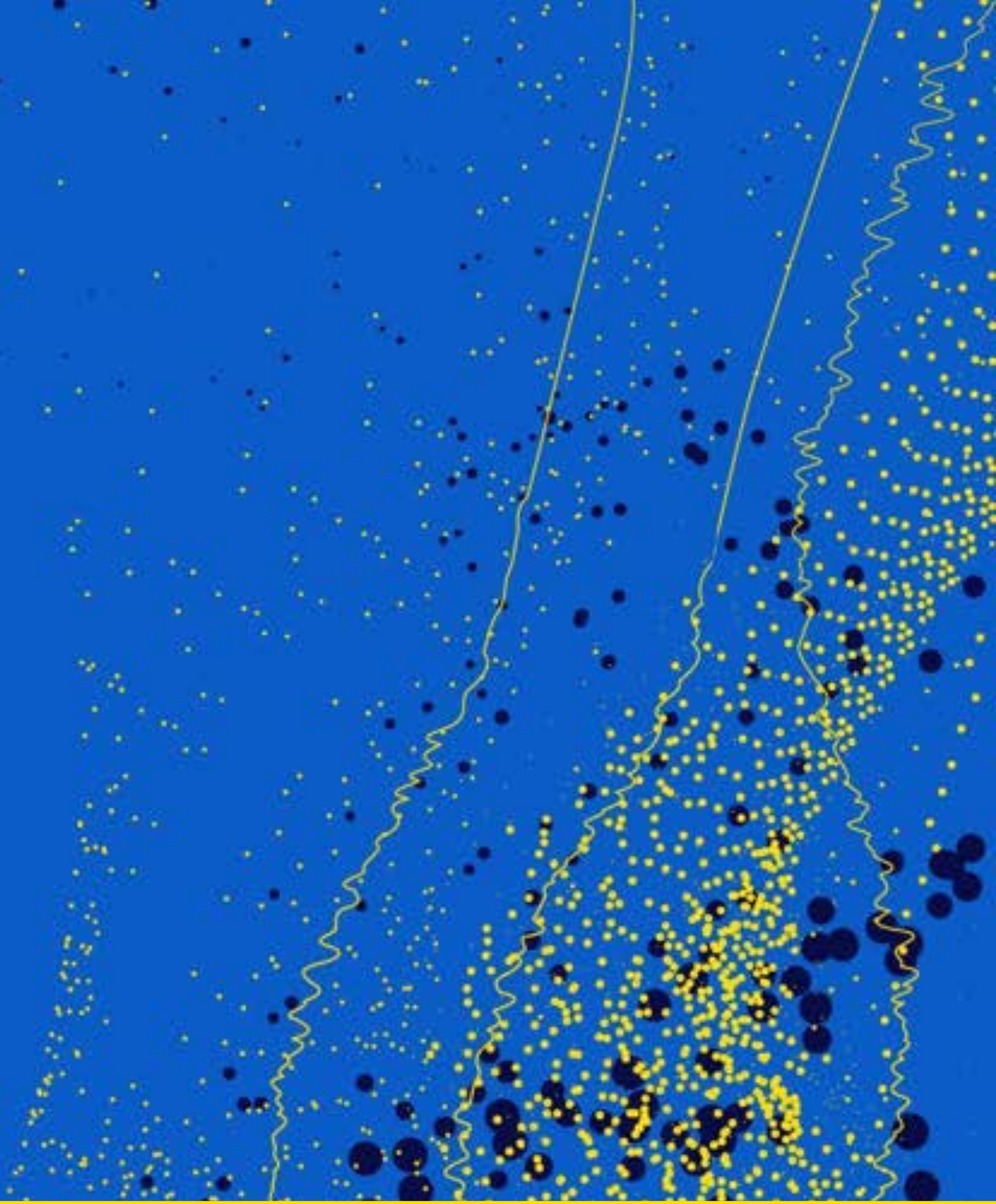
Top-five industries that expect paying their debts will be easy or very easy in 2025

1. Manufacturing – 53.5%
2. Accommodation and food services – 53.1%
3. Banking, Finance Or Insurance – 50.6%
4. Wholesale trade – 48.9%
5. Retail trade – 45.9%

Top-five industries that expect paying their debts will be difficult or very difficult in 2025

1. Health care and social assistance – 24.8%
2. Property and construction – 23.7%
3. Arts and recreation services – 23.0%
4. Information, media and telecommunications – 21.7%
5. Rental, hiring and real estates – 20.9%

Access to finance



Small businesses requiring external finance in 2024

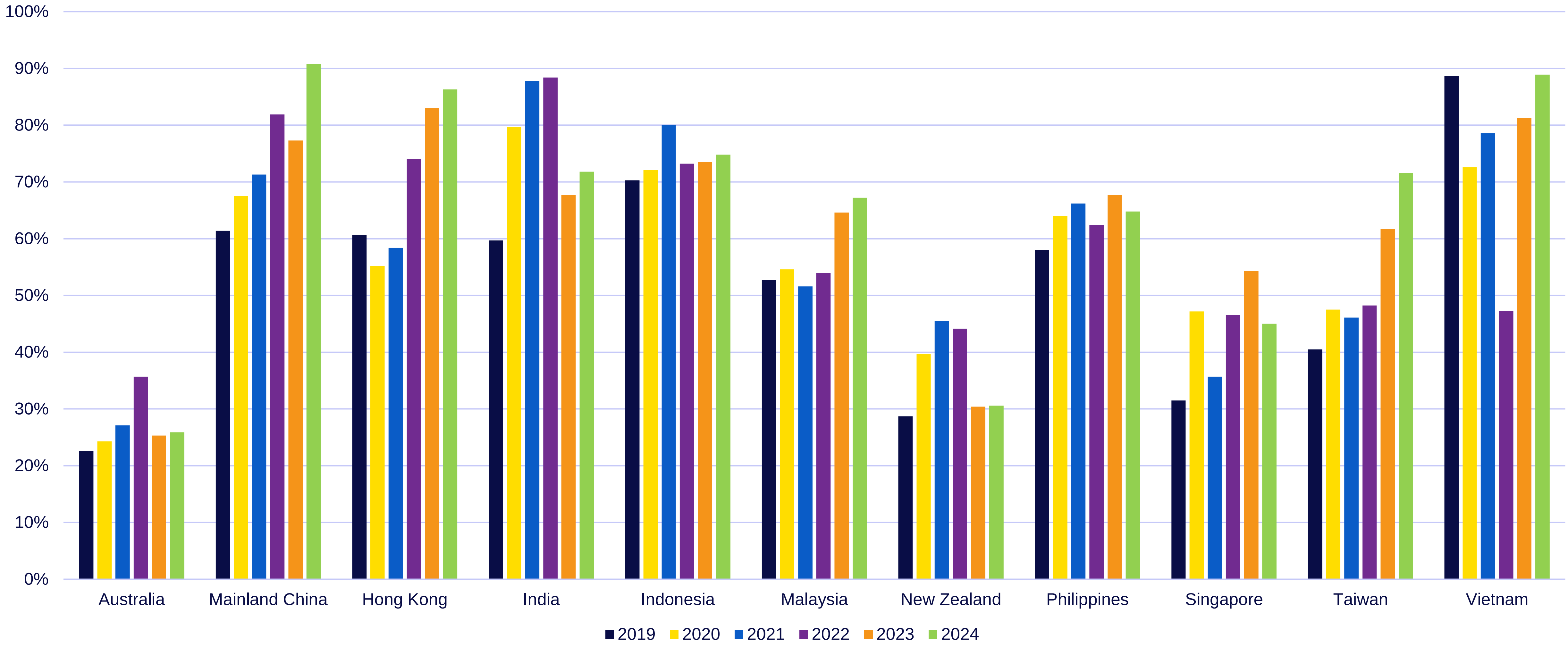
High-growth small businesses were more likely to require external finance in 2024

Mainland China small businesses, overtook Hong Kong, as the most likely to have required external finance

Younger owners, newer businesses and larger small businesses are much more likely to require external finance in 2024. Given that these businesses are much more likely to be growing, using technology, innovating and entering new markets, this strong demand for external finance is no surprise

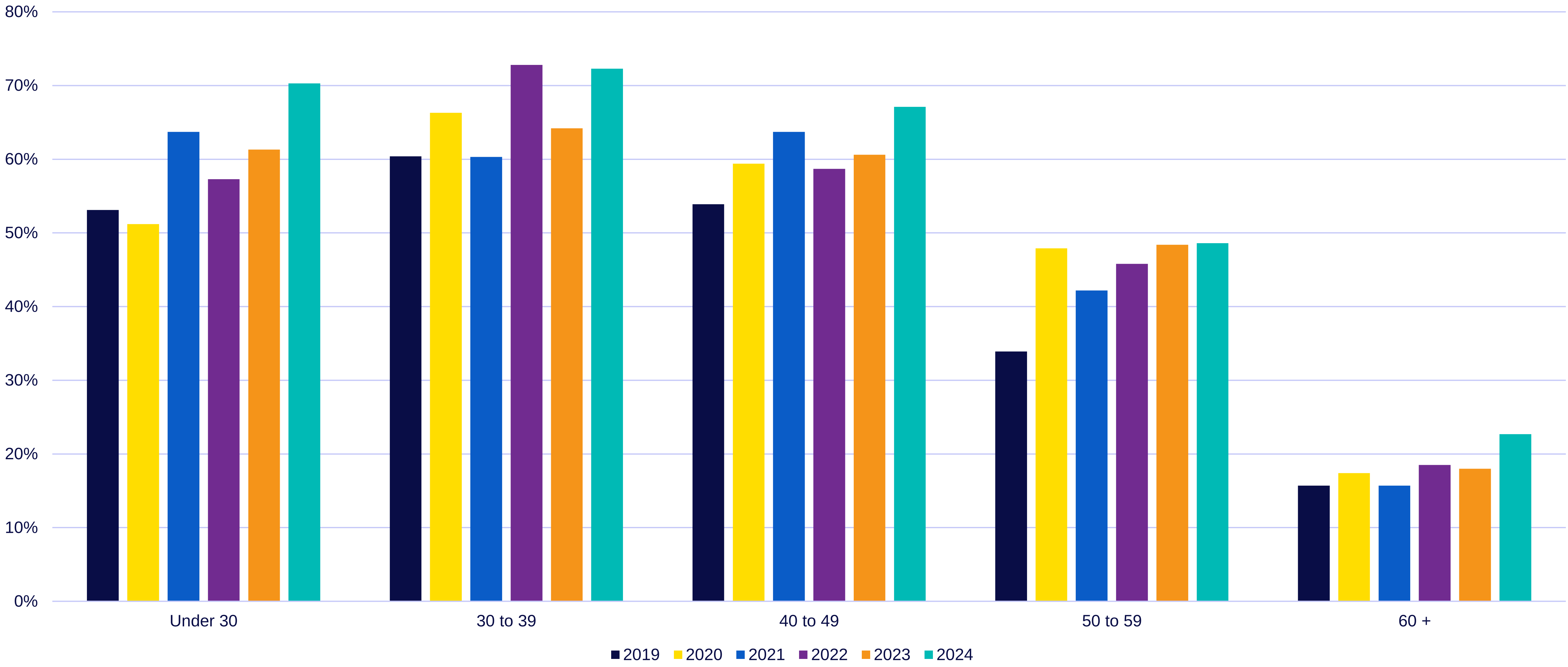
Mainland China's small businesses were the most likely to require external finance in 2024, while Australian small businesses were significantly less likely to need such financing

Percentage of small businesses that required external finance in the past 12 months – by market and year

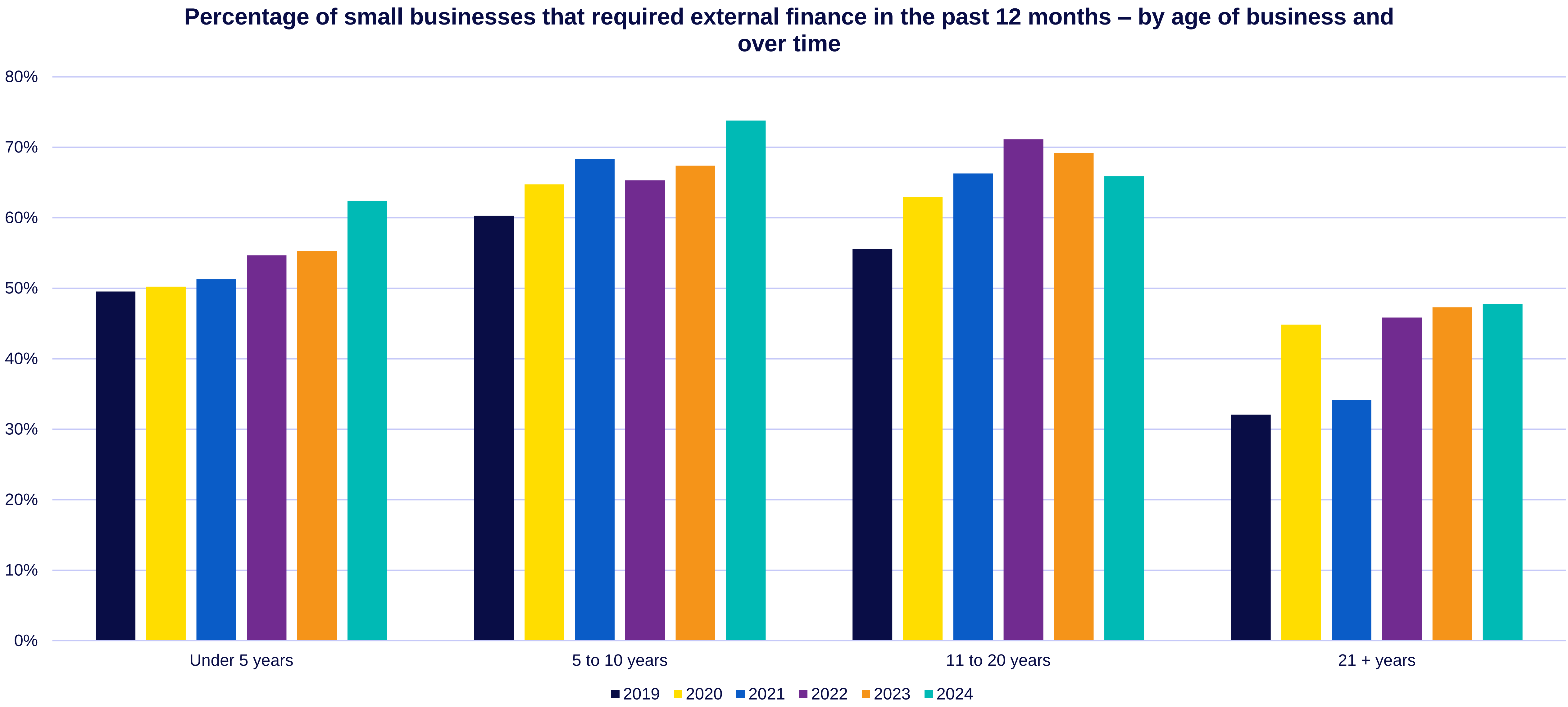


Older business owners remain far less likely to have required external finance in 2024

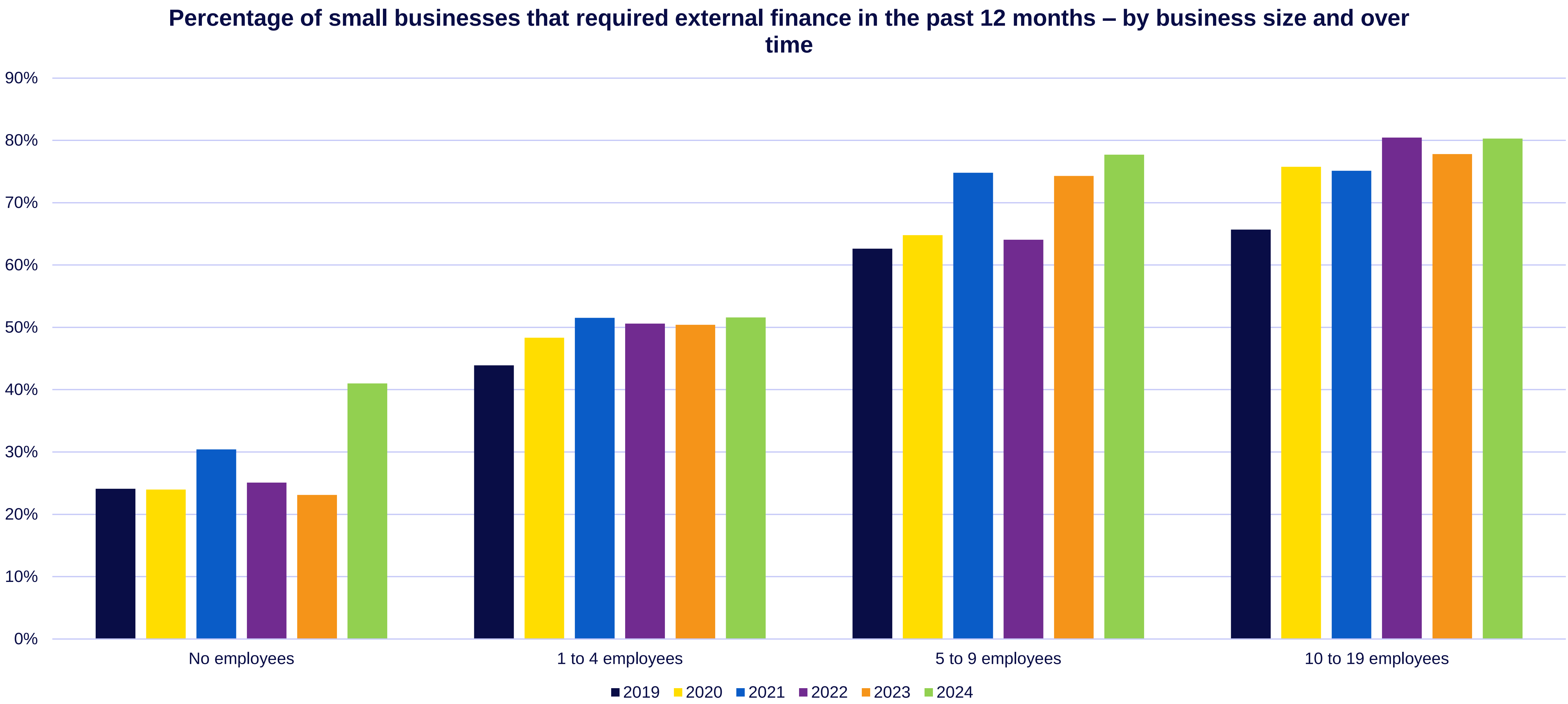
Percentage of small businesses that required external finance in the past 12 months – by age of business owner and over time



Small businesses established between five and ten years are the most likely to have required external finance in 2024



Small businesses with more employees are much more likely to require external finance



Top-five industries that required external finance in 2024

- Faster growing and more capital-intensive industries were more likely to require external financing in 2024

Manufacturing – 76.8%

Banking, finance or insurance – 75.3%

Agriculture, forestry and fishing – 74.0%

Wholesale trade – 71.7%

Accommodation and food services – 71.1%

Ease or difficulty accessing finance in 2024

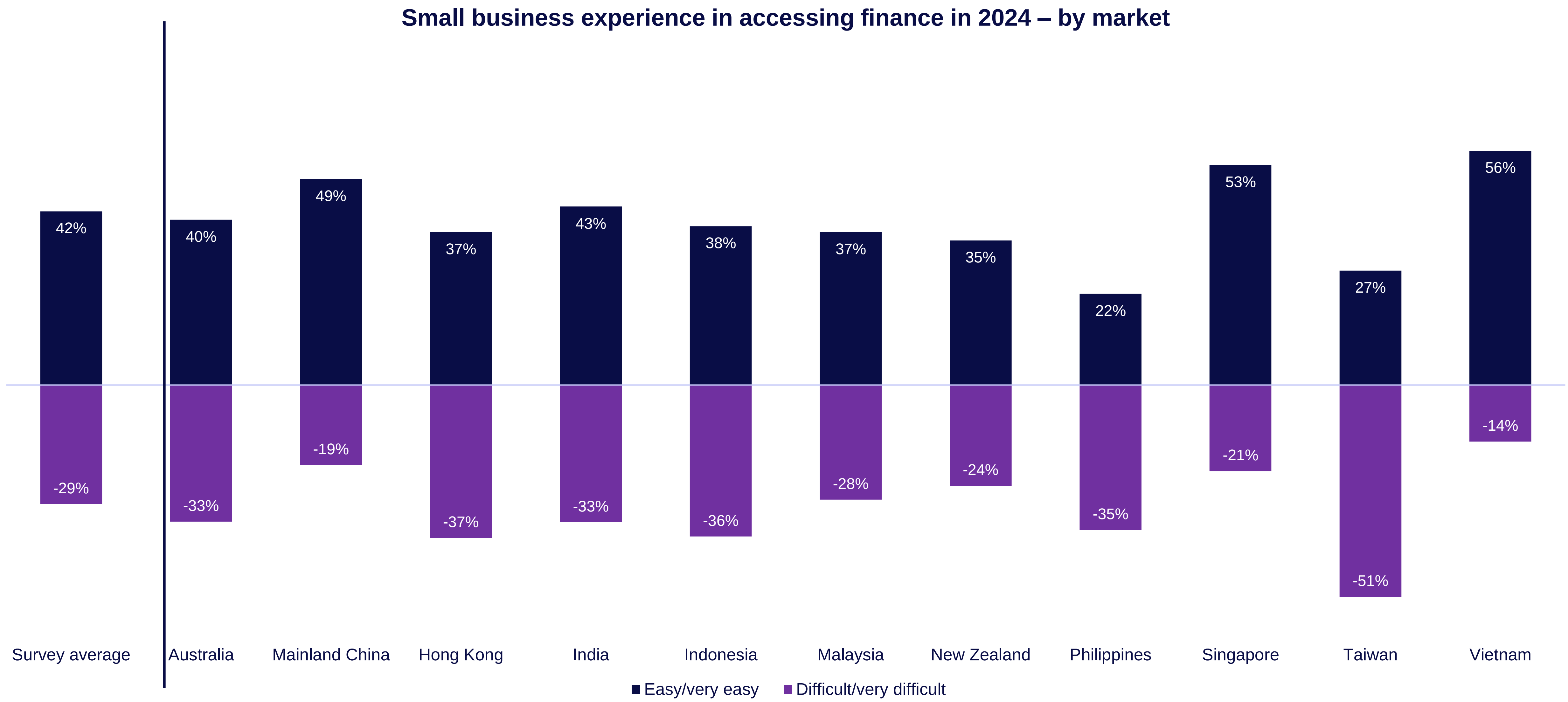
In 2024, small businesses from Vietnam and Singapore experienced the easiest access to finance, while those in Taiwan faced the greatest difficulty

Younger business owners and newer businesses tend to find it less easy to access finance

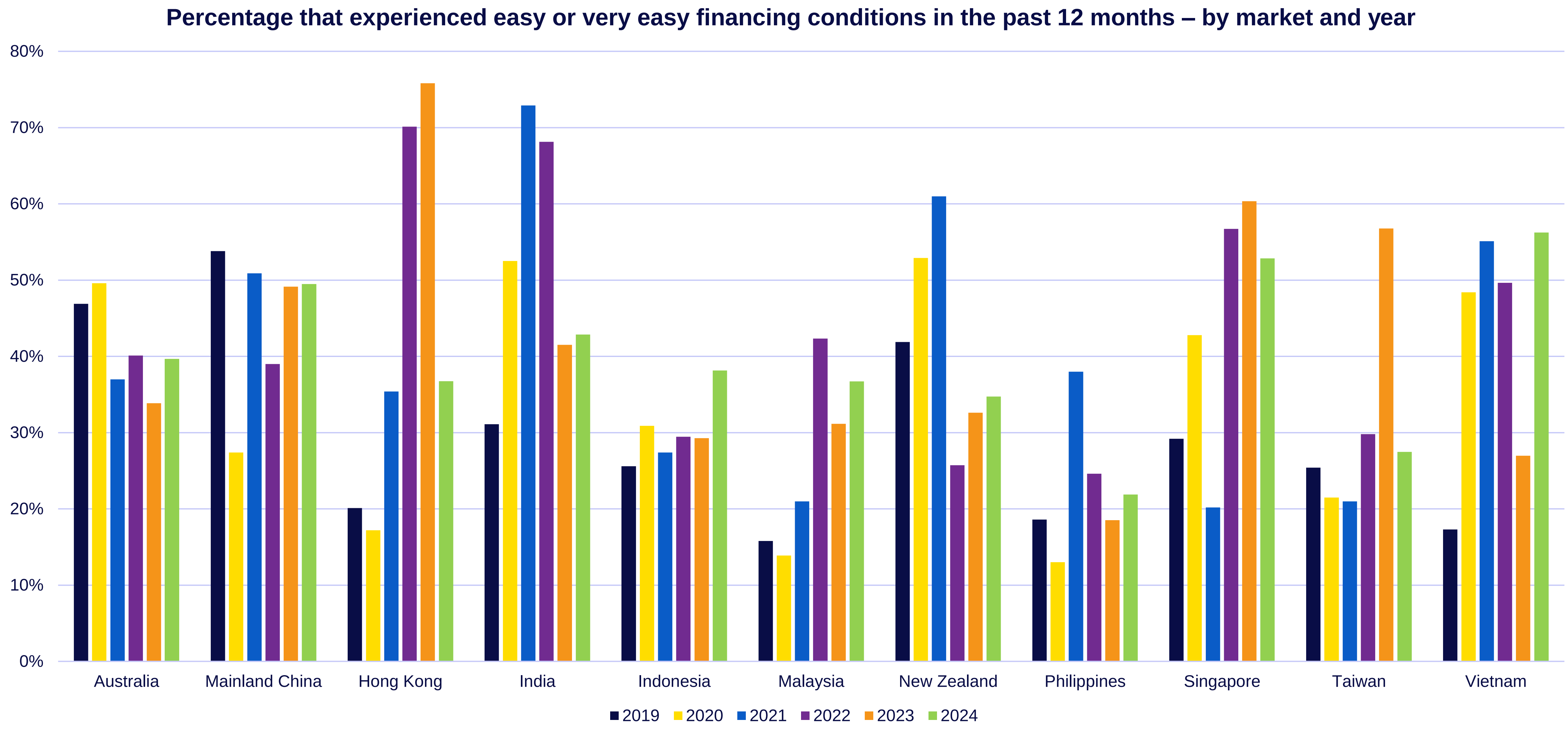
Business that sourced their finance from non-bank financial institutions reported the easiest access to finance. Banks were also a relatively easy source of funding

Accessing government funding, such as grants, became more difficult in 2024

Small businesses in Vietnam found it easiest to access finance, whereas those in Taiwan reported the greatest difficulty in securing finance

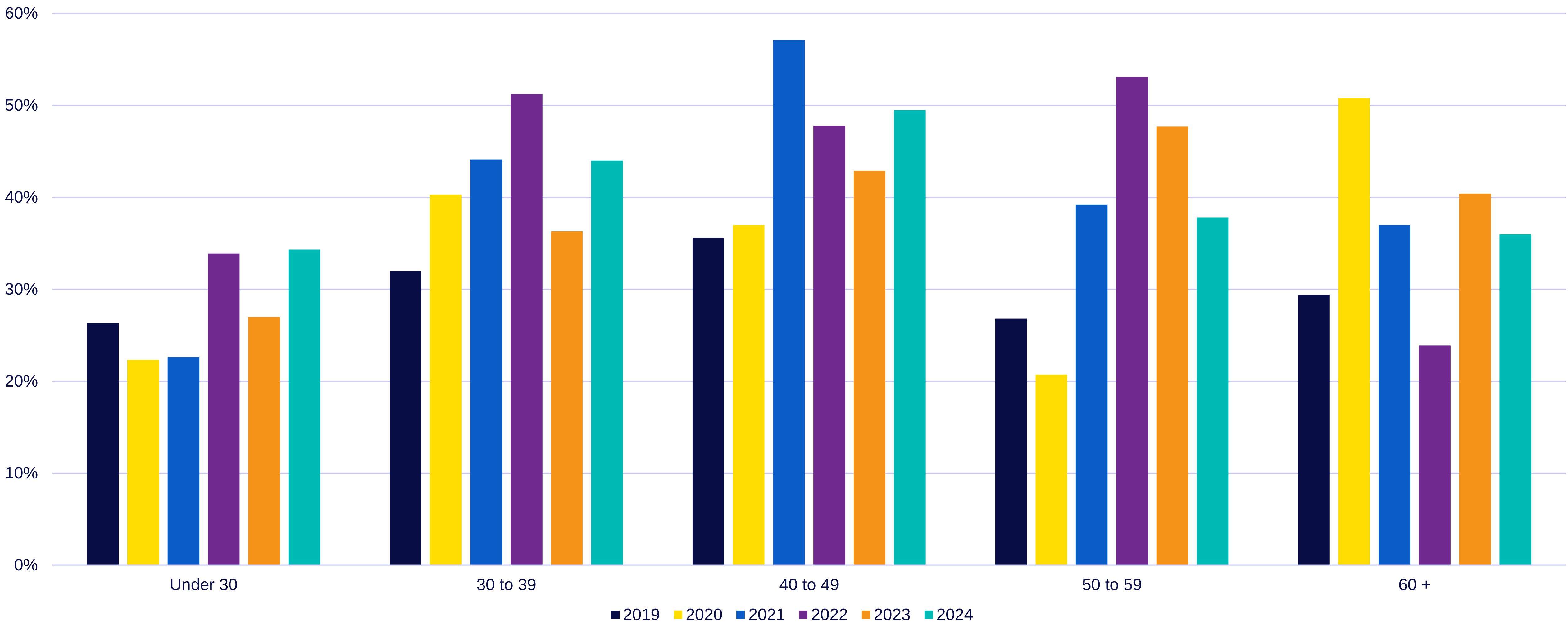


Financing conditions became significantly easier for small businesses from Vietnam, while those in Hong Kong and Taiwan found it much more challenging



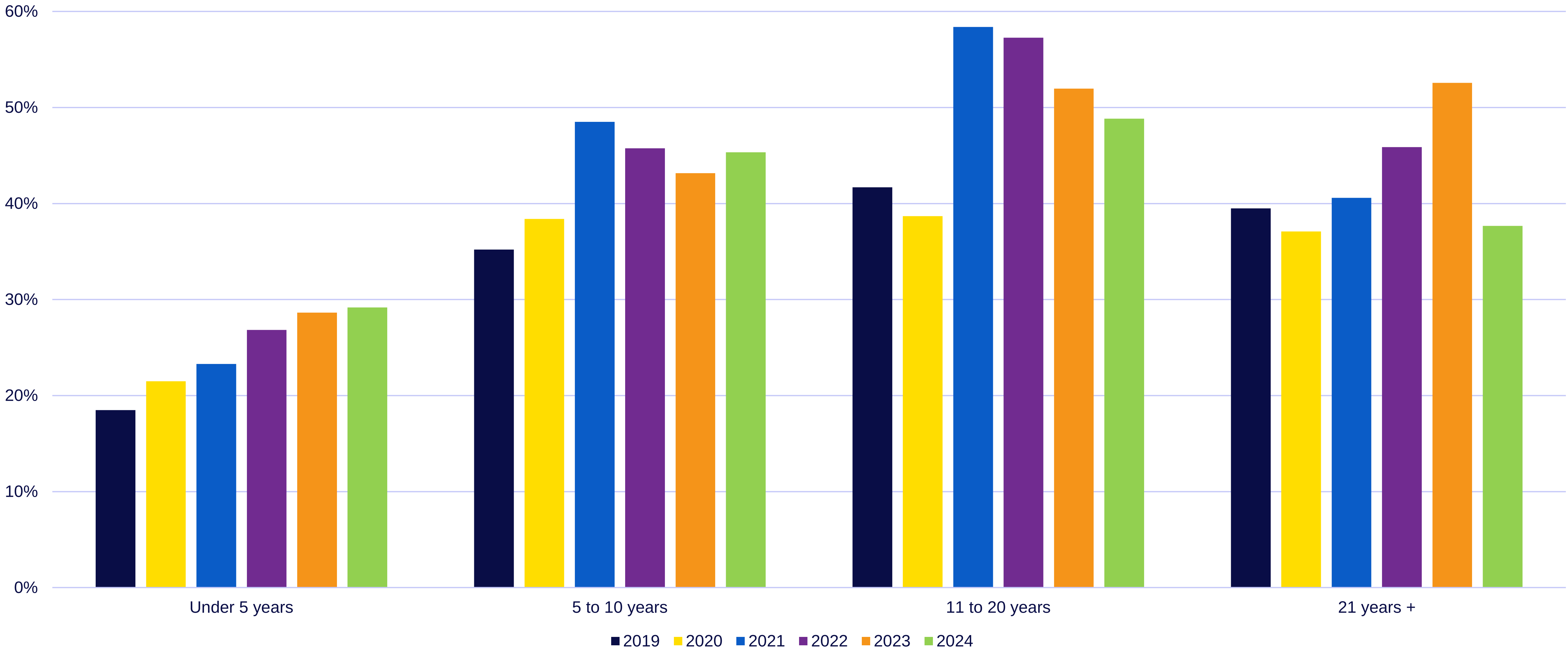
Business owners under 30 remain the least likely to experience easy to access finance

Small business experience in accessing finance – by age of business owner and over time



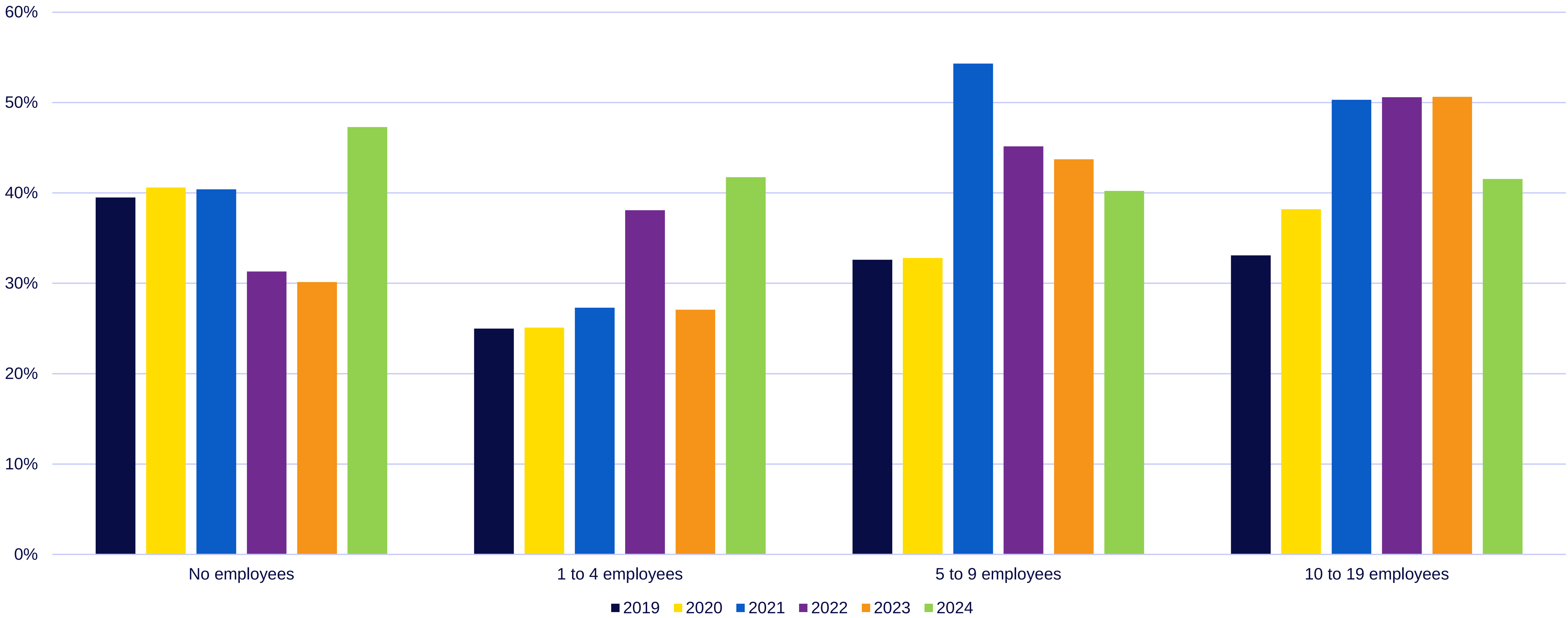
Newer businesses remain the least likely to experience easy access to finance

Percentage that experienced easy to very easy financing conditions in the past 12 months – by age of business and over time

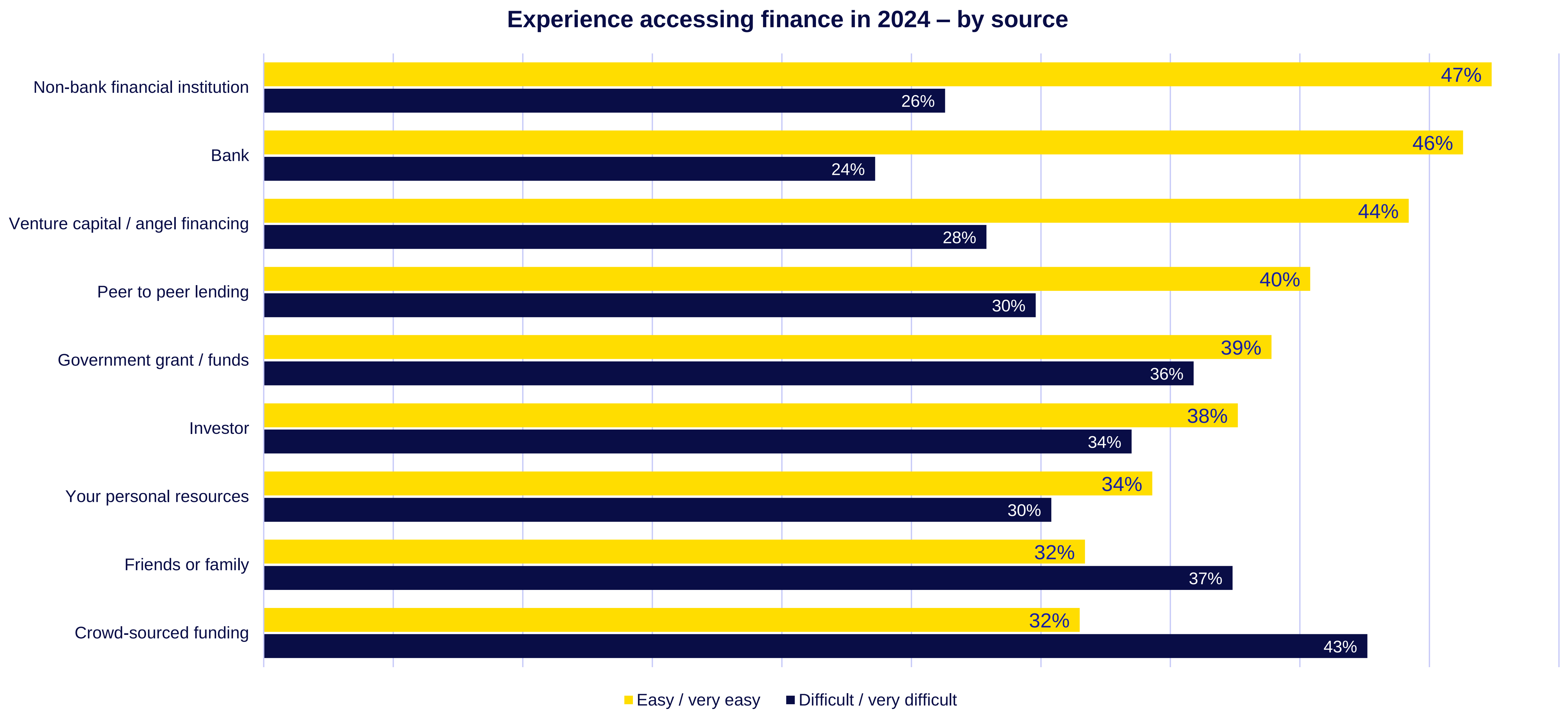


Contrary to recent trends, sole traders without employees found it easiest access to finance in 2024

Percentage that experienced easy to very easy financing conditions in the past 12 months – by business size and over time



Non- bank financial institution and banks were the easiest sources of finance for small businesses in 2024



Top-five industries that experienced easy access to finance in 2024

1. Banking, finance or insurance– 53.8%
2. Accommodation and food services – 47.7%
3. Education and training – 47.3%
4. Information, media and telecommunications – 44.0%
5. Wholesale trade – 43.9%

Top-five industries that had trouble accessing finance in 2024

1. Administration and support services – 39.2%
2. Transport and warehousing– 37.4%
3. Property And Construction – 35.5%
4. Manufacturing– 33.2%
5. Accommodation and food services – 29.9%

Why small business required external finance in 2024

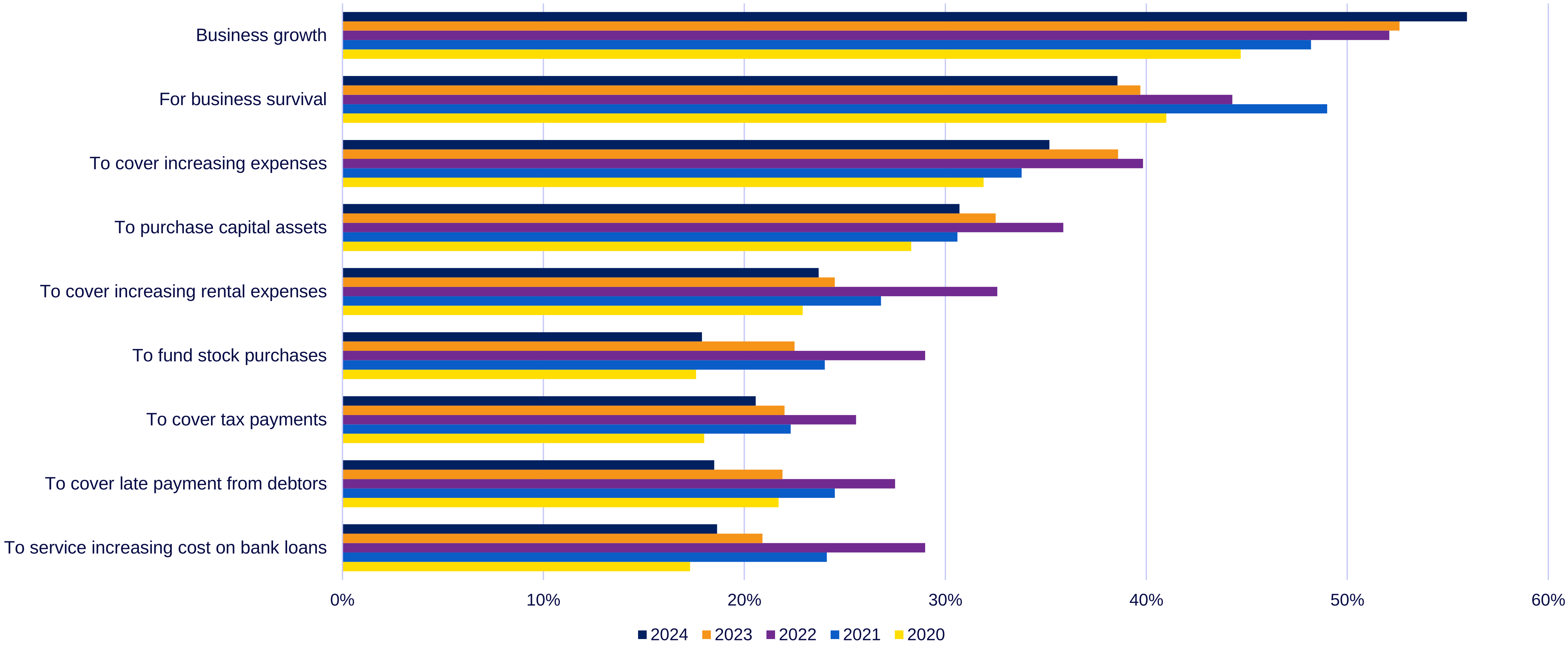
The main reason businesses seek external finance continues to be to support growth

Since the pandemic, the main reason small businesses seek finance has strongly shifted from business survival to supporting growth

In 2024, younger business owners and larger small businesses were more likely to seek finance to support growth

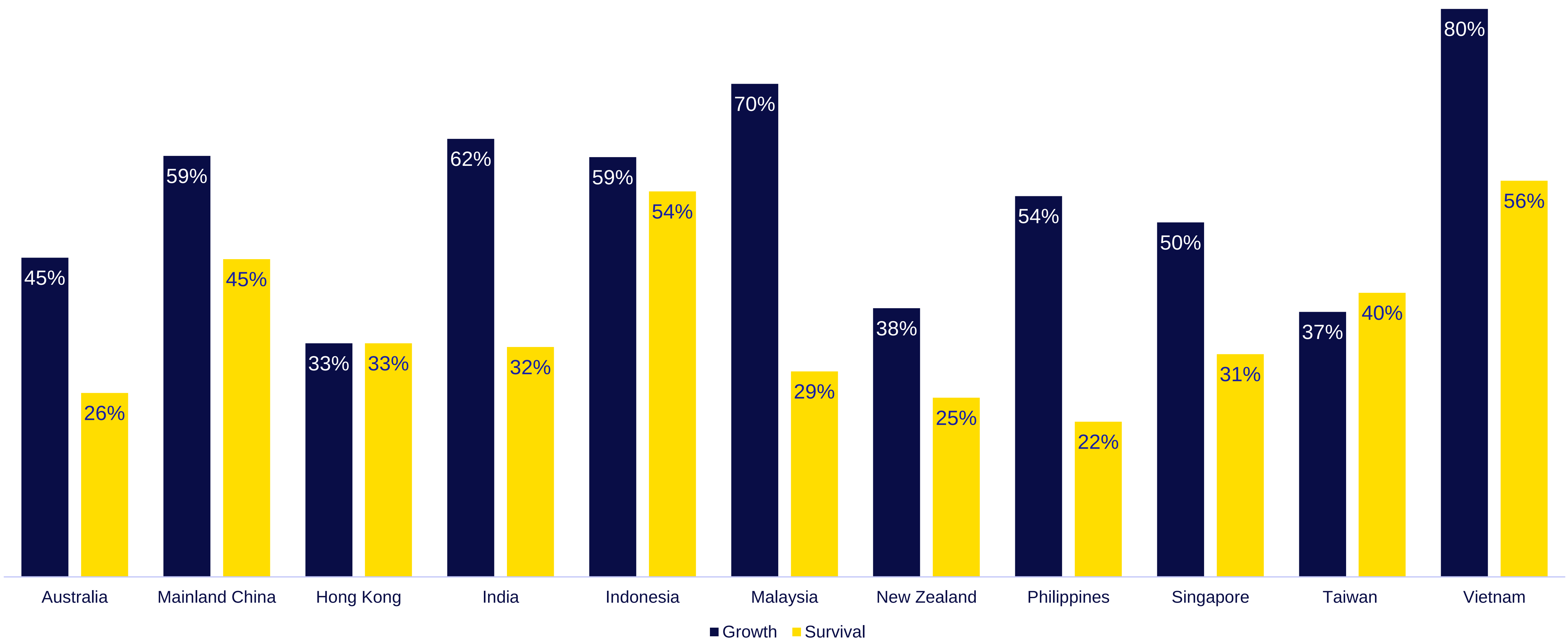
Over the past five years, the main reason small businesses seek finance has strongly shifted from business survival to supporting growth

Reasons for seeking external finance in the past 12 months – by year

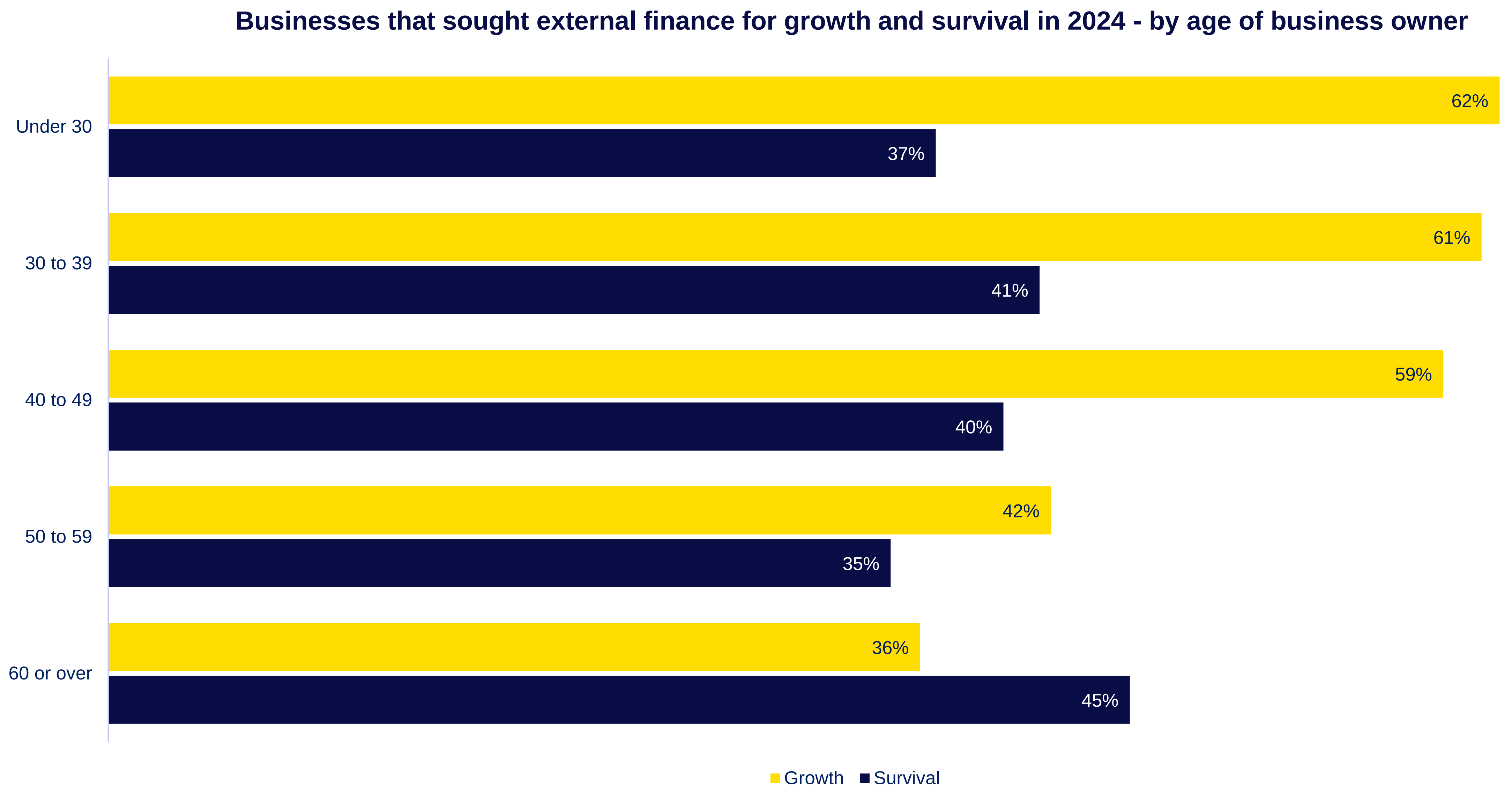


Vietnamese businesses were most likely to seek finance for both growth and survival

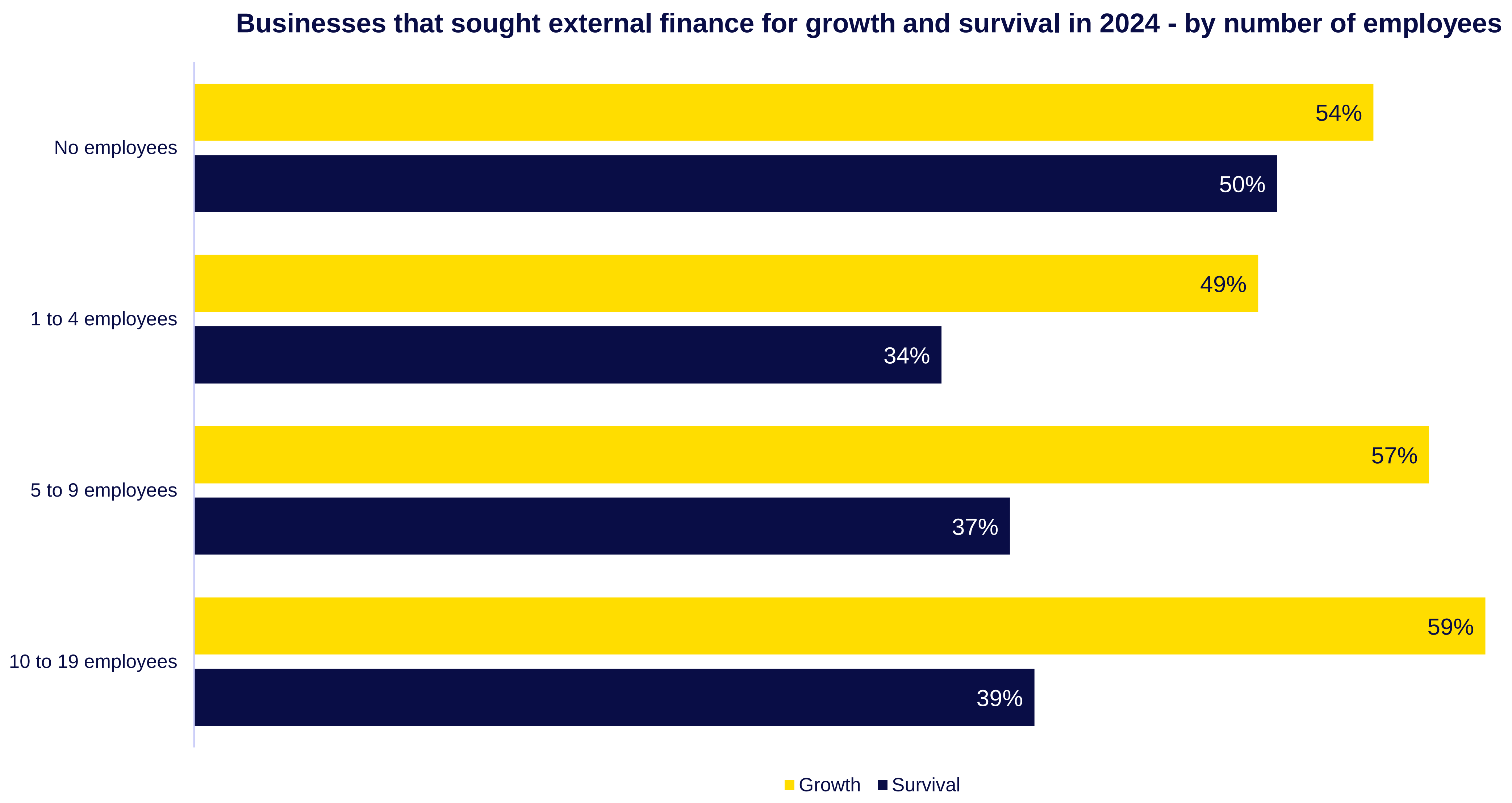
Whether seeking finance for growth or survival in 2024 – by market



Older business owners were more likely to seek external finance for business survival



Small business with more employees were more likely to source finance for growth in 2024



Reasons for seeking external finance in 2024 – by industry

Top-five industries that required finance in 2024 for business growth

1. Wholesale trade – 65.0%
2. Accommodation And Food Services– 64.5%
3. Professional, scientific and technical services – 62.8%
4. Information, media and telecommunications – 62.0%
5. Manufacturing – 59.3%

Top-five industries that required finance in 2024 for business survival

1. Banking, finance or insurance– 45.1%
2. Administrative and support services– 42.2%
3. Retail trade– 40.5%
4. Manufacturing – 40.4%
5. Professional, scientific and technical services – 39.9%

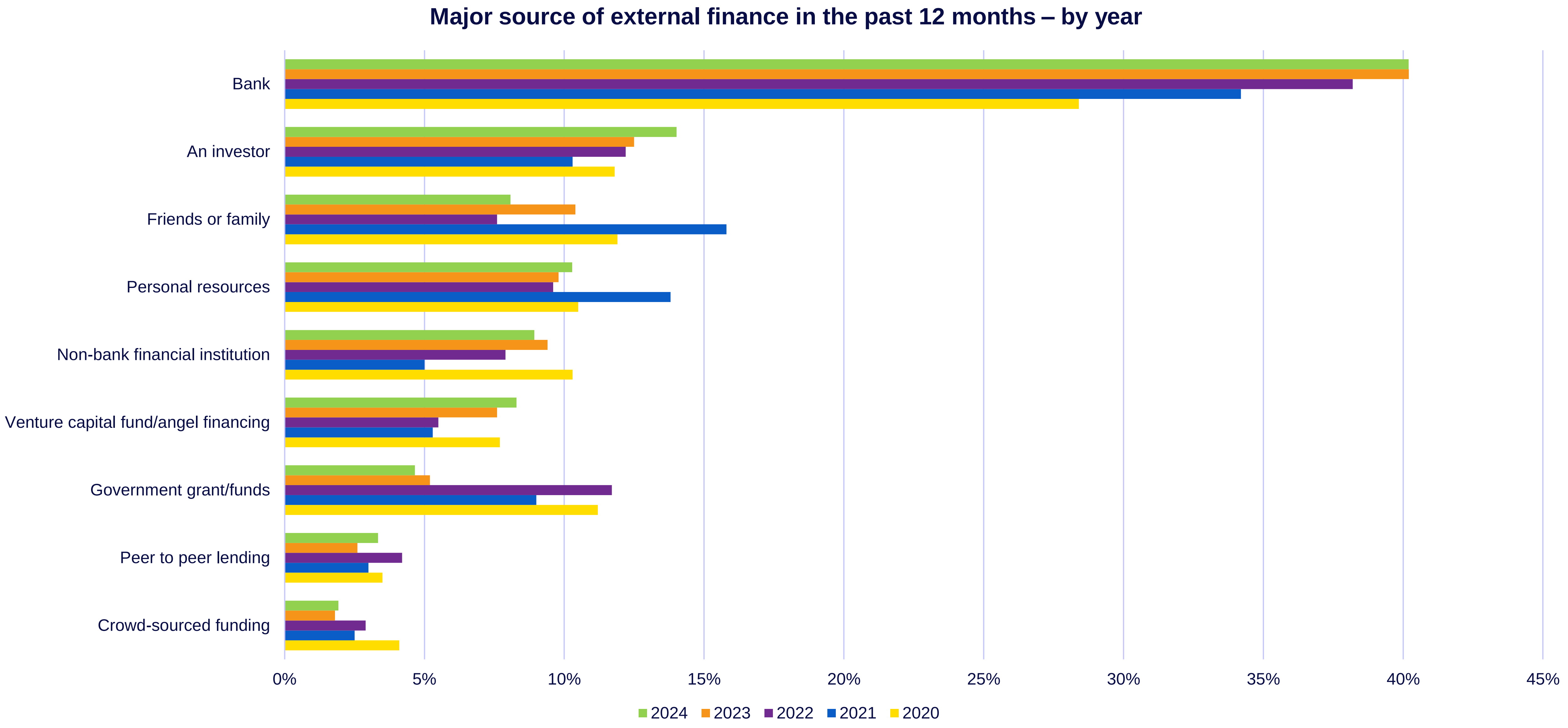
Where small business sourced their finance from in 2024

Banks continue to be the most popular source of external funds for the region’s small businesses

In 2024, banks were the most popular source of external finance in 2024, regardless of how long the business has been established, the age of the owner or the number of employees

Older businesses and older business owners are somewhat more reliant on their own personal resources and friends/family as a source of finance

Banks continue to be the most popular source of external finance for small businesses in 2024



Top three sources of external finance in 2024 by market

	Most popular	Second most popular	Third most popular
Survey average	Bank (40.2%)	An investor (14.0%)	Personal resources (10.3%)
Australia	Bank (46.6%)	Personal resources (19.8%)	Friends or family (8.4%)
Mainland China	Bank (40.2%)	An investor (17.0%)	Venture capital fund/angel financing (16.6%)
Hong Kong	Bank (24.6%)	Personal resources (20.8%)	An investor (18.2%)
India	Bank (37.9%)	Friends or family (15.1%)	An investor (12.4%)
Indonesia	Bank (36.8%)	An investor (18.9%)	Personal resources (14.5%)
Malaysia	Bank (33.3%)	Non-bank financial institution (13.5%)	An investor (12.1%)
New Zealand	Bank (56.8%)	Friends or family (12.6%)	Personal resources (9.5%)
Philippines	Bank (22.4%)	Personal resources (18.9%)	An investor (15.9%)
Singapore	Bank (47.1%)	Personal resources (15.7%)	Friends or family (10.8%)
Taiwan	Bank (39.6%)	An investor (13.5%)	Government grant/funds (12%) Venture capital fund/angel financing (12%)
Vietnam	Bank (67.6%)	An investor (11.8%)	Peer-to-peer landing (8.8%)

Small business expectations for accessing finance in 2025

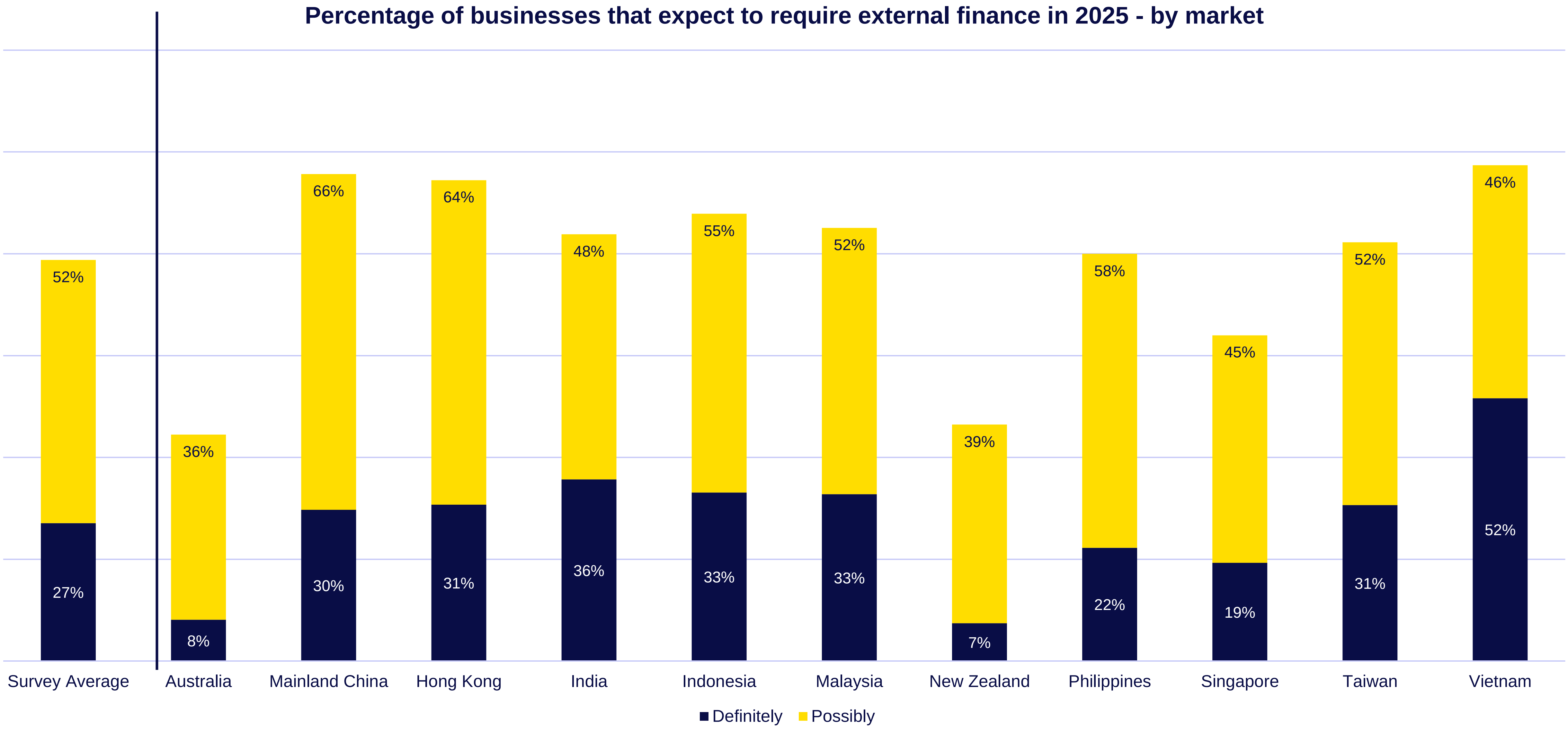
Most businesses expect to access finance in 2025, with supporting growth being the most popular reason

In 2025, businesses are more likely to expect easy access to finance rather than facing difficulty

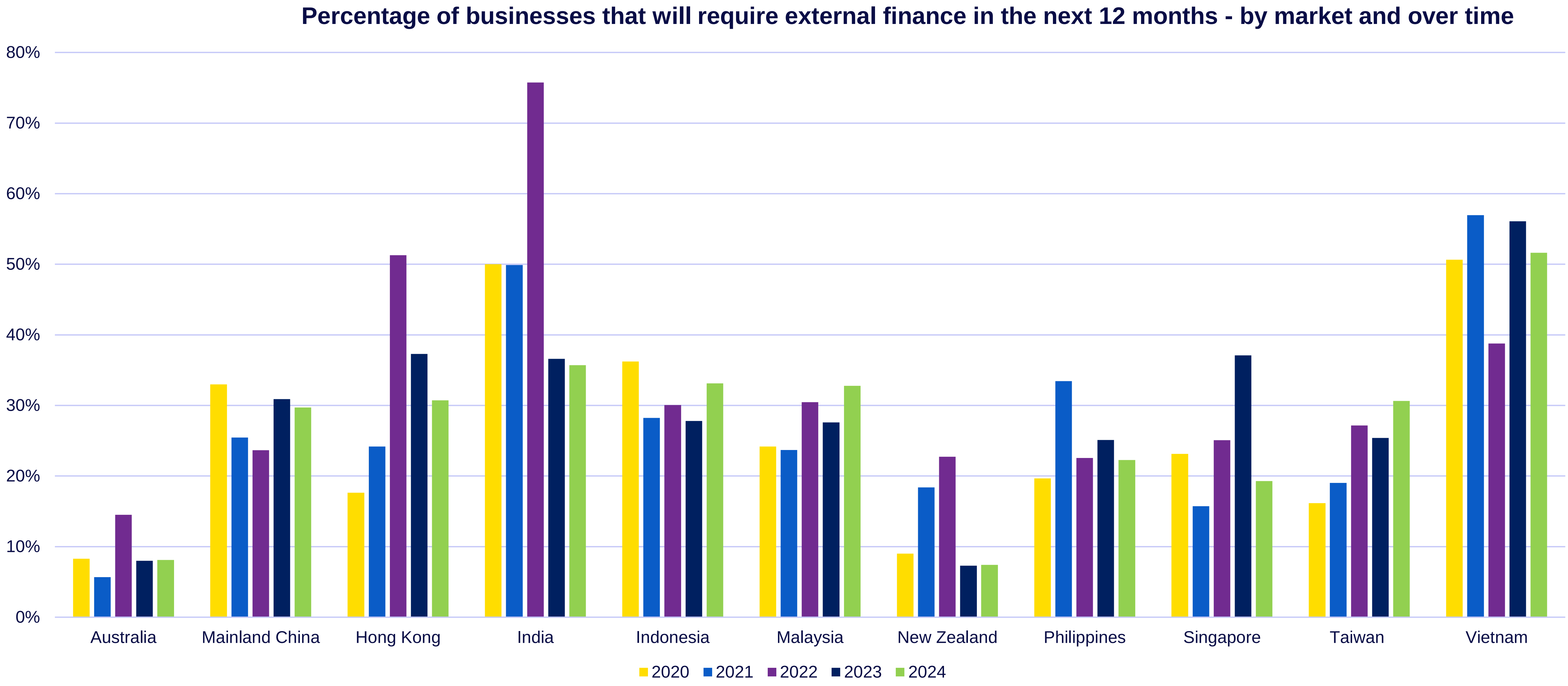
Not surprisingly, high-growth markets are more likely to expect to require external funding in 2025

Vietnamese small businesses are the most likely to expect easy access to finance in 2025, while small businesses from the Philippines are most likely to expect difficulties

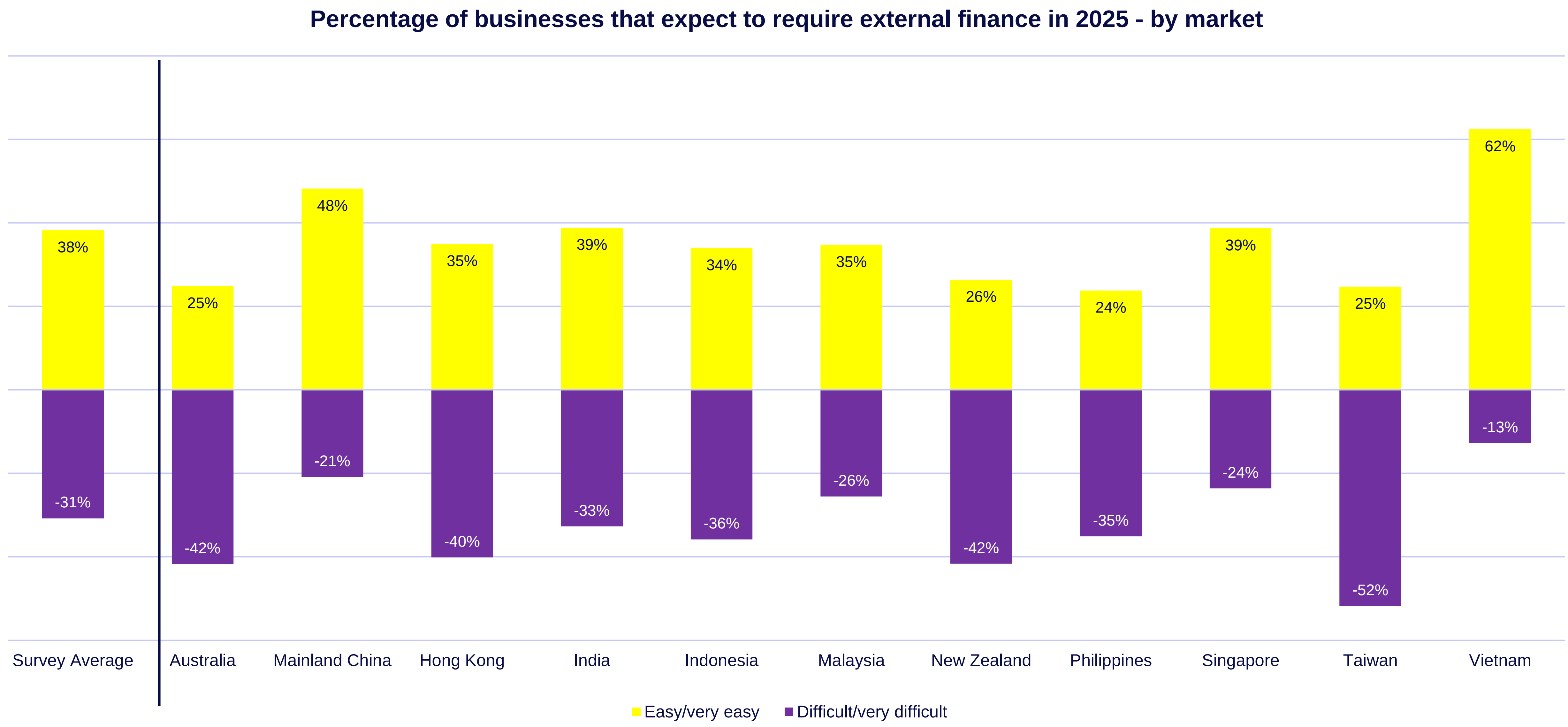
In 2025, small businesses in Australia and New Zealand are expected to have relatively low demand for finance, reflecting the lower growth anticipated in those markets



Small businesses in Vietnam and India are the most likely to require finance in 2025. This reflects positive business conditions and expected easy access to finance in these markets



Access to finance is expected to remain relatively easy in Mainland China and Vietnam



Top three anticipated reasons for seeking external finance in 2025 – by market

	Most anticipated reason	Second most anticipated reason	Third most anticipated reason
Survey average	Business growth (59.5%)	Business survival (36.6%)	Cover increasing expenses (36.4%)
Australia	Business growth (52.9%)	Cover increasing expenses (37.8%)	Purchase capital assets (25.8%)
Mainland China	Business growth (67.3%)	Cover increasing expenses (44.5%)	Business survival (41.3%)
Hong Kong	Business survival (36.0%)	Cover increasing expenses (35.6%)	Business growth (32.5%)
India	Business growth (67.8%)	Purchase capital assets (33.9%)	Business survival (31.5%)
Indonesia	Business growth (72.4%)	Business survival (50.7%)	Purchase capital assets (30.2%)
Malaysia	Business growth (68.7%)	Cover increasing expenses (39.3%)	Purchase capital assets (32.4%)
New Zealand	Business growth (44.4%)	Business survival (27.8%)	Cover increasing expenses (26.4%)
Philippines	Business growth (56.5%)	Cover increasing expenses (35.1%)	Business survival (28.6%)
Singapore	Business growth (45.2%)	Cover increasing expenses (40.2%)	Business survival (30.2%)
Taiwan	Business growth (38.0%)	Business survival (34.9%)	Cover increasing expenses (34.9%)
Vietnam	Business growth (77.9%)	Business survival (52.0%)	Cover increasing expenses (38.3%)

Reasons for seeking external finance in 2025 – by industry

Top-five industries seeking finance in 2025 for business growth

1. Arts and recreation services – 67.3%
2. Accommodation and food services – 66.8%
3. Professional, scientific and technical services – 65.9%
4. Information, media and telecommunications – 62.6%
5. Agriculture, forestry and fishing / wholesale trade – 62.4%

Top-five industries seeking finance in 2025 for business survival

1. Manufacturing – 43.3%
2. Arts and recreation services – 43.0%
3. Information, media and telecommunications – 39.9%
4. Administrative and support services – 38.9%
5. Transport and warehousing – 38.5%

Sources of business advice

Where small business got their advice from in 2024

In 2024, IT consultants were the top source of business advice. To optimise their performance, small businesses should increasingly rely on professional advisors

AI tools were a popular source of business advice in Vietnam and Mainland China, surpassing traditional sources like business partners, banks, and consultants

High-growth small business are more likely to seek advice from IT consultants and business consultants than those that did not grow. Given the strong link between technology, improved business strategy, management skills and growth, this result is unsurprising

Nearly all high-growth businesses sought advice in 2024, whereas those that stagnated or declined were less likely to do so

Australian and New Zealand small businesses were the most likely to *not* seek advice. This helps explain why they continue to underperform on key growth drivers, such as digital uptake and improving business strategy

Older business owners and micro businesses were less likely to seek advice. Older business owners should engage professionals to help prepare them for exiting their business

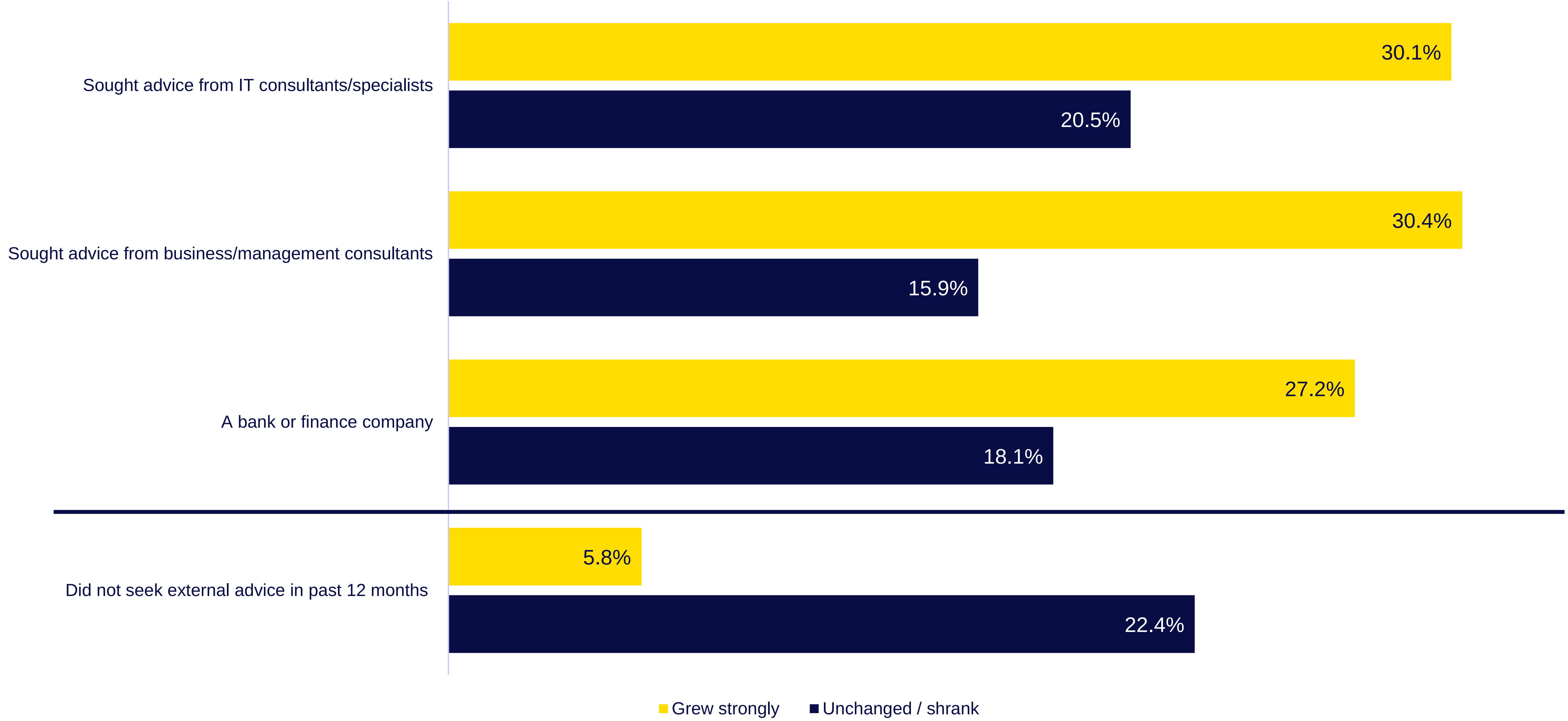
Governments remain one of the least used sources of business advice

Most popular sources of business advice in 2024 – by market

	Most popular	Second most popular	Third most popular	Did not seek advice
Survey average	IT consultants/specialists (28.0%)	Business partner or mentor (27.6%)	Friends and family (27.5%)	**12.5%**
Australia	Accountants (41.7%)	Friends and family (22.4%)	IT consultants/specialists (16.8%)	**21.3%**
Mainland China	IT consultants/specialists (46.2%)	AI tools (37.4%)	Business partner or mentor (32.9%)	**10.2%**
Hong Kong	IT consultants/specialists (26.5%)	A bank or finance company (25.8%) AI tools (25.8%)	Business or industry associations (25.2%)	**9.8%**
India	Friends and family (40.6%)	Business partner or mentor (30.4%)	Business or industry associations (28.2%)	**7.7%**
Indonesia	Friends and family (42.3%)	Business partner or mentor (35.4%)	Business/management consultants (22.0%)	**11.1%**
Malaysia	Friends and family (38.0%)	Business partner or mentor (31.2%)	Business/management consultants (29.2%)	**7.8%**
New Zealand	Accountants (39.4%)	Friends and family (22.9%)	IT consultants/specialists (21.3%)	**23.2%**
Philippines	Friends and family (41.9%)	Business partner or mentor (30.6%)	Marketing consultants (24.2%)	**8.1%**
Singapore	Business partner or mentor (26.4%)	IT consultants/specialists (22.2%)	Friends and family (20.3%)	**22.8%**
Taiwan	Friends and family (28.4%) Business partner or mentor (28.4%)	IT consultants/specialists (24.5%) AI tools (24.5%)	A bank or finance (21.0%)	**11.6%**
Vietnam	IT consultants/specialists (47.7%)	A bank or finance (47.4%) AI tools (47.4%)	Business/management consultants (40.8%)	**4.6%**

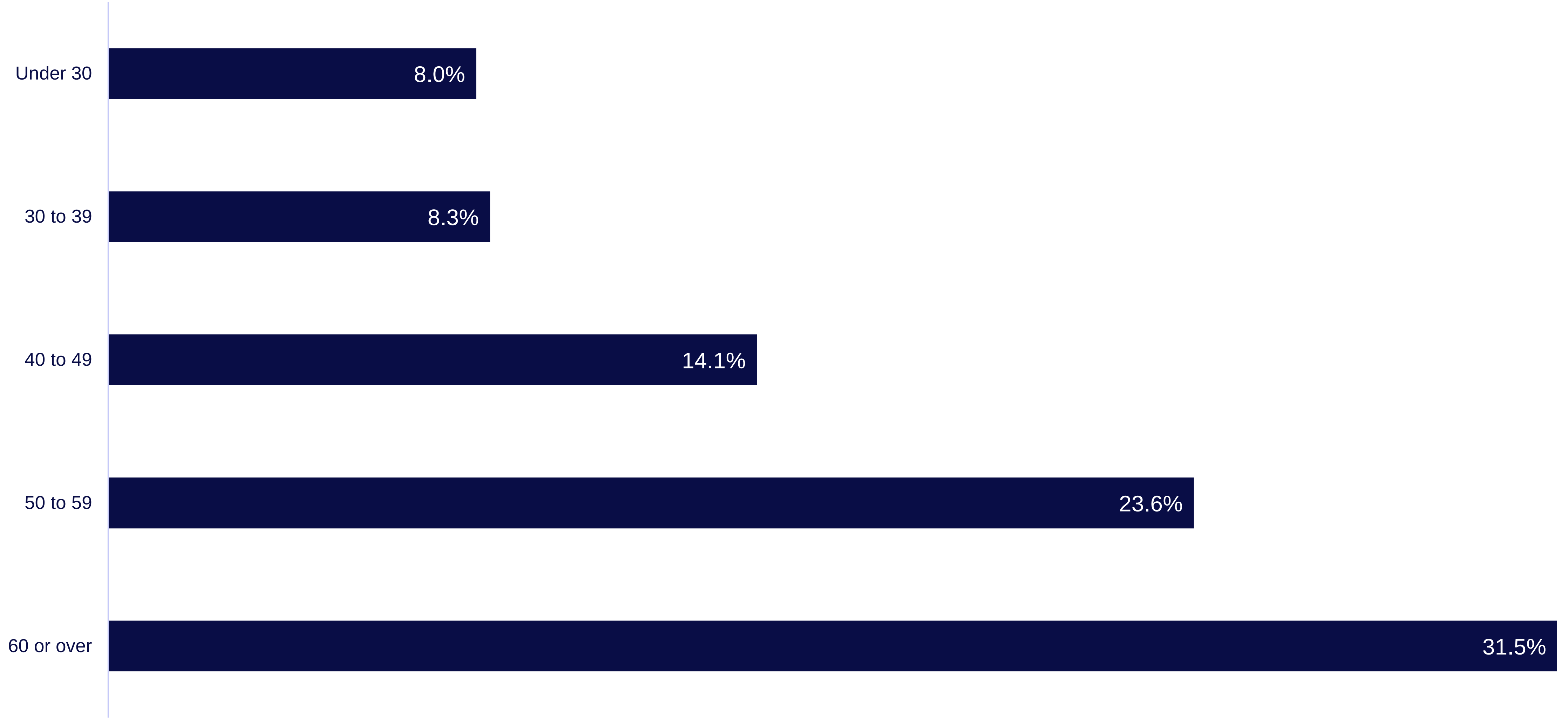
High-growth businesses are more likely to seek professional advice

Major sources of advice for high-growth businesses in 2024 compared to those that did not grow

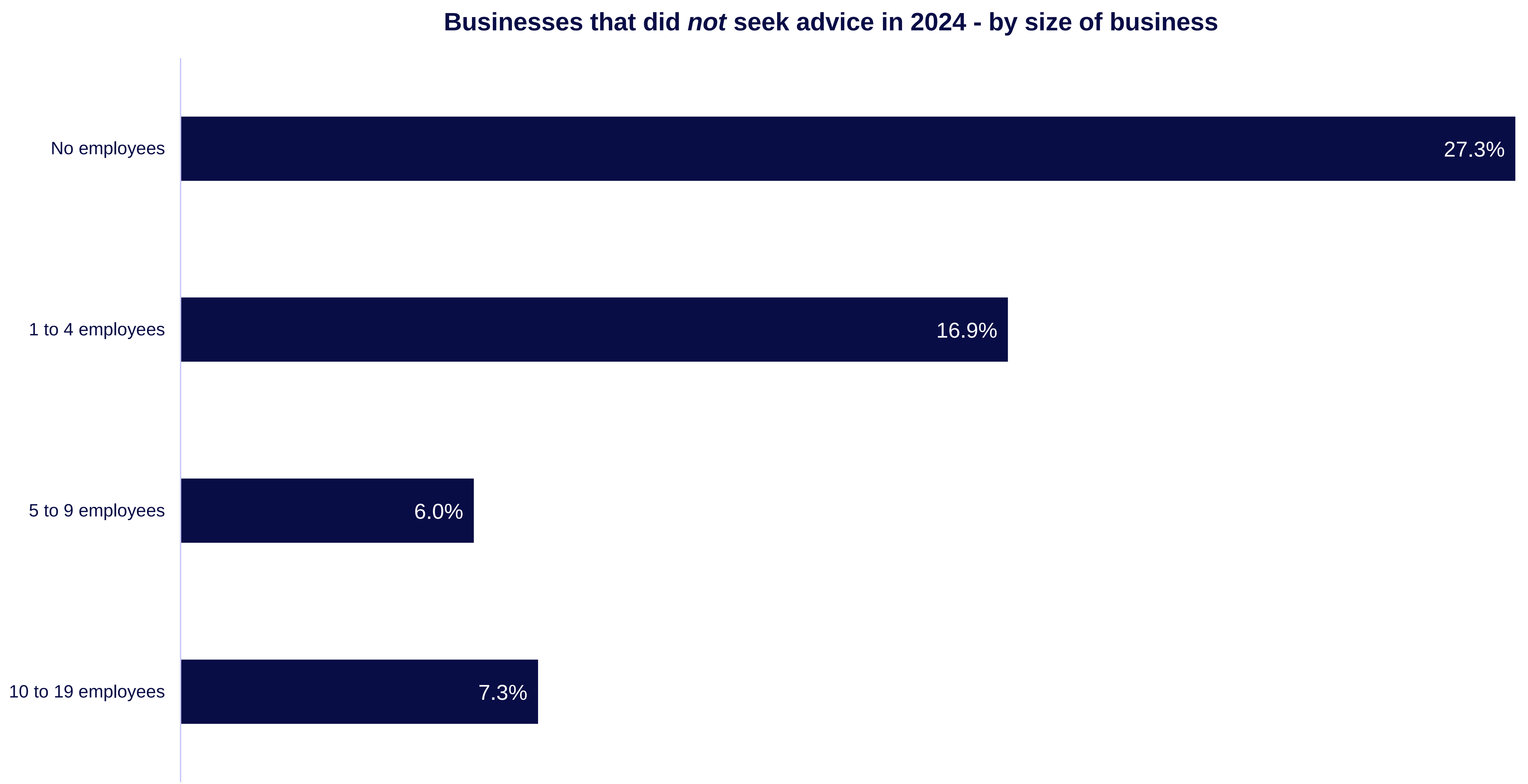


Older businesses owners are more likely to not seek advice. This may partly explain their relatively poor business performance compared to younger owners

Businesses that didn't seek advice in 2024 - by age of business owner



Businesses with no employees are the most likely to *not* seek advice



Motivations to start a business and risk appetite

Motivations to start a business and risk appetite

Business owners were most likely to cite being their own boss as the primary motivation for starting their business. Work-life balance was also an important motivator

The issue that concerned business owners the most when starting their business was the possibility of irregular income/cash flow problems. Additionally, they were worried about the uncertainty of the business's success and the challenges of finding and retaining customers

High growth small business owners are most likely to describe themselves as visionary risk takers. They prefer taking risks that align with their long-term vision for the business, accept short-term setbacks and are willing to experiment with unproven technologies and markets

Owners of businesses that aren't growing are most likely to describe themselves as risk averse. They prefer to be cautious, carefully analyse issues, not pursue risky opportunities and seek stability

Small business owners from developed economies tend to be more risk averse compared to those from developing economies

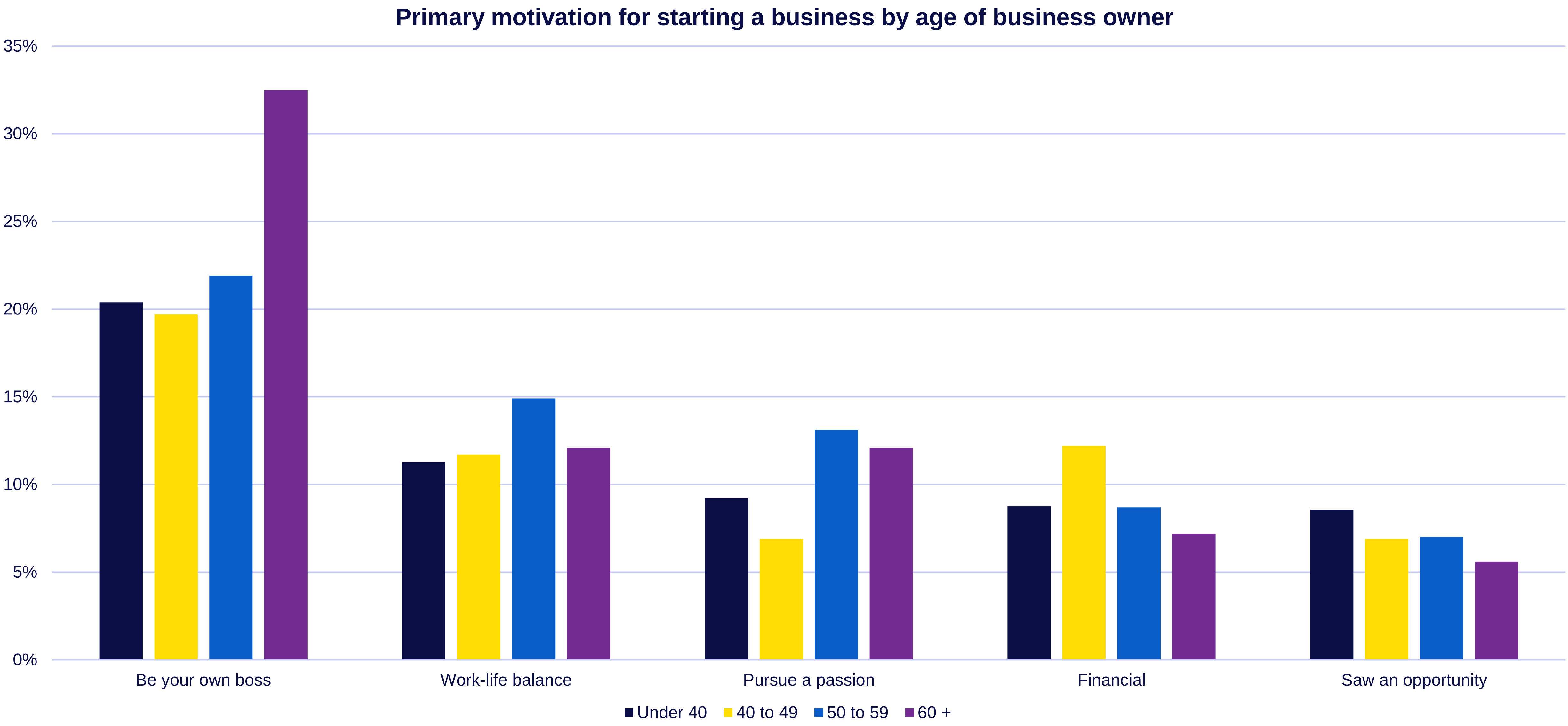
Older business owners, older businesses and micro businesses are more likely to describe themselves as risk averse

Small business owners are most likely to cite 'being their own boss' as the primary reason they started their business, followed by a desire for work-life balance

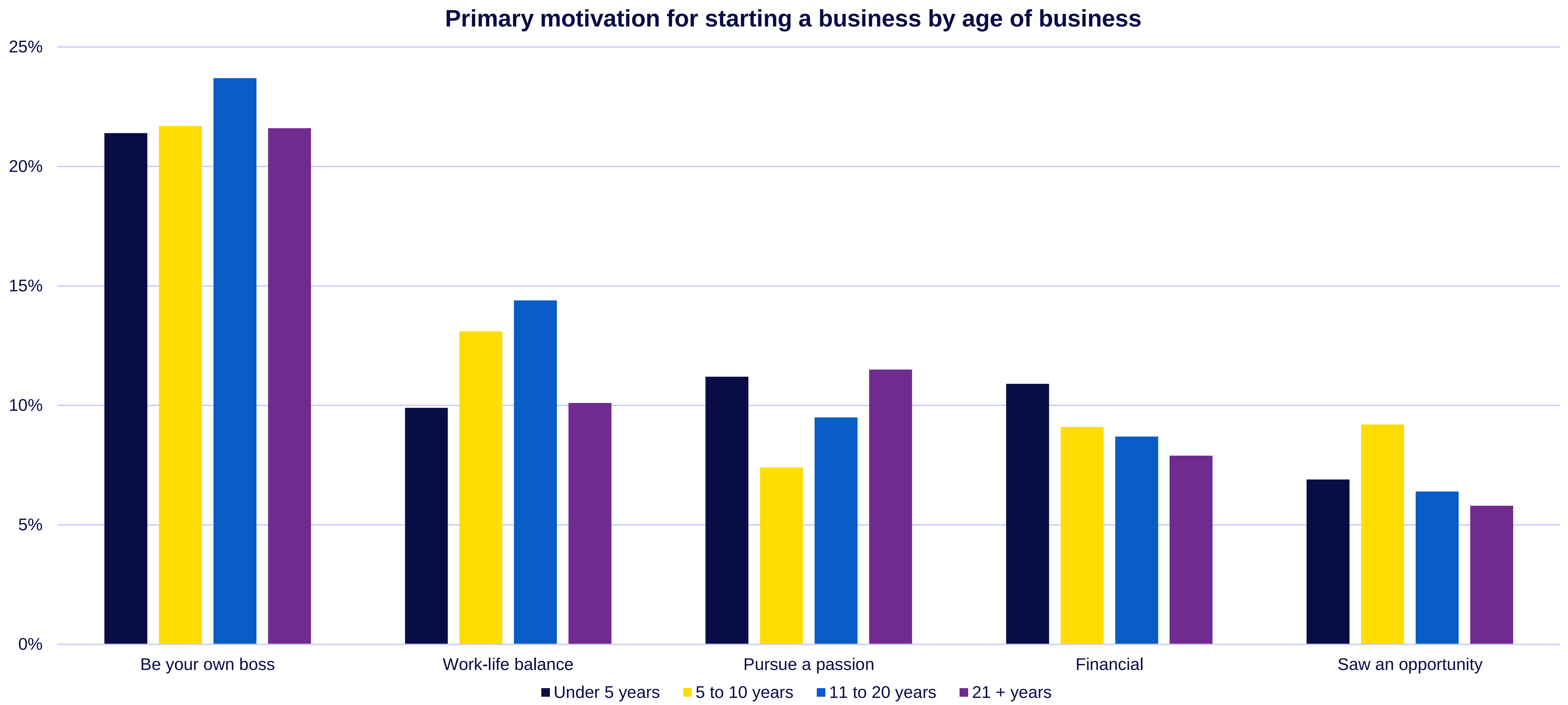
What was the primary reason for starting your own business

	Most popular	Second most popular	Third most popular
Survey average	Be your own boss / independence (22.0%)	Work-life balance (12.0%)	Pursue a passion or personal interest (9.5%)
High growth businesses	Be your own boss / independence (19.3%)	Saw and opportunity/gap in the market (11.5%)	Pursue a passion or personal interest (10.0%)
Businesses that were unchanged or shrank in 2024	Be your own boss / independence (24.9%)	Work-life balance (12.9%)	Pursue a passion or personal interest (10.6%)
Developed economies	Be your own boss / independence (23.7%)	Work-life balance (13.3%)	Pursue a passion or personal interest (10.3%)
Developing economies	Be your own boss / independence (20.5%)	Work-life balance (10.9%)	Financial (10.0%)

The primary motivations for starting a business do not vary significantly by the owner's age



The primary motivations for starting a business do not vary significantly by the age of business

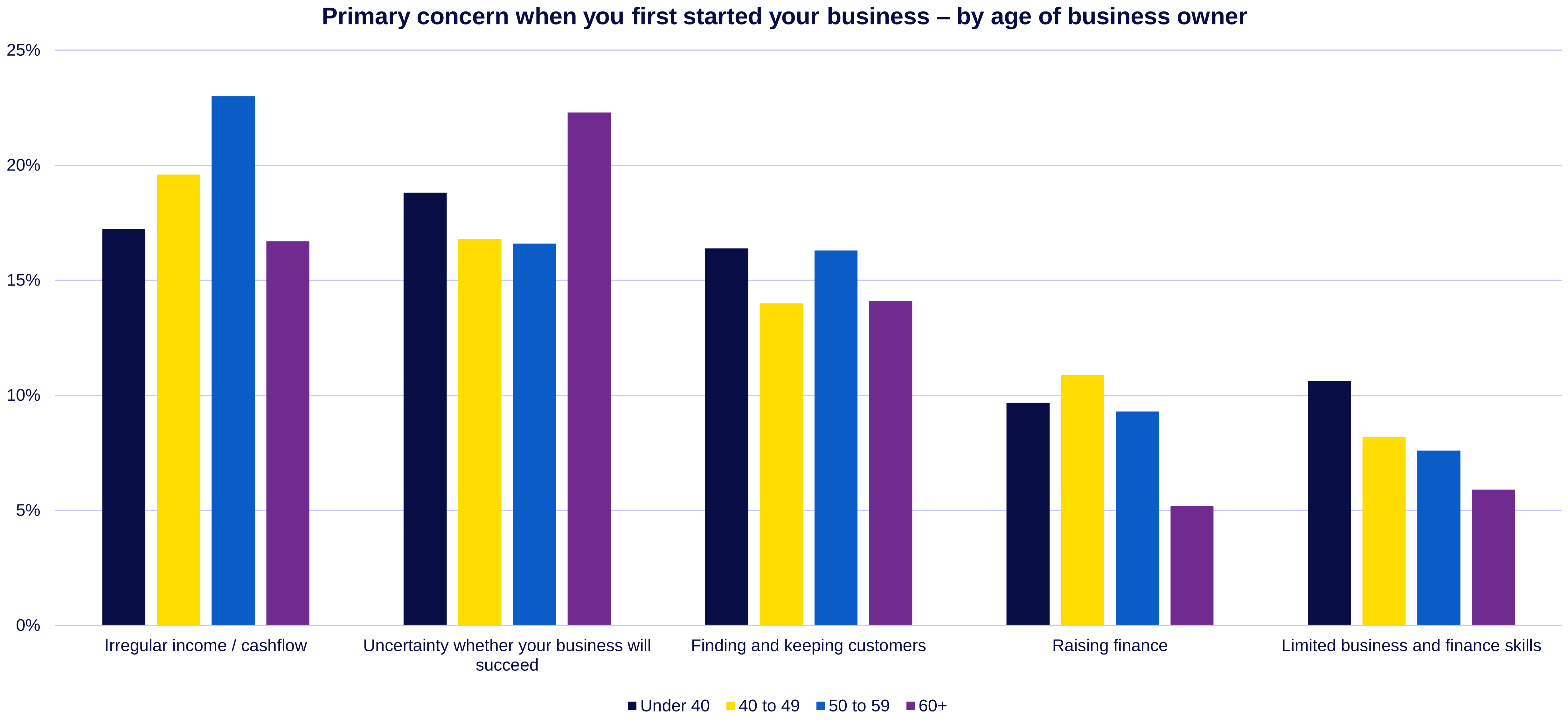


Small business owners were most concerned about irregular income and cash flow when they started their business. Regulatory concerns were not a major issue

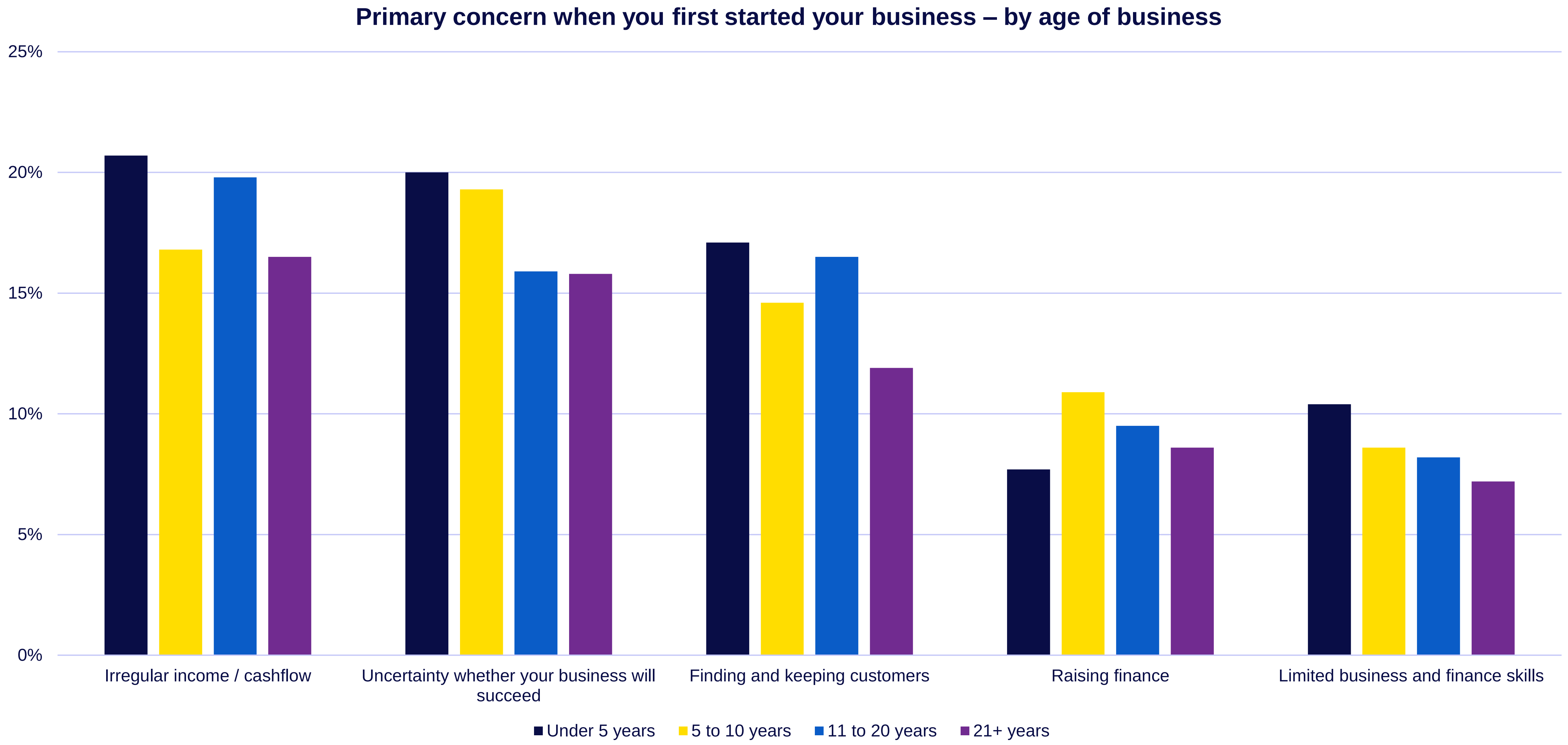
What was your biggest concern when you started your business

	Most popular concern	Second most popular concern	Third most popular concern	Regulatory concerns
Survey average	Irregular income / cash flow (18.6%)	Uncertainty whether your business will succeed (18.4%)	Finding and keeping customers (15.4%)	Keeping up with regulation / regulatory hurdles to starting a business (3.9%)
High growth businesses	Uncertainty whether your business will succeed (20.2%)	Finding and keeping customers (17.1%)	Finding good partners or collaborators (13.4%)	Keeping up with regulation / regulatory hurdles to starting a business (3.4%)
Businesses that were unchanged or shrank in 2024	Irregular income / cash flow (21.1%)	Uncertainty whether your business will succeed (19.3%)	Finding and keeping customers (13.9%)	Keeping up with regulation / regulatory hurdles to starting a business (4.4%)
Developed economies	Irregular income / cash flow (22.4%)	Uncertainty whether your business will succeed (19.0%)	Finding and keeping customers (14.4%)	Keeping up with regulation / regulatory hurdles to starting a business (4.7%)
Developing economies	Uncertainty whether your business will succeed (17.9%)	Finding and keeping customers (16.3%)	Irregular income / cash flow (15.3%)	Keeping up with regulation / regulatory hurdles to starting a business (3.3%)

The primary concern of business owners when started their business do not vary significantly by the owner's age



The primary concern of business owners when first starting their business do not vary significantly by the age of the business

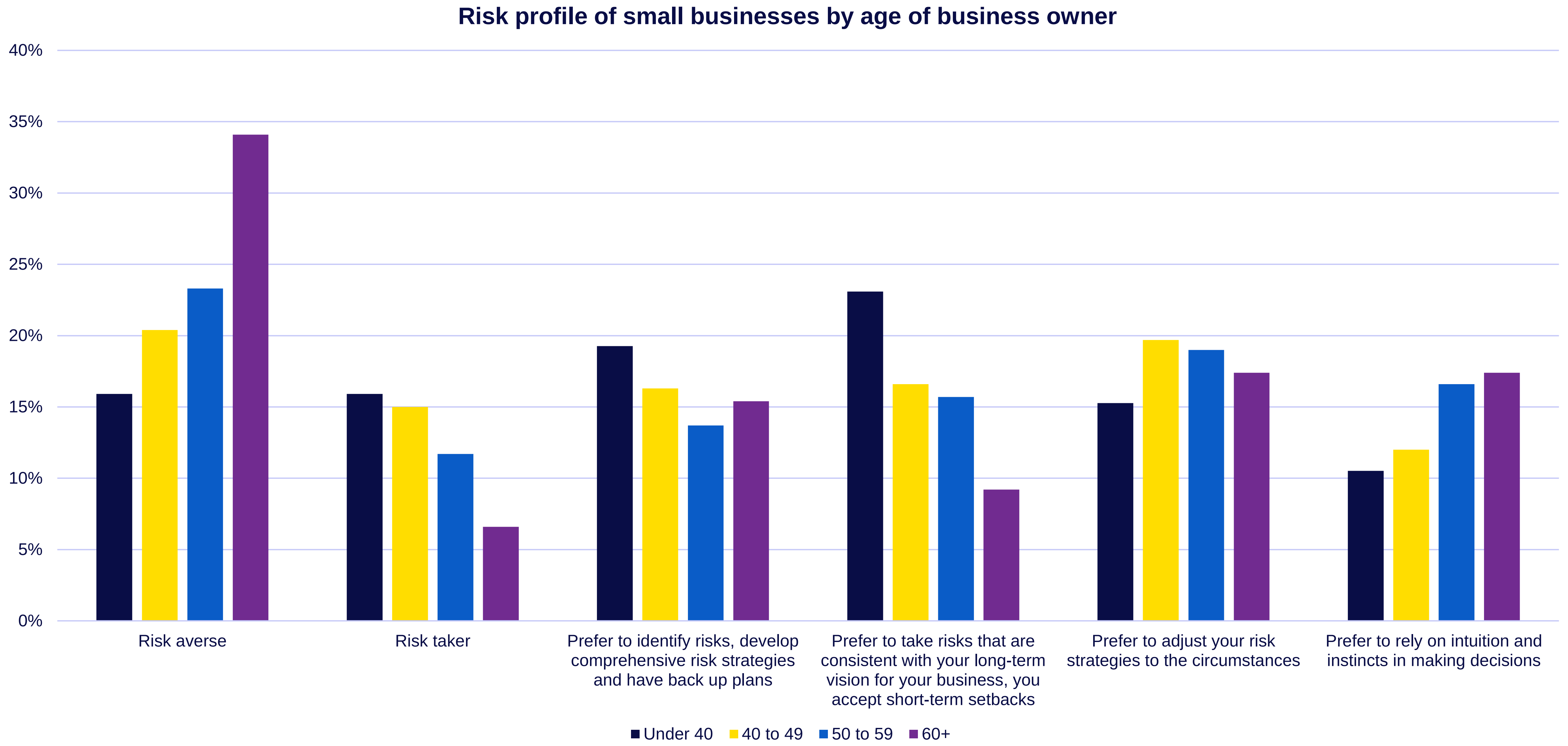


Small business owners from developed economies are more risk averse than those from developing economies

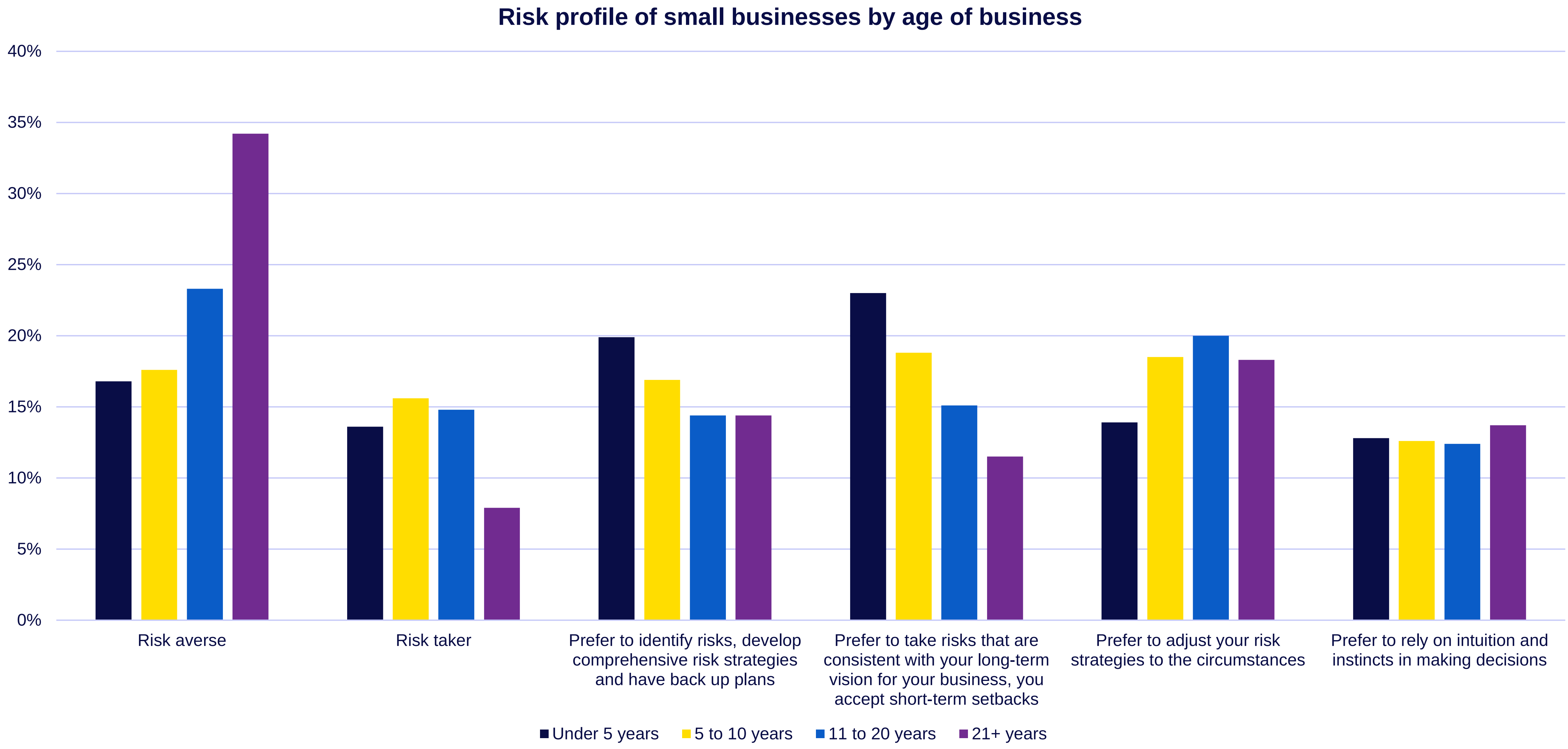
What is your attitude to risk?

	Most popular attitude to risk	Second most popular attitude to risk	Third most popular attitude to risk
Survey average	Risk averse (20.5%)	Prefer taking risks consistent with your long-term vision for your business, accept short-term setbacks and are willing to try unproven technologies and markets (18.5%)	Prefer to adjust your risk strategies to the circumstances (17.3%)
High growth businesses	Prefer taking risks consistent with your long-term vision for your business, accept short-term setbacks and are willing to try unproven technologies and markets (25.9%)	Prefer to identify risks, develop comprehensive risk strategies and have back up plans (18.7%)	Risk taker (16.5%)
Businesses that stagnated or declined in 2024	Risk averse (27.0%)	Prefer to adjust your risk strategies to the circumstances (19.2%)	Prefer to rely on intuition and instincts in making decisions – 16.0%
Developed economies	Risk averse (25.5%)	Prefer to adjust your risk strategies to the circumstances (18.5%)	Prefer to rely on intuition and instincts in making decisions (16.7%)
Developing economies	Prefer taking risks consistent with your long-term vision for your business, accept short-term setbacks and are willing to try unproven technologies and markets (22.0%)	Prefer to identify risks, develop comprehensive risk strategies and have back up plans (19.8%)	Risk averse (16.4%)

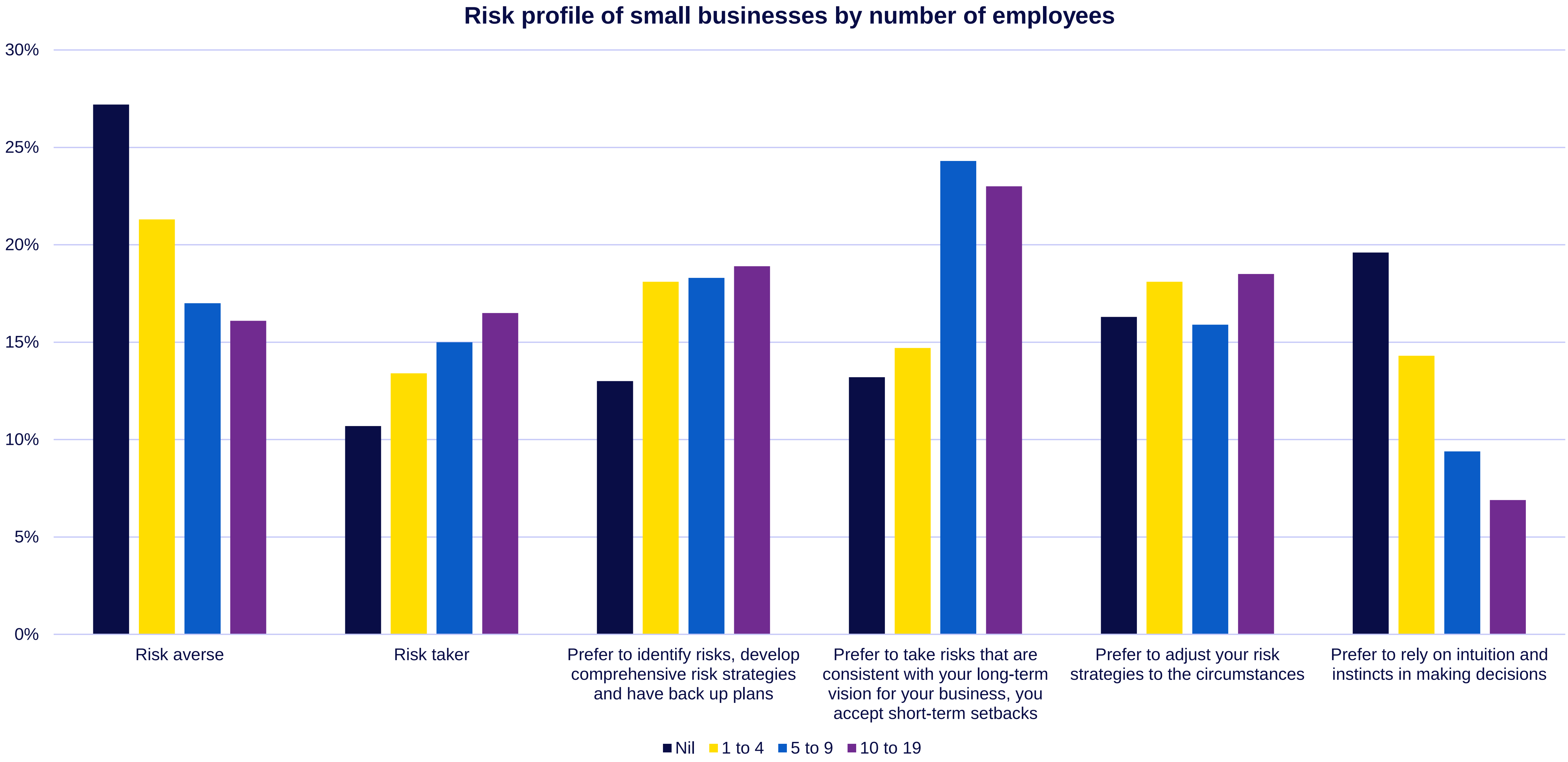
Older small business owners are more likely to be risk averse



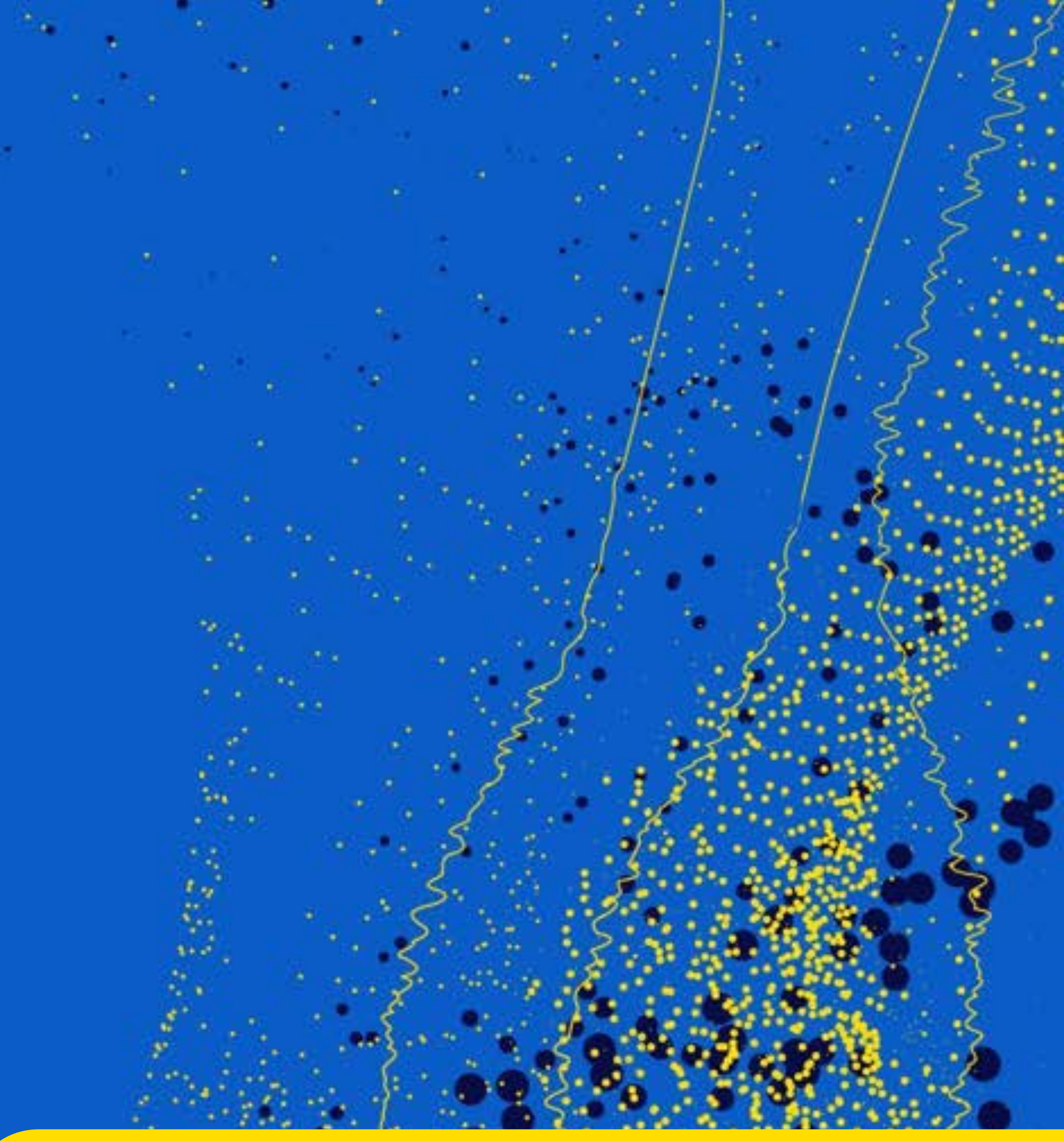
Older small businesses are more likely to be risk averse



Owners of micro businesses are more likely to be risk averse and rely on intuition



Environmental, social and governance activity and small business



Where small business focused their ESG efforts in 2024

Most small businesses devoted time and resources to a variety of activities related to environmental, social and governance (ESG) practices in 2024

The most common ESG-related activity was “staff health and safety policies”. Given that many markets legally require employers to provide a safe workplace, this result is not surprising

Supply chain sustainability was the second most common ESG practice, followed by diversity and inclusion policies

High-growth businesses were significantly more likely to undertake ESG practices in 2024 than businesses that stagnated or declined in 2024

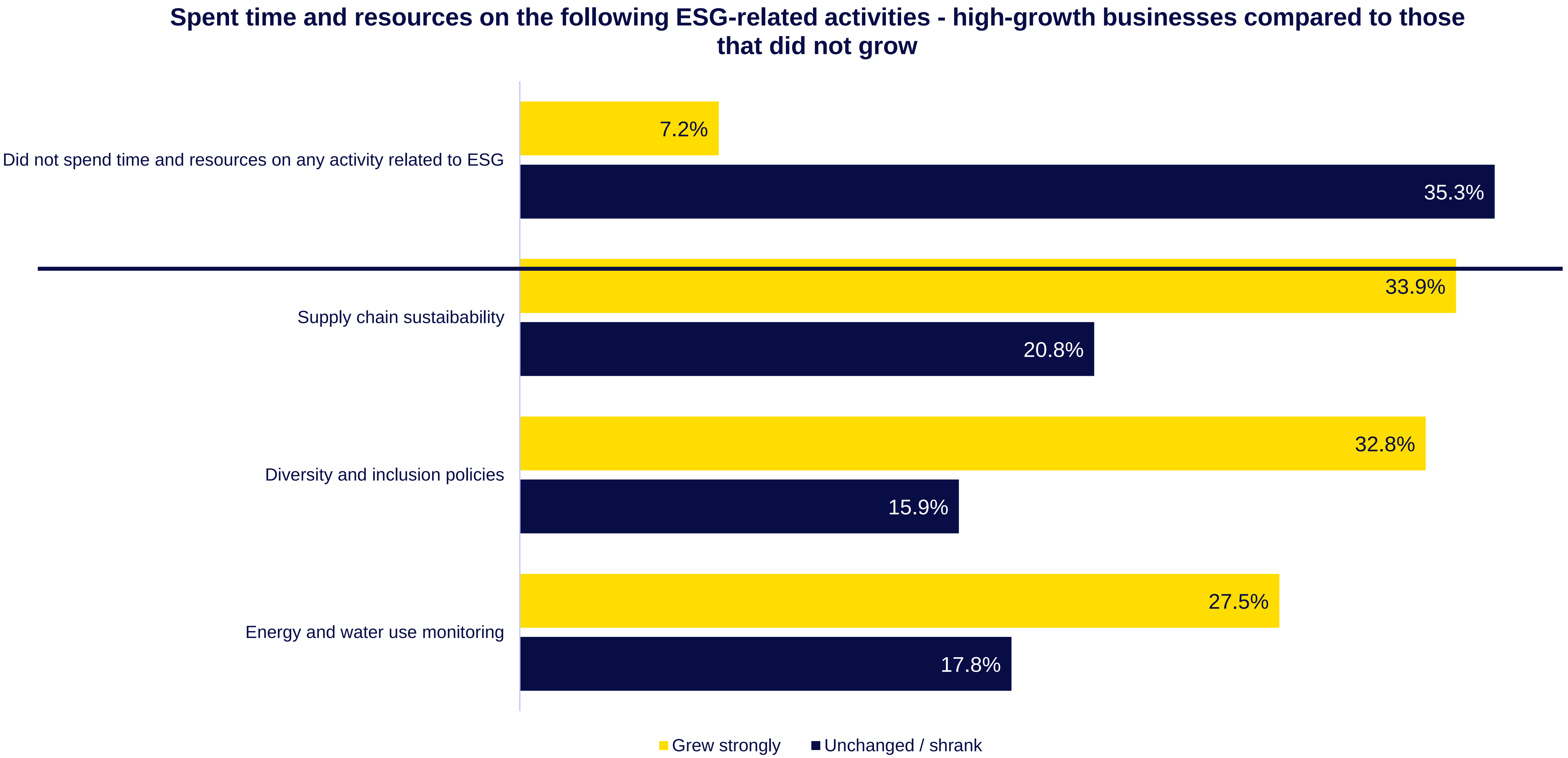
Vietnam’s small businesses were the most likely to undertake at least one activity related to ESG practices. In contrast, small businesses in Australia and New Zealand were the least likely to engage in any ESG-related activities

Top three ESG practices in 2024 – by market

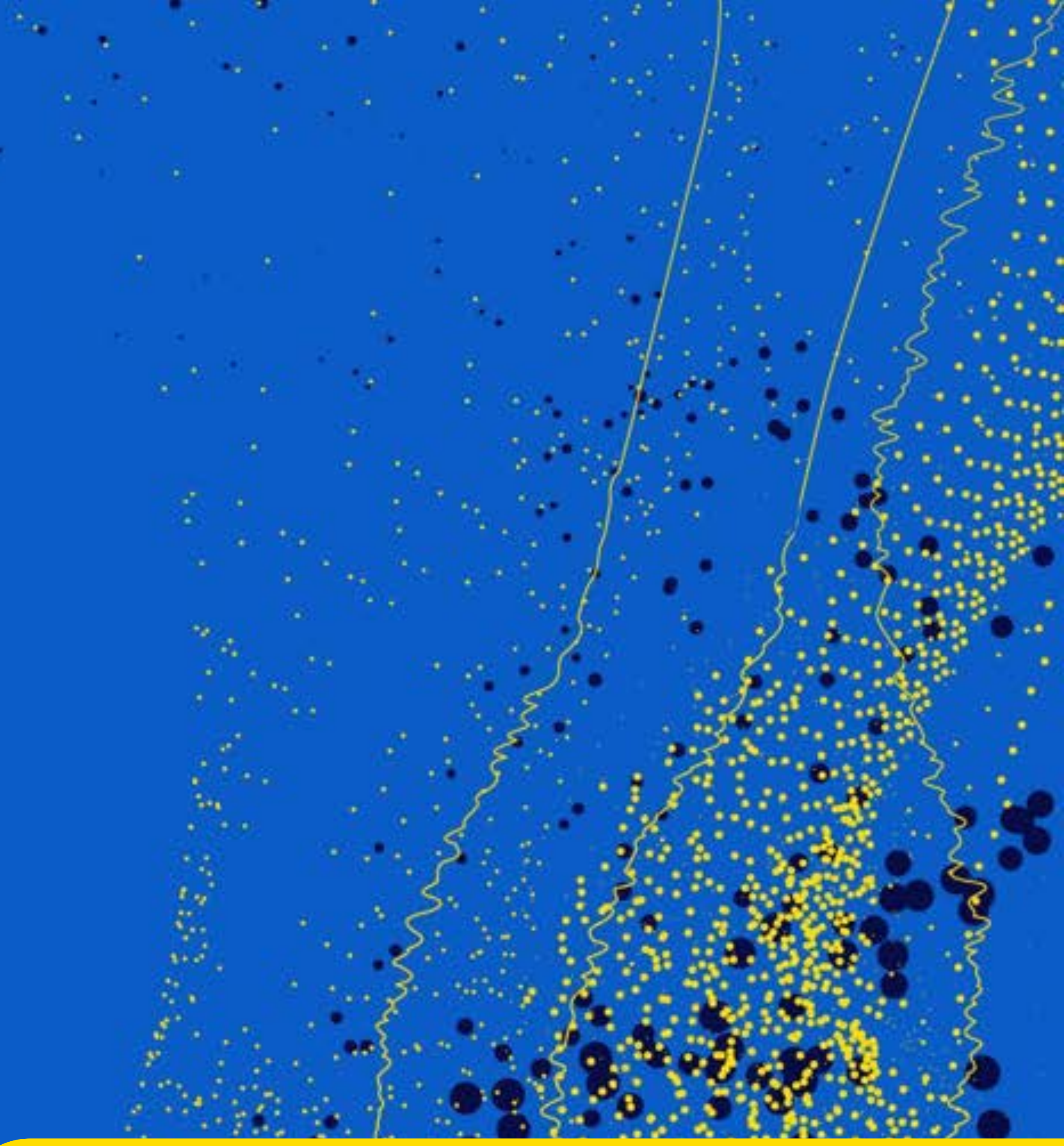
- Staff health and safety policy were the most popular ESG-related activities in 2024. This is likely due to the legal obligations most governments impose on employers to protect employees.
- It is encouraging to see small businesses in Mainland China, Hong Kong, Indonesia and Vietnam explore more advanced ESG practices such as environmental systems management

	Most popular	Second most popular	Third most popular	Did not undertake any activities related to ESG
Survey average	Staff health and safety policy (30.2%)	Supply chain sustainability (27.1%)	Business diversity and inclusion policy (23.1%)	**20.0%**
Australia	Staff health and safety policy (19.4%)	Supply chain sustainability (12.5%)	Energy and water use monitoring (12.3%)	**54.2%**
Mainland China	Environmental management system (EMS) adoption (35.9%)	Business diversity and inclusion policy (33%)	Adoption of green and sustainable finance opportunities (31.2%)	**8.6%**
Hong Kong	Environmental management system (EMS) adoption (31.4%)	Staff health and safety policy (30.1%)	Business diversity and inclusion policy (28.4%)	**4.2%**
India	Staff health and safety policy (38.1%)	Supply chain sustainability (31.4%)	Ethics and compliance policy (29.4%)	**12.8%**
Indonesia	Supply chain sustainability Business diversity and inclusion policy Staff health and safety policy (26.2%)	Adoption of green and sustainable finance opportunities (25.6%)	Ethics and compliance policy (23.3%)	**16.7%**
Malaysia	Staff health and safety policy (30.2%)	Supply chain sustainability (28.6%)	Ethics and compliance policy (28.2%)	**14.3%**
New Zealand	Staff health and safety policy (21.9%)	Supply chain sustainability (12.9%)	Community and volunteering programs (12.3%)	**48.7%**
Philippines	Staff health and safety policy (41.3%)	Supply chain sustainability (37.7%)	Energy and water use monitoring (26.1%)	**11.0%**
Singapore	Staff health and safety policy (24.8%)	Supply chain sustainability (21.5%)	Business diversity and inclusion policy (19%)	**29.3%**
Taiwan	Staff health and safety policy (29.4%)	Ethics and compliance policy (23.9%)	Supply chain sustainability Community and volunteering programs (22.9%)	**17.1%**
Vietnam	Supply chain sustainability (54.2%)	Staff health and safety policy (42.2%)	Public disclosure of business practices and results (38.6%)	**2.0%**

High-growth businesses are more likely to have spent time and resources on ESG-related activities



Demographics and their influence on small business performance



Small business demographics and their influence on business performance and satisfaction

Businesses owned or led by someone under 40 were substantially more likely to report growth in 2024 compared to those owned or led by someone 50 or over

Vietnam, Malaysia and Philippines have the highest percentage of business owners and leaders under 40

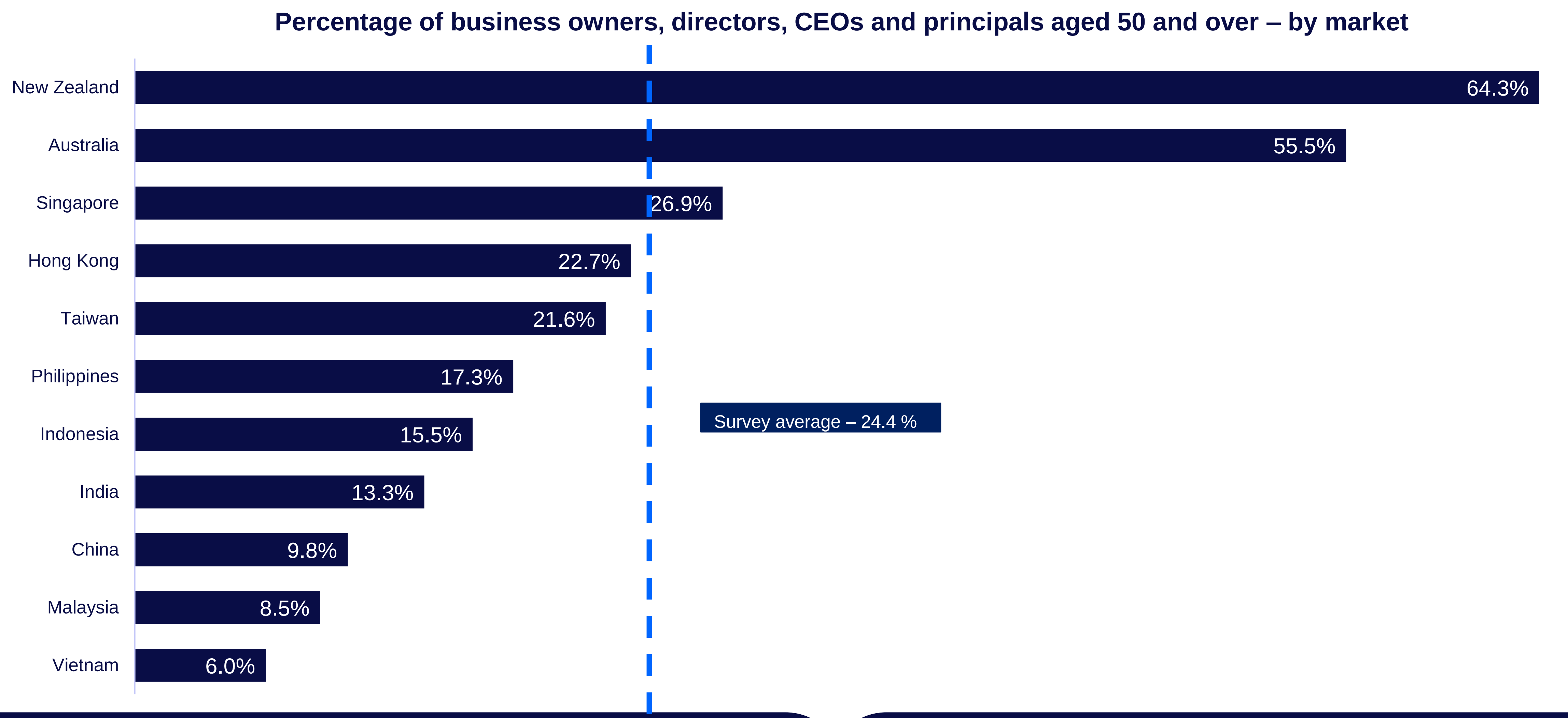
Small business owners in Australia and New Zealand are significantly more likely to be aged 50 or over compared to those in other markets surveyed

Businesses that have been operating for ten years or less were more likely to grow in 2024 compared to more established businesses

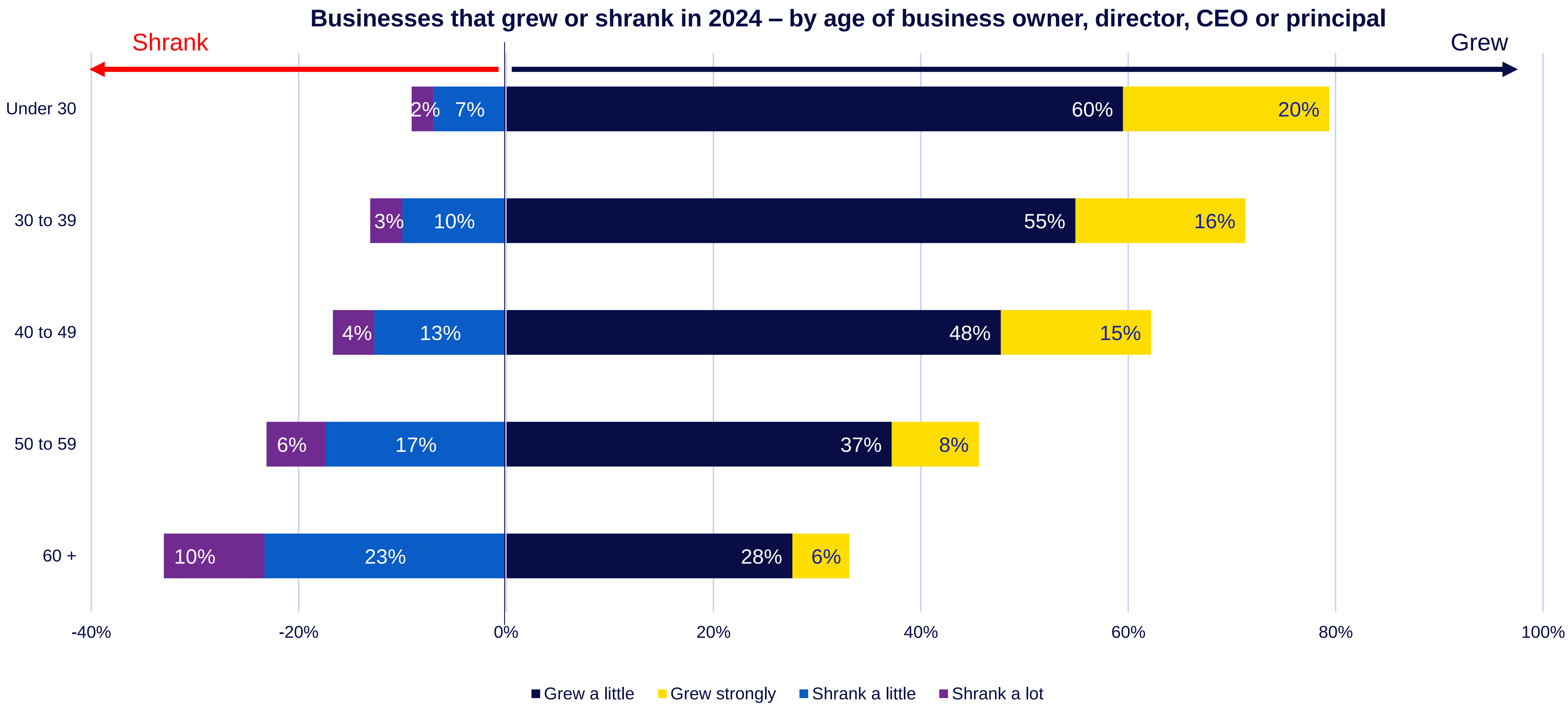
New Zealand and Australia remain the markets most likely to have small businesses that have been established for over 20 years

Despite recording lower growth, older business owners are more likely to be satisfied with owning or operating their small business. This is likely due to them meeting other goals, such as being their own boss and achieving work-life balance

Small business owners in New Zealand and Australia are the most likely to be 50 and over

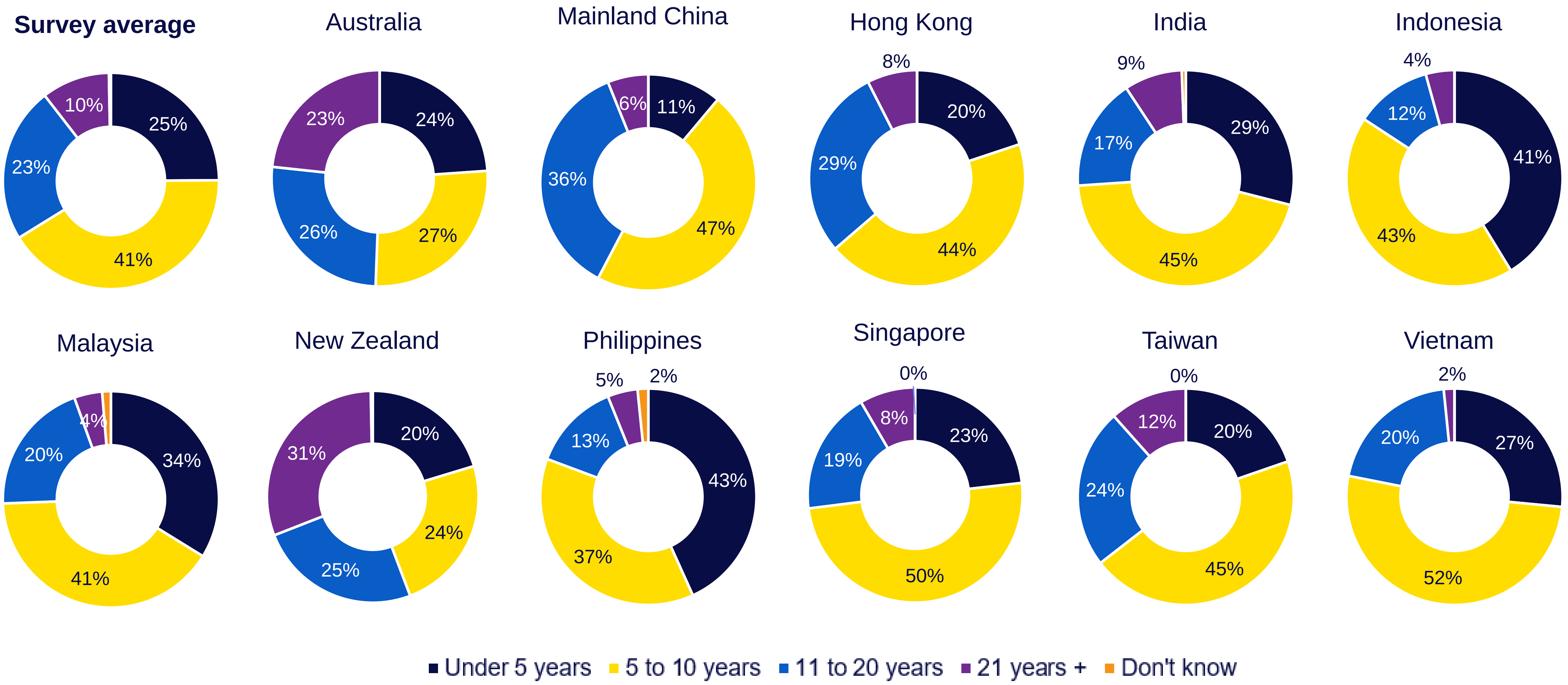


Younger business owners were significantly more likely to report business growth in 2024, while older business owners were more likely to report a decline

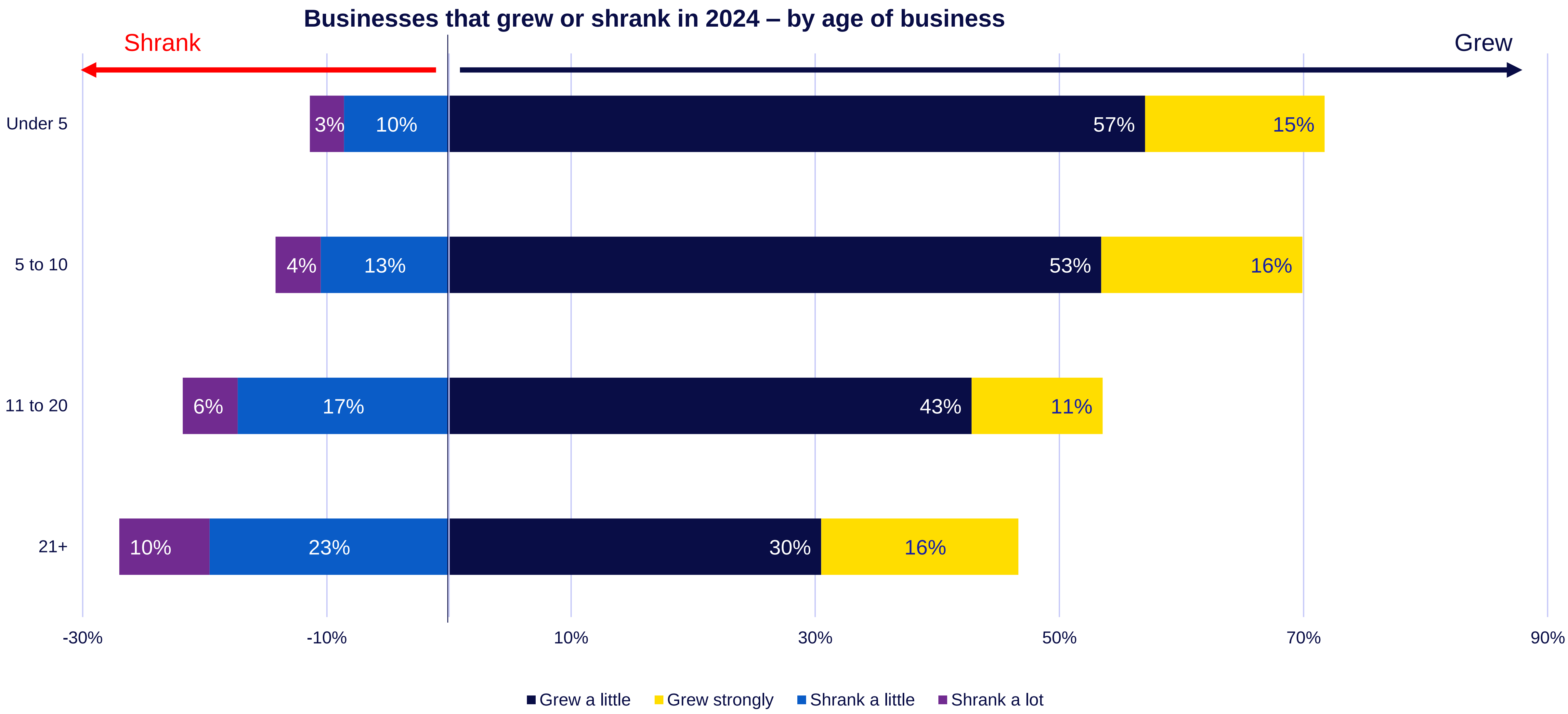


New Zealand and Australia continue to be the markets most likely to have small businesses established for over 20 years

How long has the business been established – by market

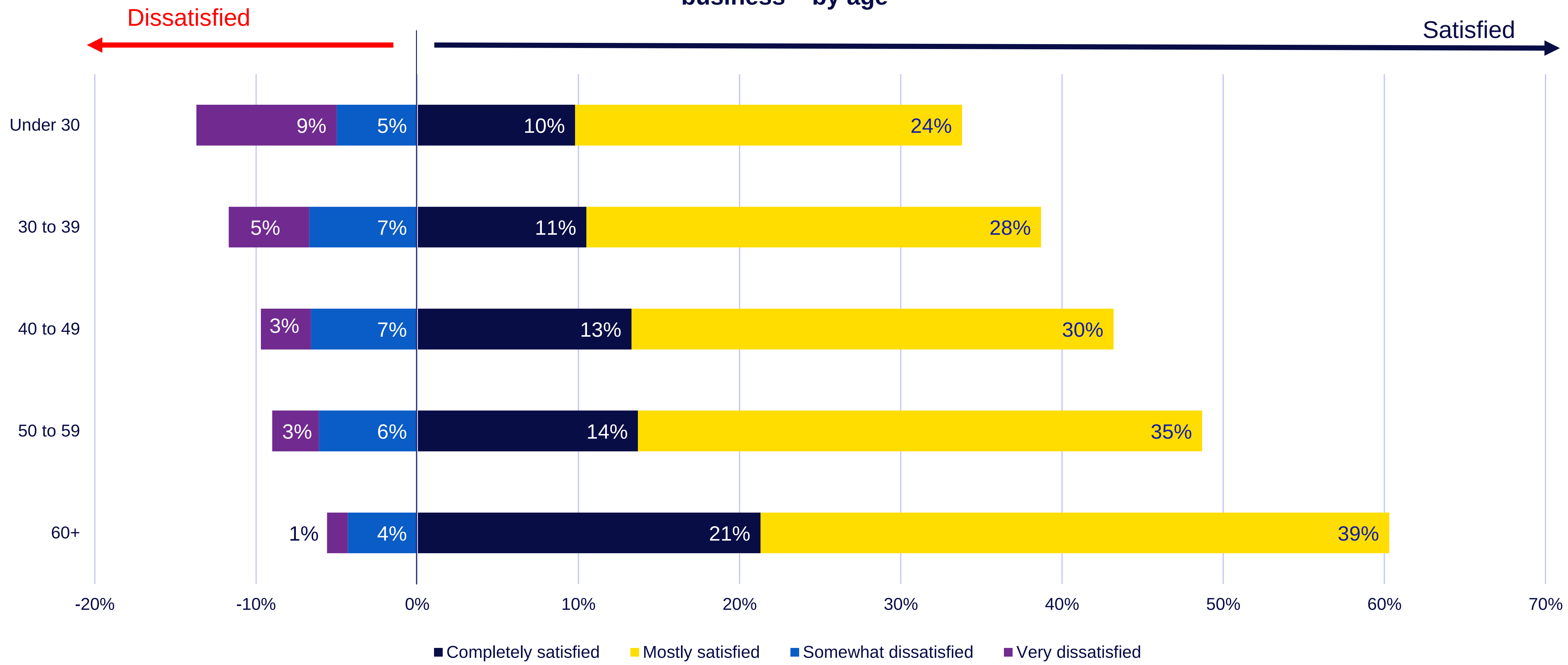


Newer businesses were more likely to grow in 2024 compared to more established businesses

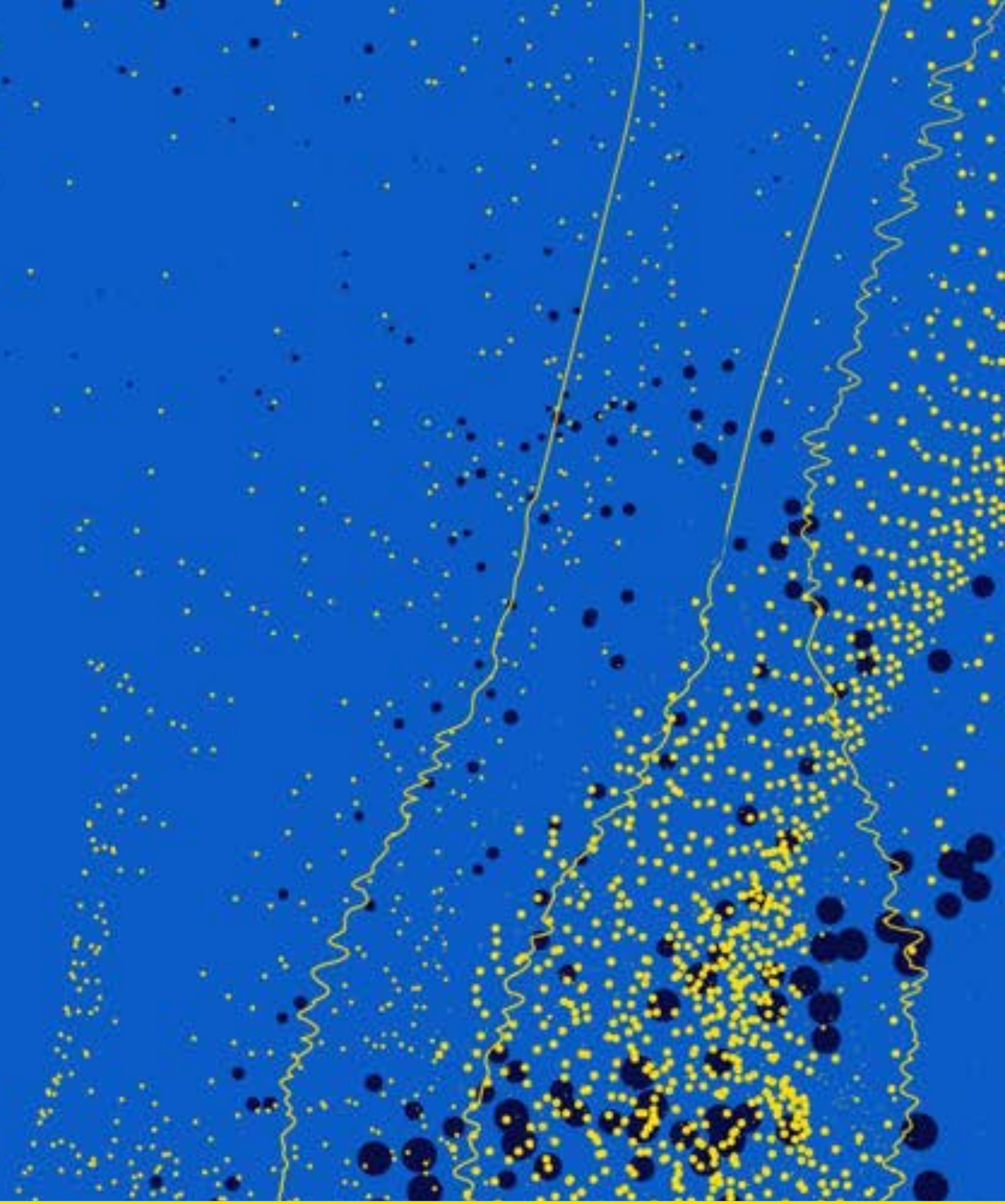


Despite recording lower growth, older business owners are more likely to be satisfied with owning or operating their small business

Business owners, directors, CEOs or principals that were satisfied with their financial return from their business – by age



Importance of cash to small businesses



The importance of cash to small businesses

While the survey results highlight the importance of online sales and new payment technologies to small business, cash sales remains crucial for many. Over 40 per cent of businesses continue to receive 50 per cent or more of their sales in cash

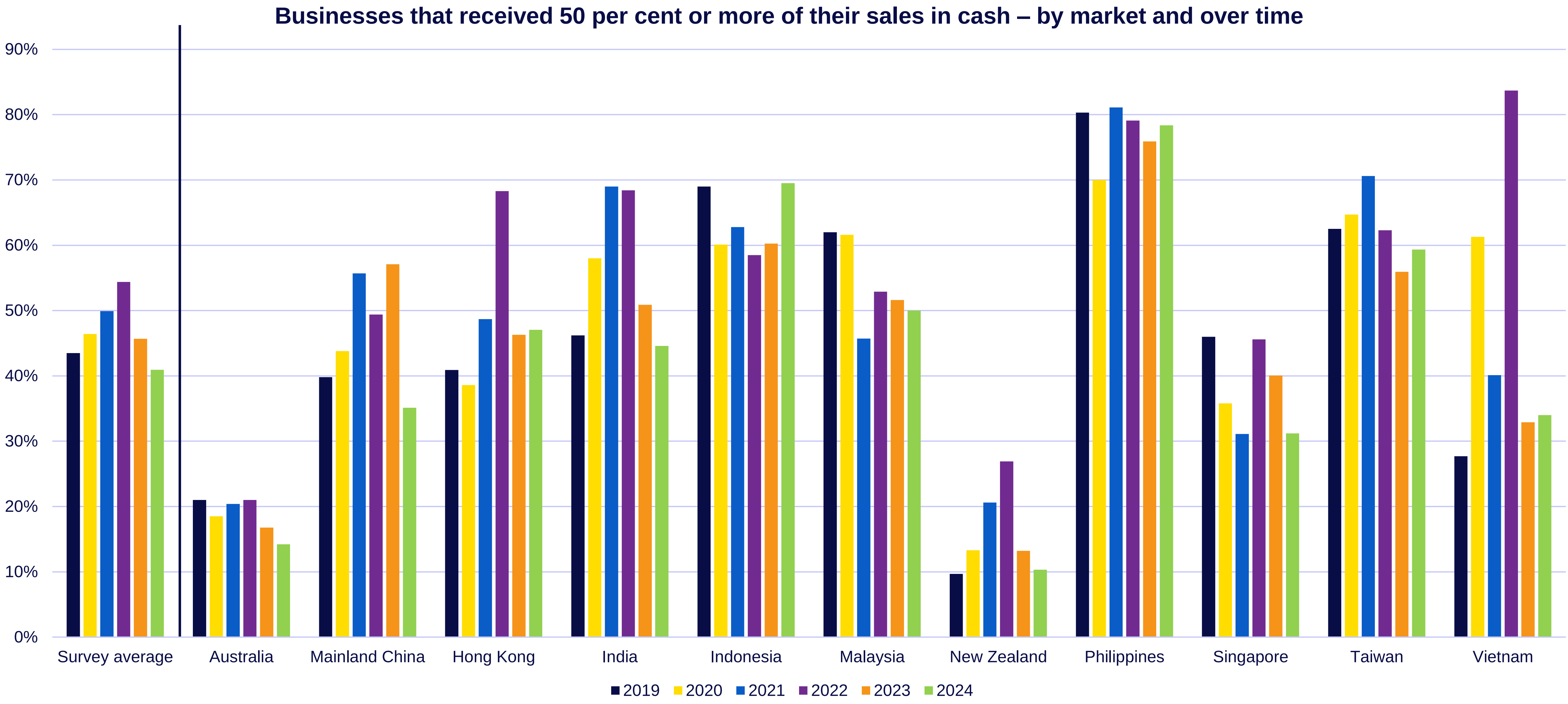
Small businesses in Indonesia, the Philippines and Taiwan reported the highest percentage receiving 50 per cent or more of their sales in cash

The results indicate that while many small businesses across the region quickly adopted digital payment technologies, there is still significant room for improvement. Handling cash can be more expensive to poses various risks

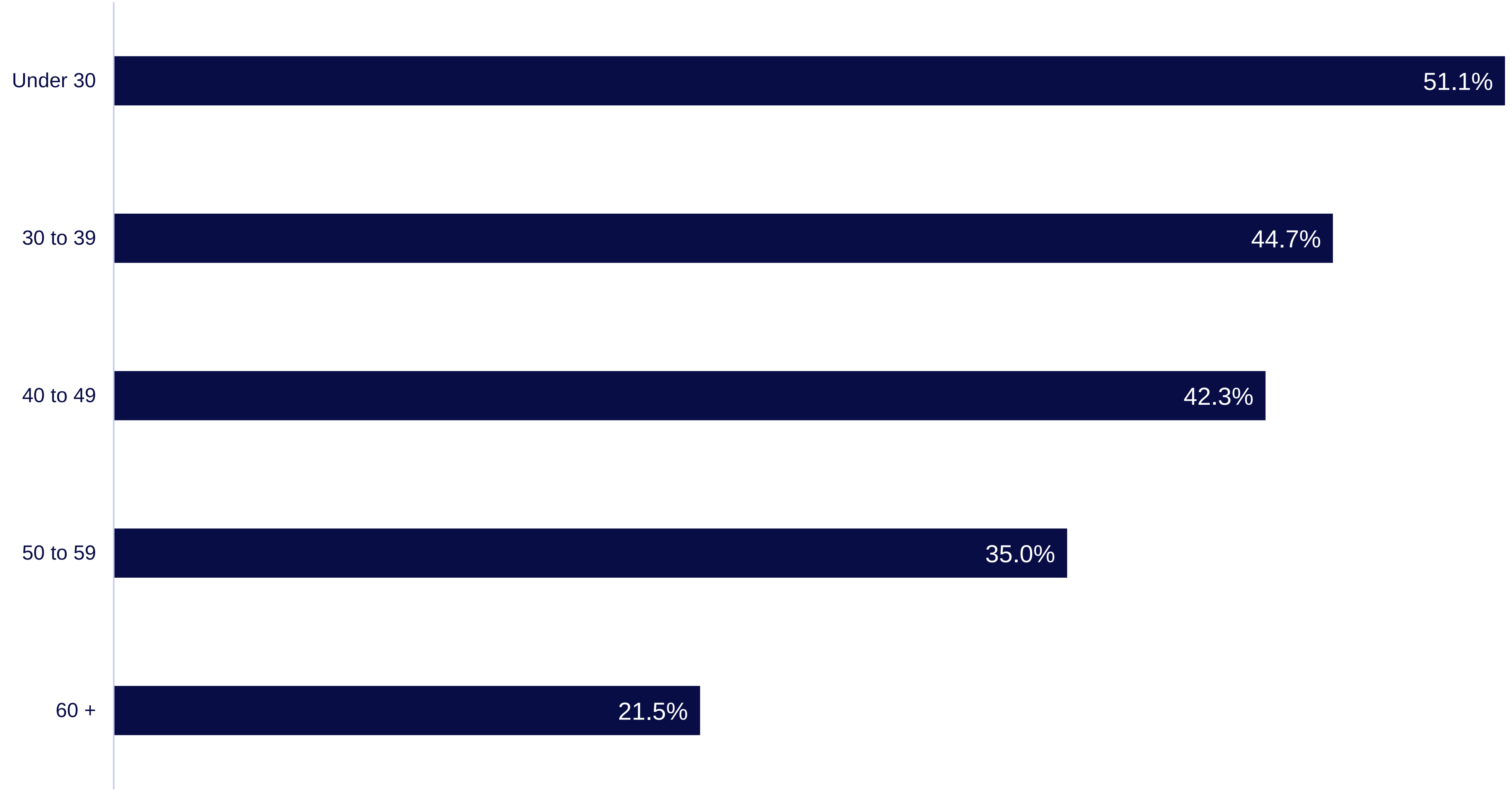
While older business owners and older businesses are much less likely to rely on new payment technologies, this doesn’t mean they prefer cash. In fact, they are less likely to receive 50 per cent or more of their sales in cash

The agriculture, forestry and fishing industry is most likely to receive 50 per cent or more of their sales in cash

In 2024, the overall reliance on cash sales decreased compared to 2023. However, it increased in some markets, particularly in Indonesia

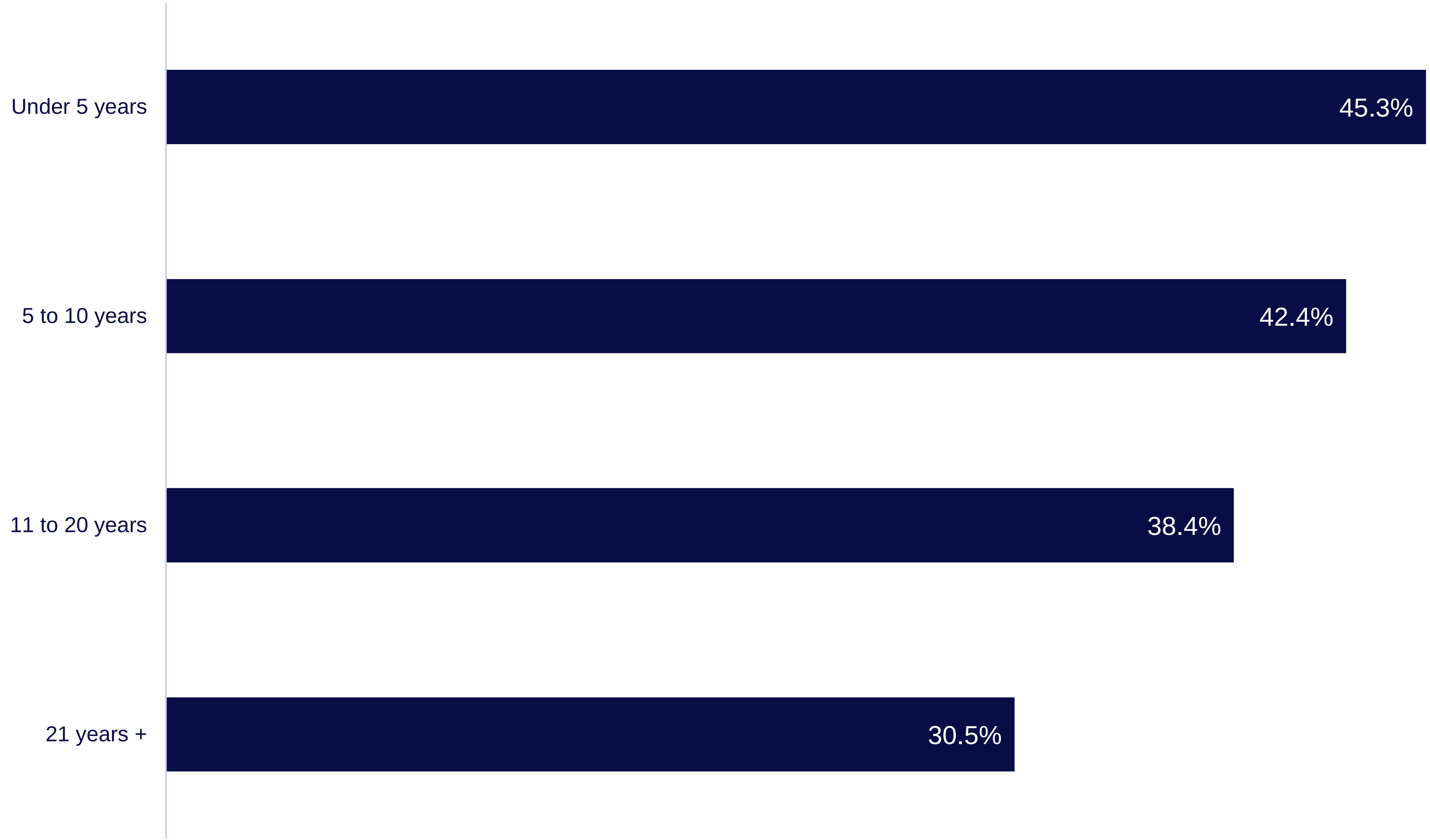


Older business owners are far less likely to rely heavily on cash sales. They are also much less likely to receive sales through new payment technologies



Older businesses are less reliant on cash sales than newer business. They are also much less likely to receive sales through new payment technologies

Businesses that received 50 per cent or more of their sales in cash – by age of respondent



Business size does not significantly impact the reliance on cash sales

Top-five industries that received 50 per cent or more of their sales in cash

- Industries more likely to receive cash sales are those that may rely on a physical presence rather than an online one

Agriculture, Forestry And Fishing – 53.1%

Accommodation and food services– 53.0%

Property and construction – 46.6%

Manufacturing – 43.2%

Retail trade – 42.8%

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