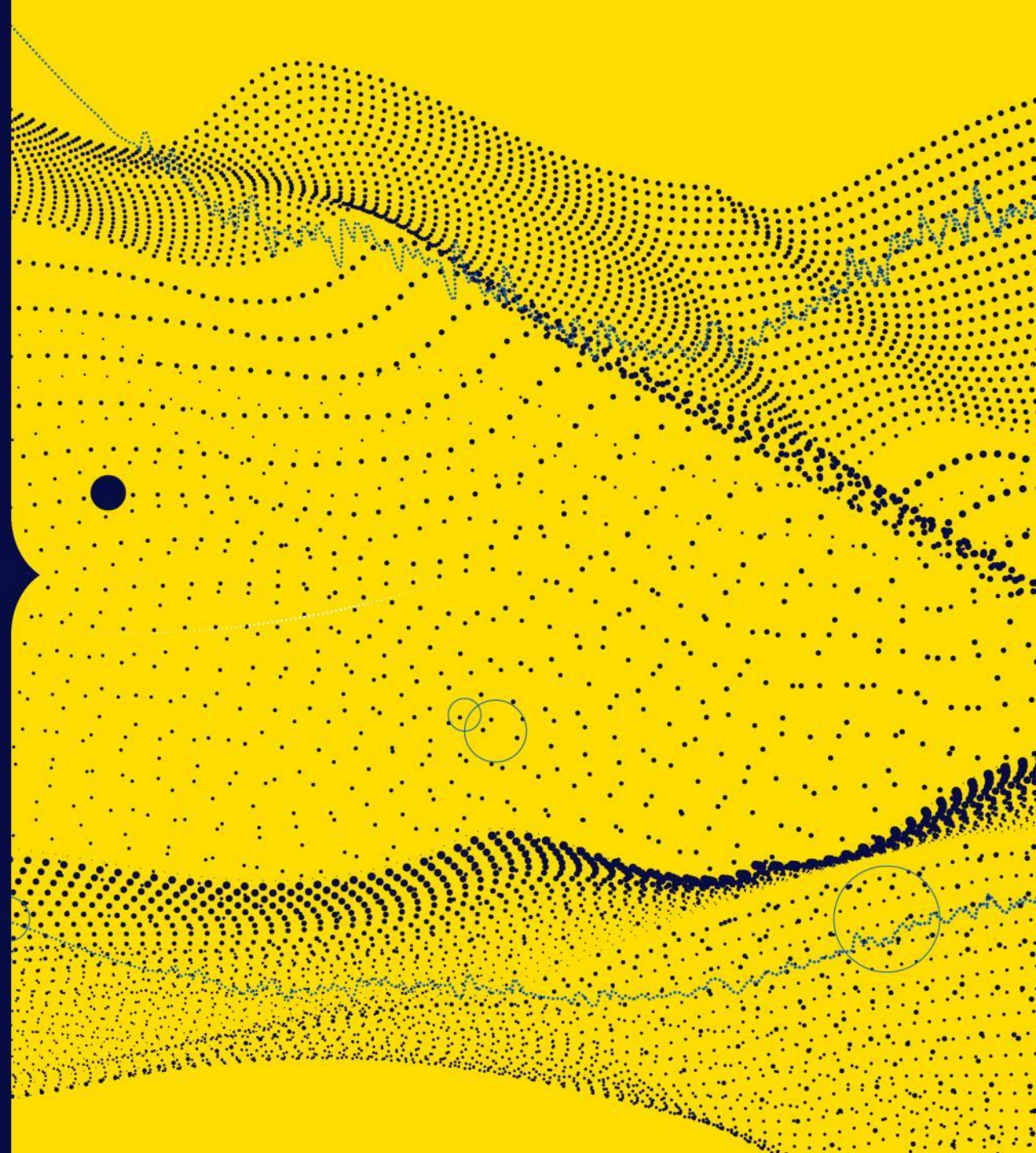


CPA Australia Asia-Pacific Small Business Survey 2023-24

CPA Australia's 15th annual report on small business issues and sentiment across eleven economies in the Asia-Pacific



ISBN: 978-1-922690-54-8

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About CPA Australia

CPA Australia is one of the largest professional accounting bodies in the world, with more than 173,000 members in over 100 countries and region.

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Survey design and methodology

- Online survey conducted amongst a random sample of small business owners/senior managers from organisations with fewer than 20 employees
- The survey was conducted in November and December 2023.
- The findings for the survey come from **4,222 small businesses** in **11 markets** across Australia, Mainland China, Hong Kong, India, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Vietnam. From the commencement of the survey in 2009, we have surveyed over 43,000 small businesses across the region
- There were 501 respondents from Australia, 753 from Mainland China, 324 from Hong Kong, 505 from India, 302 from Indonesia, 308 from Malaysia, 303 from New Zealand, 303 from the Philippines, 302 from Singapore, 311 from Taiwan and 310 from Vietnam

Major results

Major results



2024 is expected to be a better year for many of the region's small businesses than 2023 was



Most markets reported an increase in the number of small businesses that grew in 2023 compared with 2022



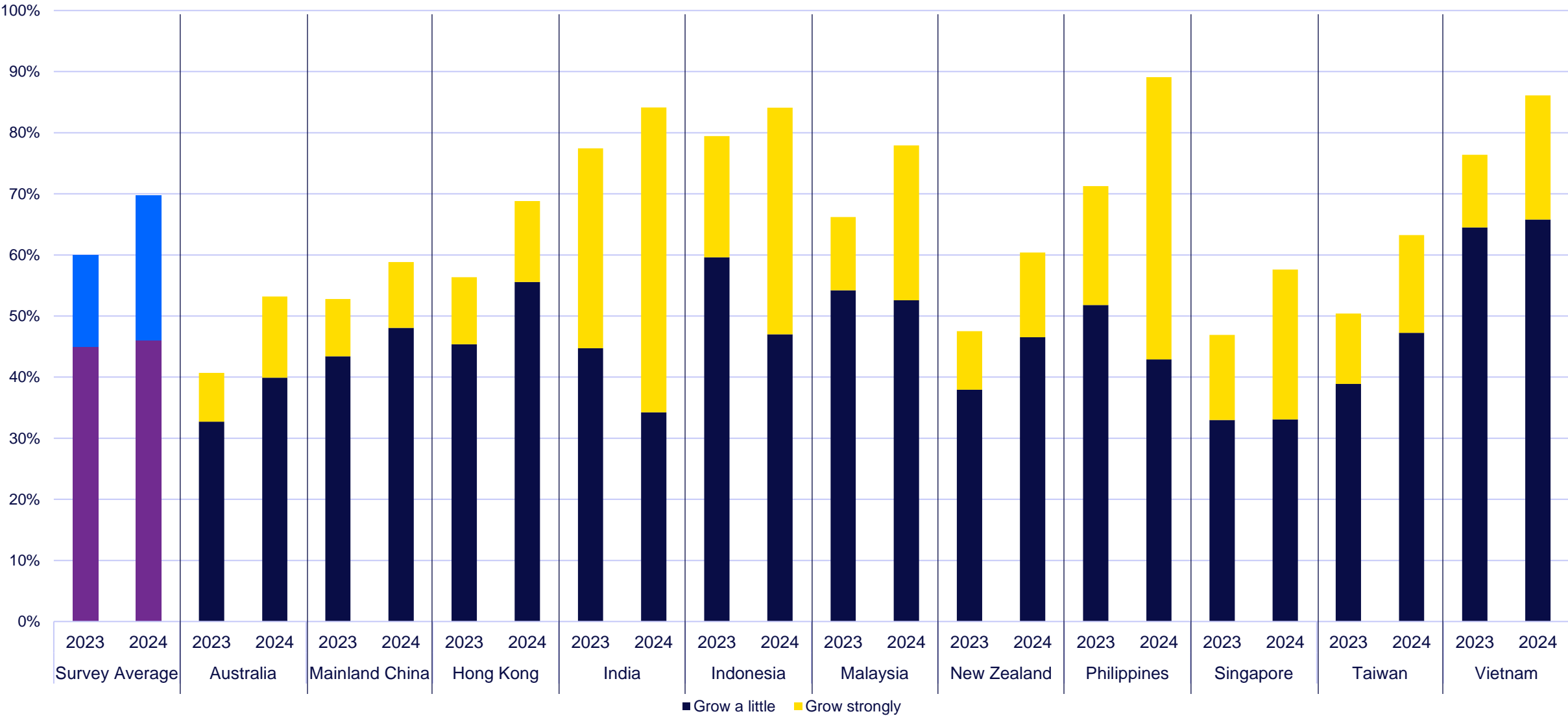
Many small businesses reported that their actual performance in 2023 did not meet expectations



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

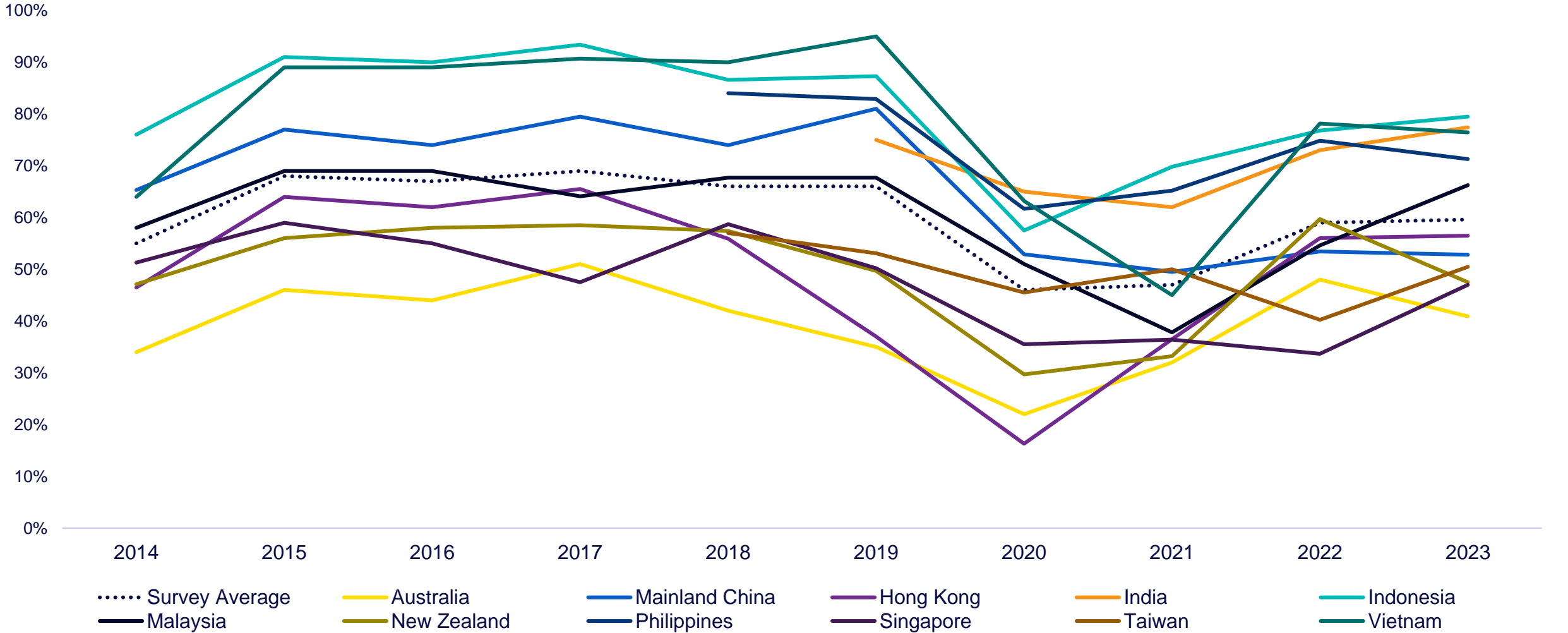
2024 is expected to be a better year than 2023 for many of the region's small businesses

Small business growth – experience in 2023 compared with expectations for 2024 – by market



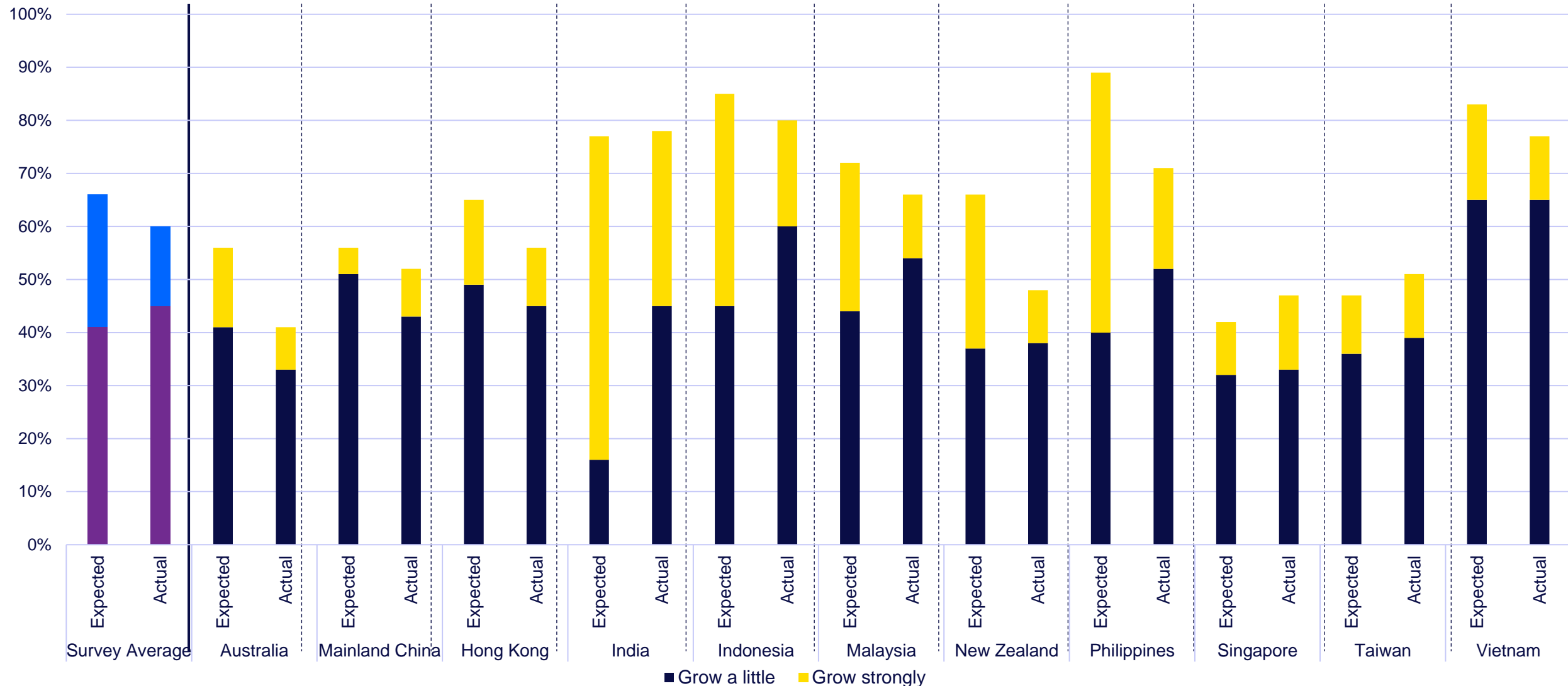
Many small businesses across the region are on the path to recovery following COVID-19

Small businesses that grew in the previous 12 months – a comparison over time and by market



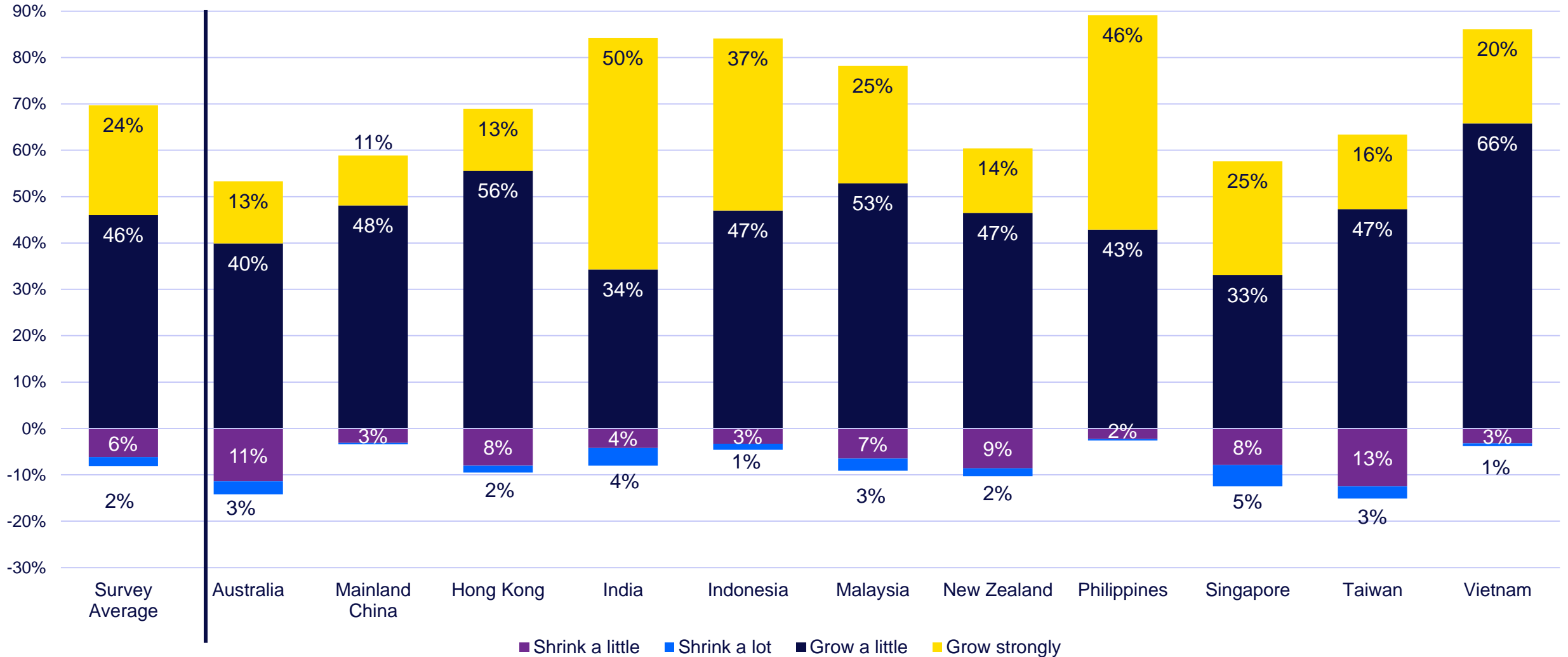
Some small businesses found their performance in 2023 did not meet expectations

Small businesses that reported growing in 2023 compared to expected to grow in that year – by market



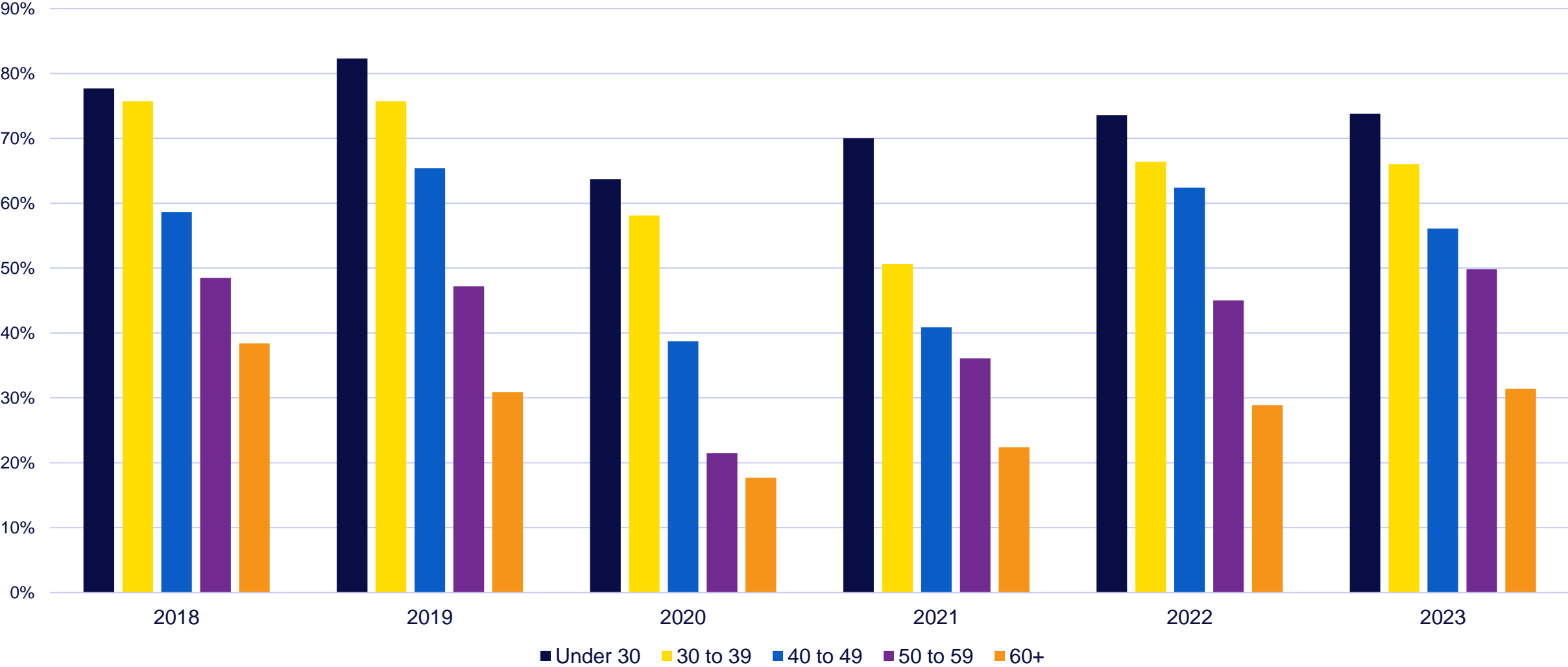
Most small businesses in the region expect to grow in 2024

Small business growth expectations for 2024 – by market



Small businesses owned or run by someone under 40 remain significantly more likely to grow

Small businesses that grew in past 12 months – by age of respondent and over time



CHARACTERISTICS OF HIGH-GROWTH SMALL BUSINESSES

Characteristics of high-growth small businesses

Make online sales

Receive sales through new payment technologies such as PayPal, WeChat Pay and Buy Now Pay Later

Use social media to promote their business, sell products/services and communicate with customers

Invest in technology that quickly improves their profitability

Focus on customer satisfaction, business strategy, business management and technology

Innovate through the introduction of new products, services or processes

Expand into overseas markets

Seek professional advice, especially from IT and business consultants

Protect their business from cyberattacks

Be owned or managed by someone under 40 years old

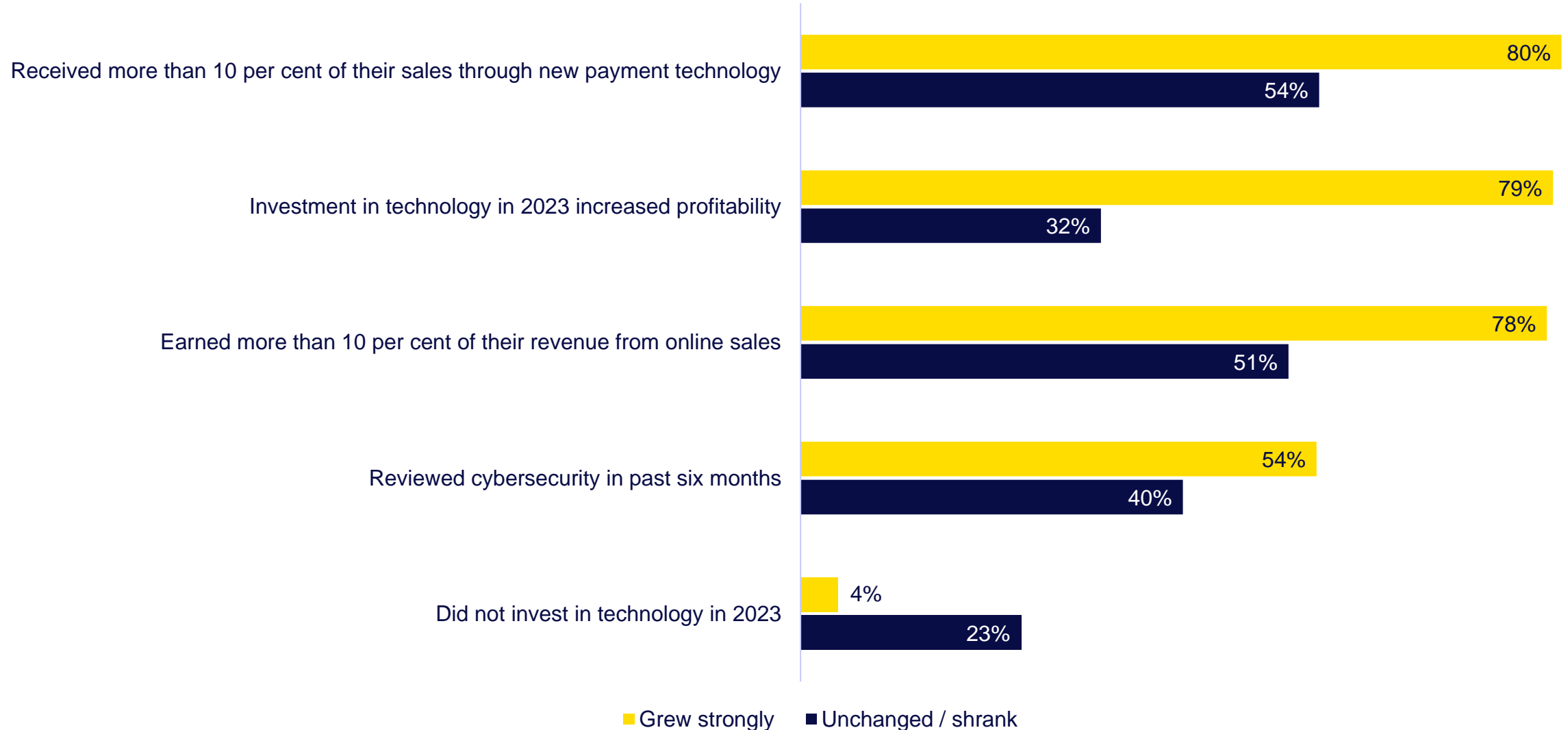
Been operating between five to 20 years

Have between 10 to 19 employees

Be in the technology sectors

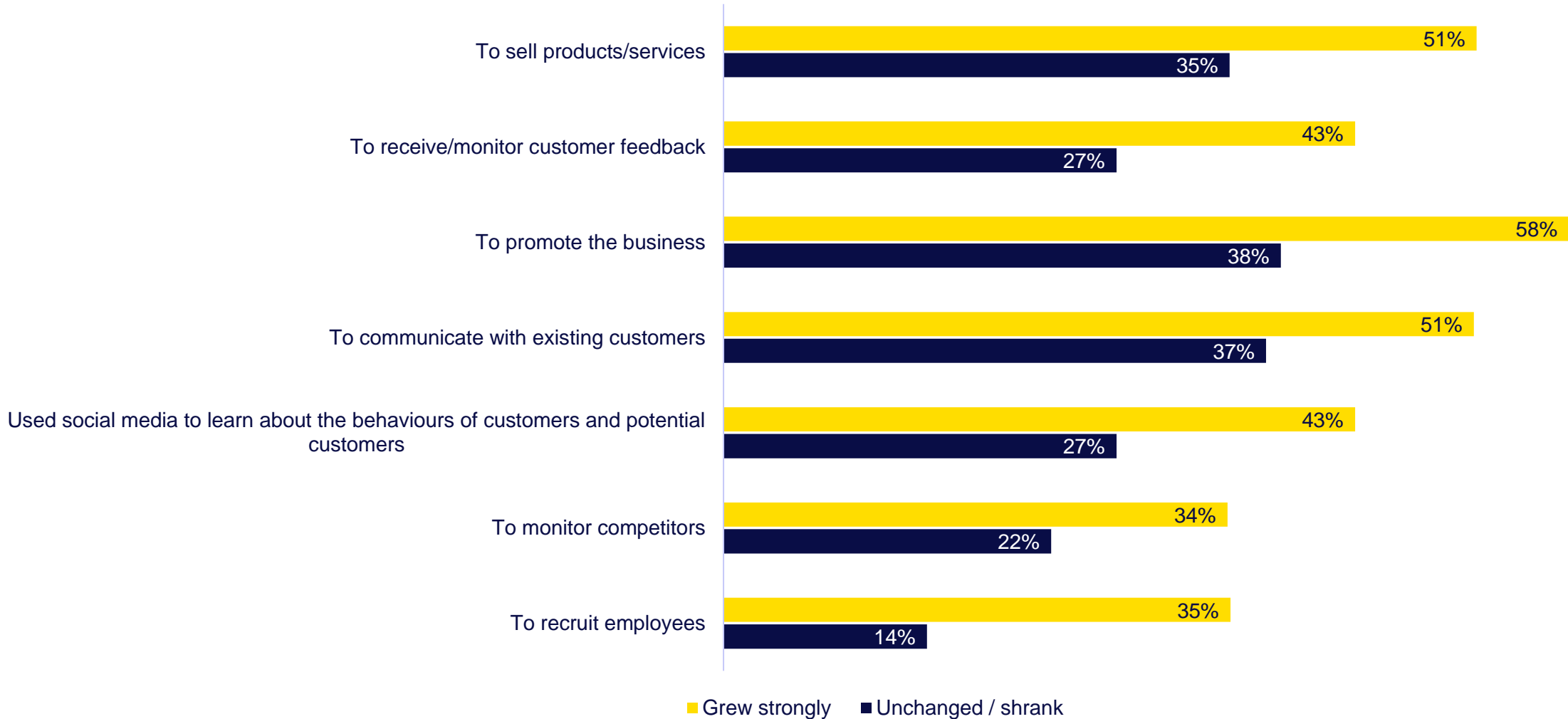
Technology continues to be more important for high-growth businesses than other businesses

Technology uptake by high growth businesses compared to those not growing



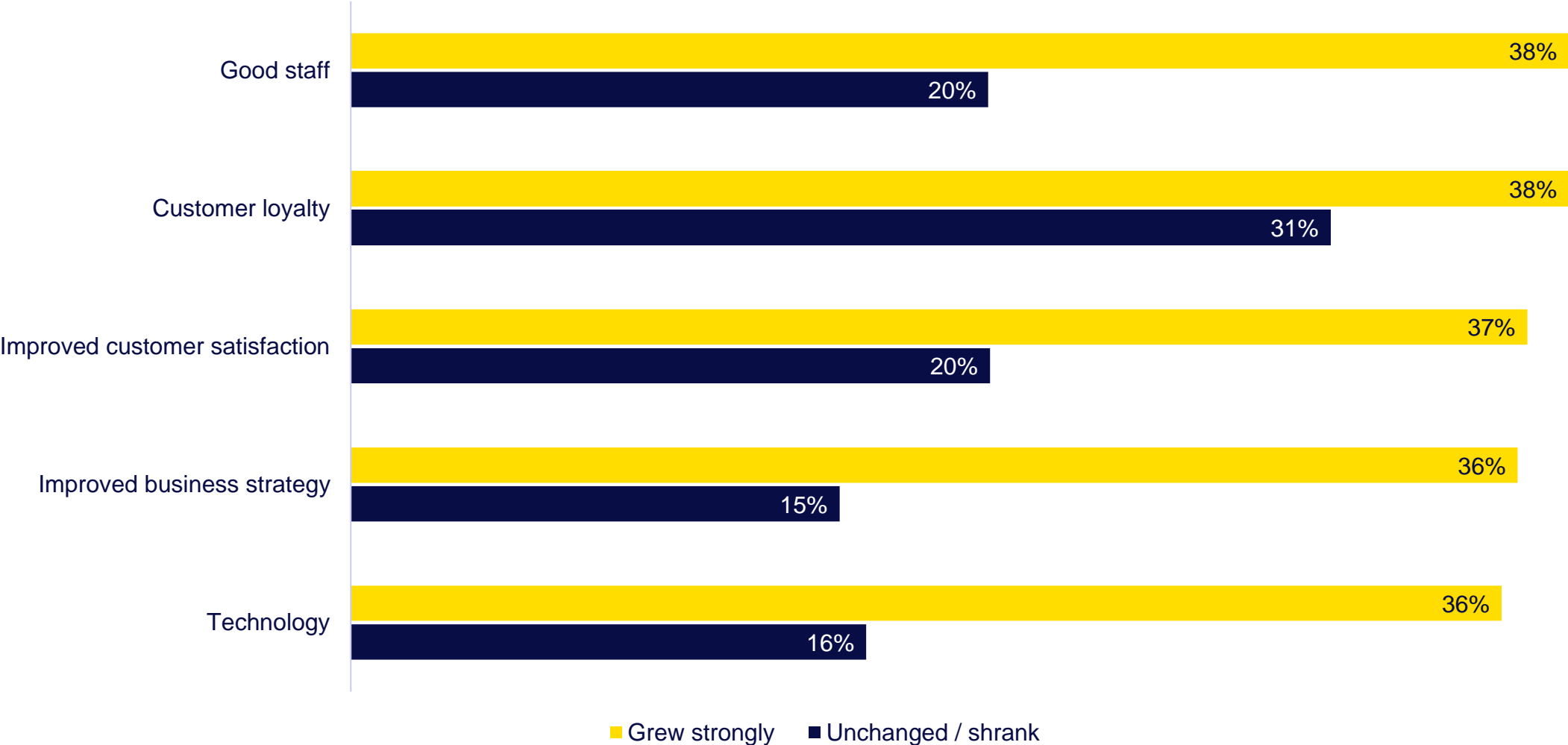
High growth businesses are more likely to use social media for a variety of purposes

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

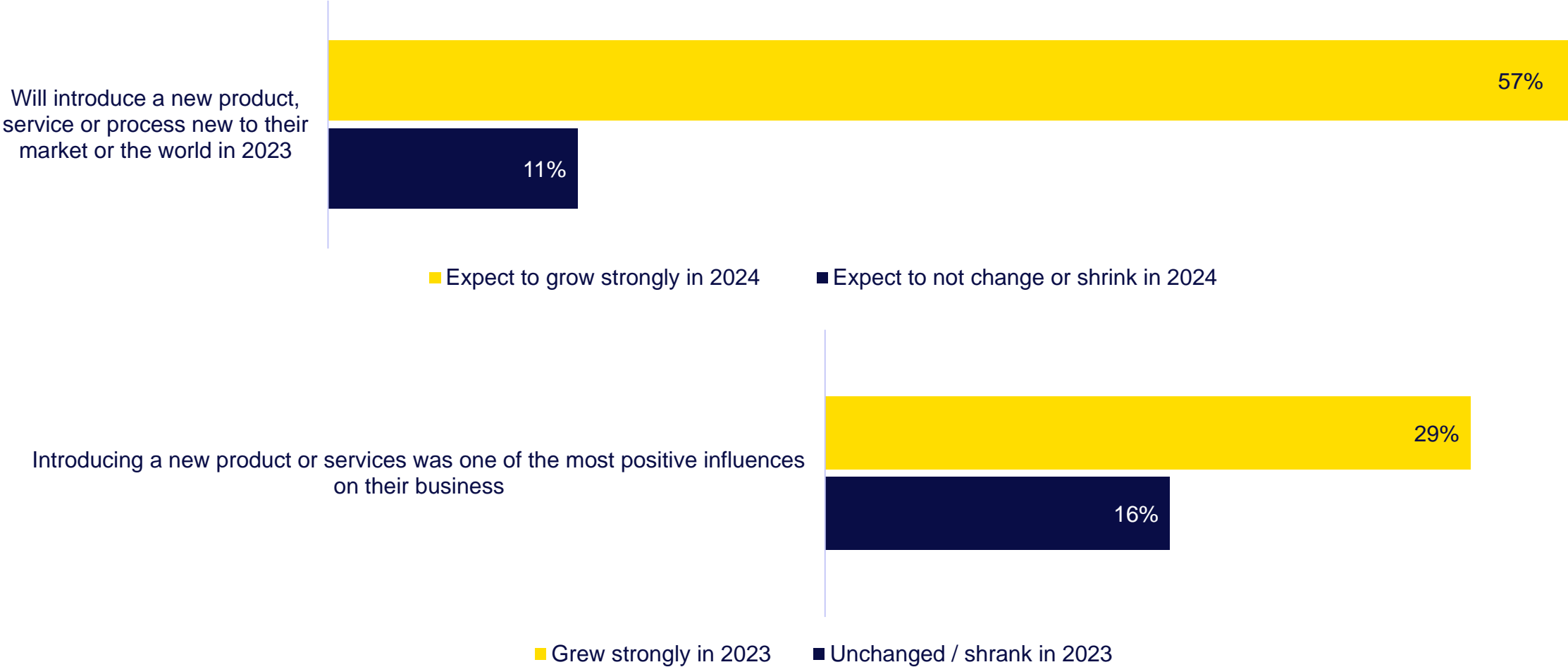


High growth businesses are significantly more likely to find that good staff, improving customer satisfaction, improving business strategy and technology are positive influences on their business

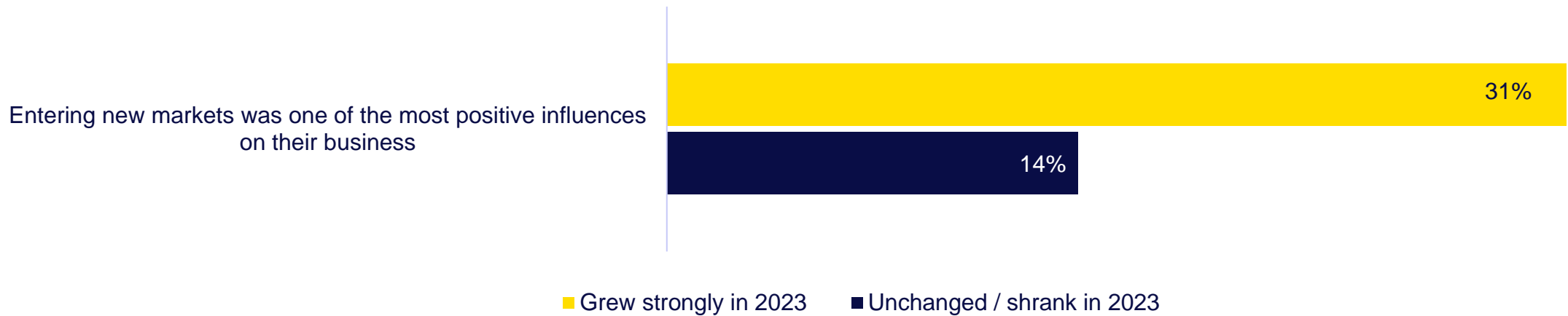
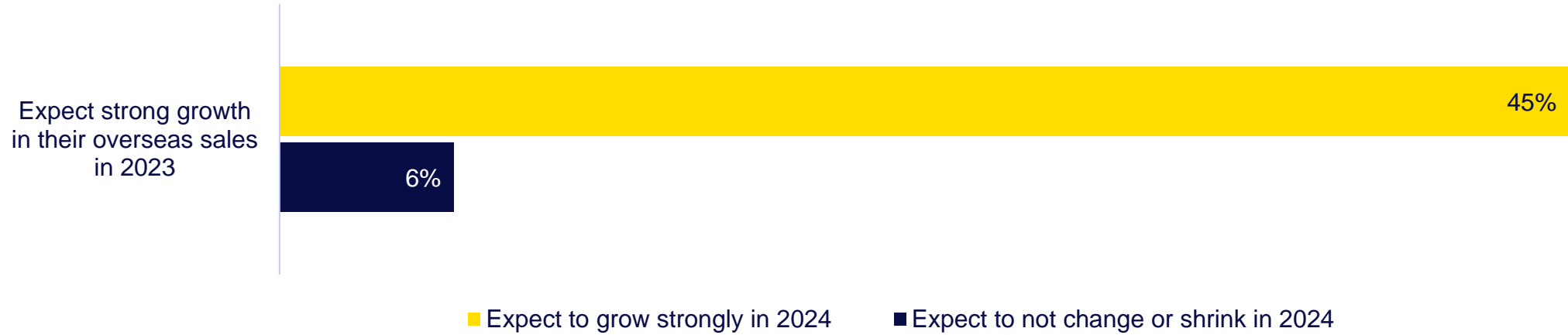
Focus areas of high growth businesses compared to those not growing



High growth businesses are significantly more likely to innovate

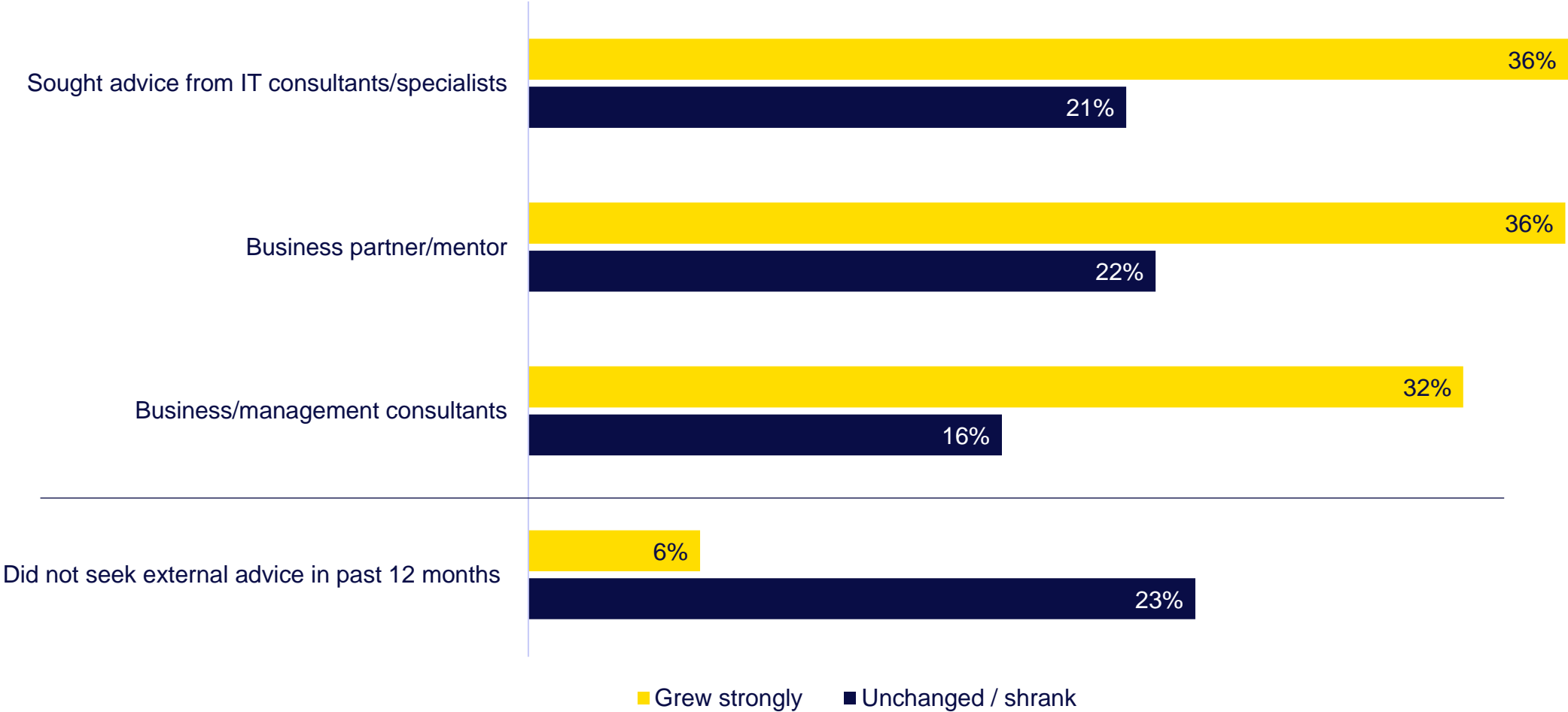


High growth businesses are significantly more likely to expect to export in 2024



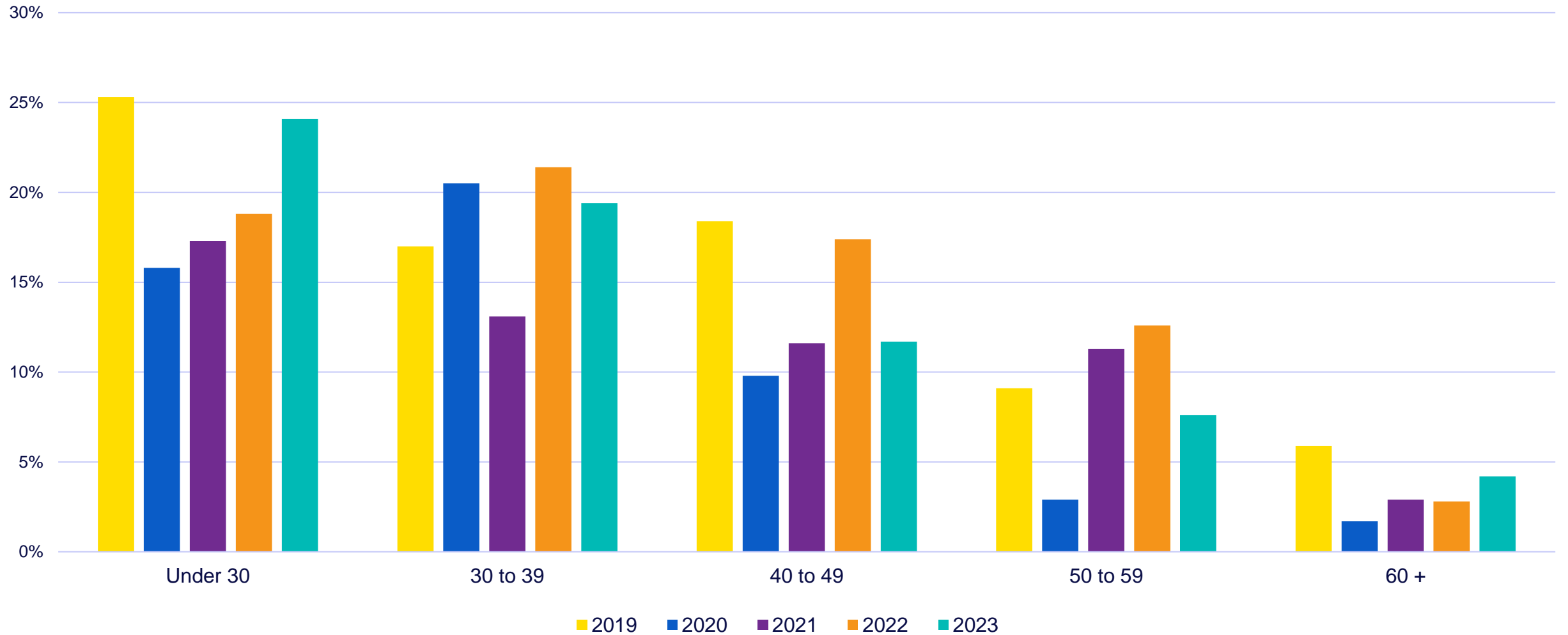
High growth businesses are more likely to seek professional advice

Major sources of advice for high growth businesses in 2023 compared to those and those not growing



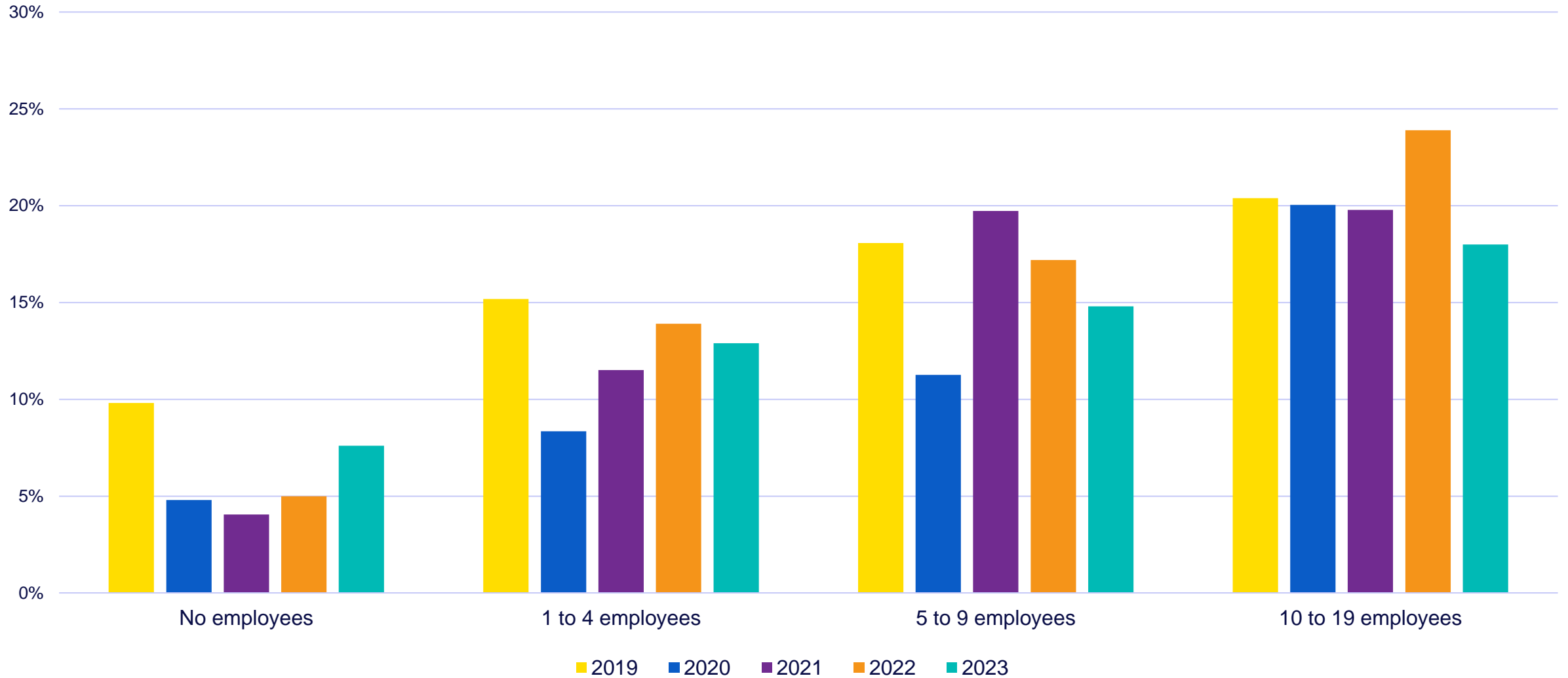
High growth businesses continue to be more likely to be owned or managed by younger respondents

Small businesses that grew strongly – by age of respondent and time



Small businesses with more employees are more likely to grow strongly

Small businesses that grew strongly – by business size and time



Top-five industries with the most high-growth small businesses in 2023

1. Information, media and telecommunications – 22%
2. Utilities – 20%
3. Rental, hiring and real estate services & healthcare and social assistance – 19%
4. Banking, finance or insurance & Mining– 18%
5. Public administration and safety – 18%

Top-five industries with the most small businesses that were unchanged or shrank in 2023

1. Rental, hiring and real estate services – 45%
2. Administrative and support services – 44%
3. Transport and warehousing – 43%
4. Manufacturing – 42%
5. Wholesale trade – 41%

Small business and technology

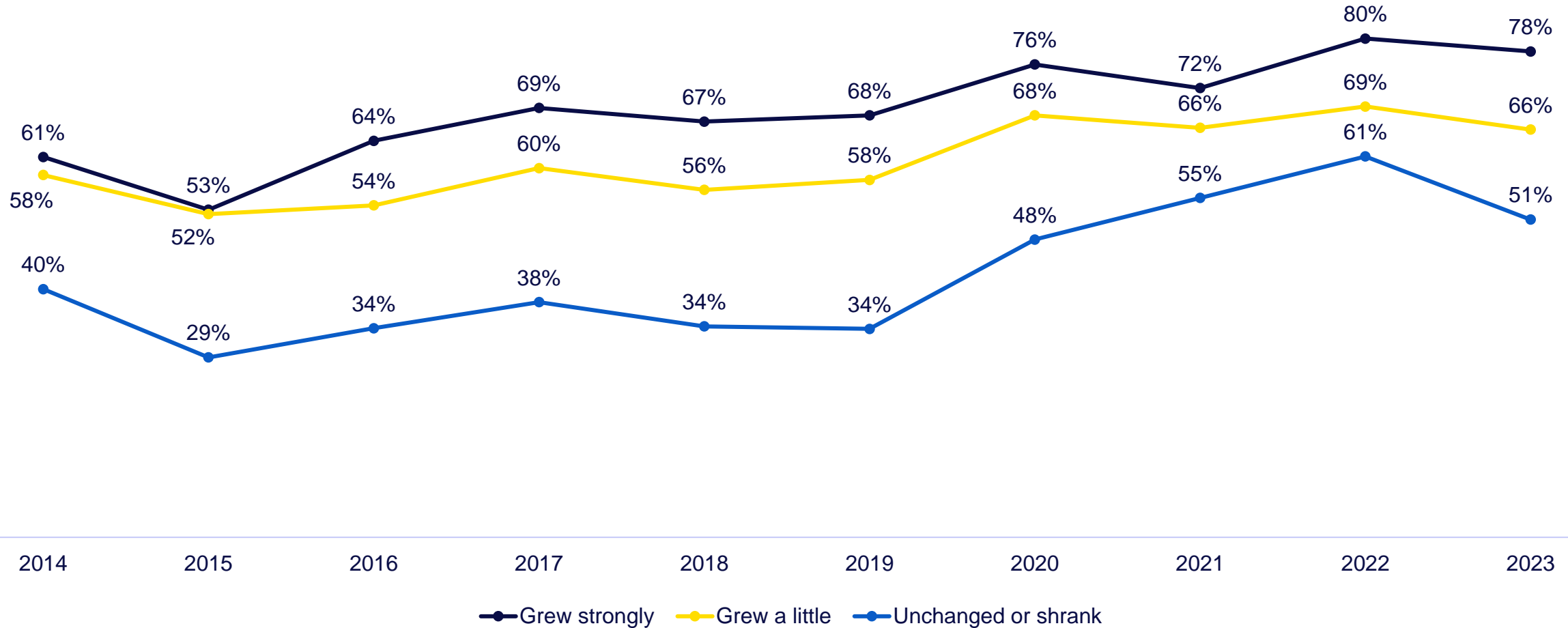
SELLING ONLINE

Impact of selling online

- High growth businesses remain much more likely than other businesses to generate at least 10 per cent of their sales through selling online.
- Hong Kong's small businesses have taken the lead in the region in selling online, with Vietnam and Mainland China close behind.
- Australian and New Zealand small businesses continue to be the least likely to generate online sales, with both countries experiencing a decrease in online sales in 2023 compared to 2022.
- Older respondents, older businesses and micro businesses continue to be significantly less likely to sell online. This may be due to a lack of knowledge on how to apply this technology or they remain focused on selling through more traditional means.
- Businesses that didn't grow in 2023 are much more reliant on online sales than they were pre-pandemic. However, the percentage of those businesses selling online has decreased compared to 2022.

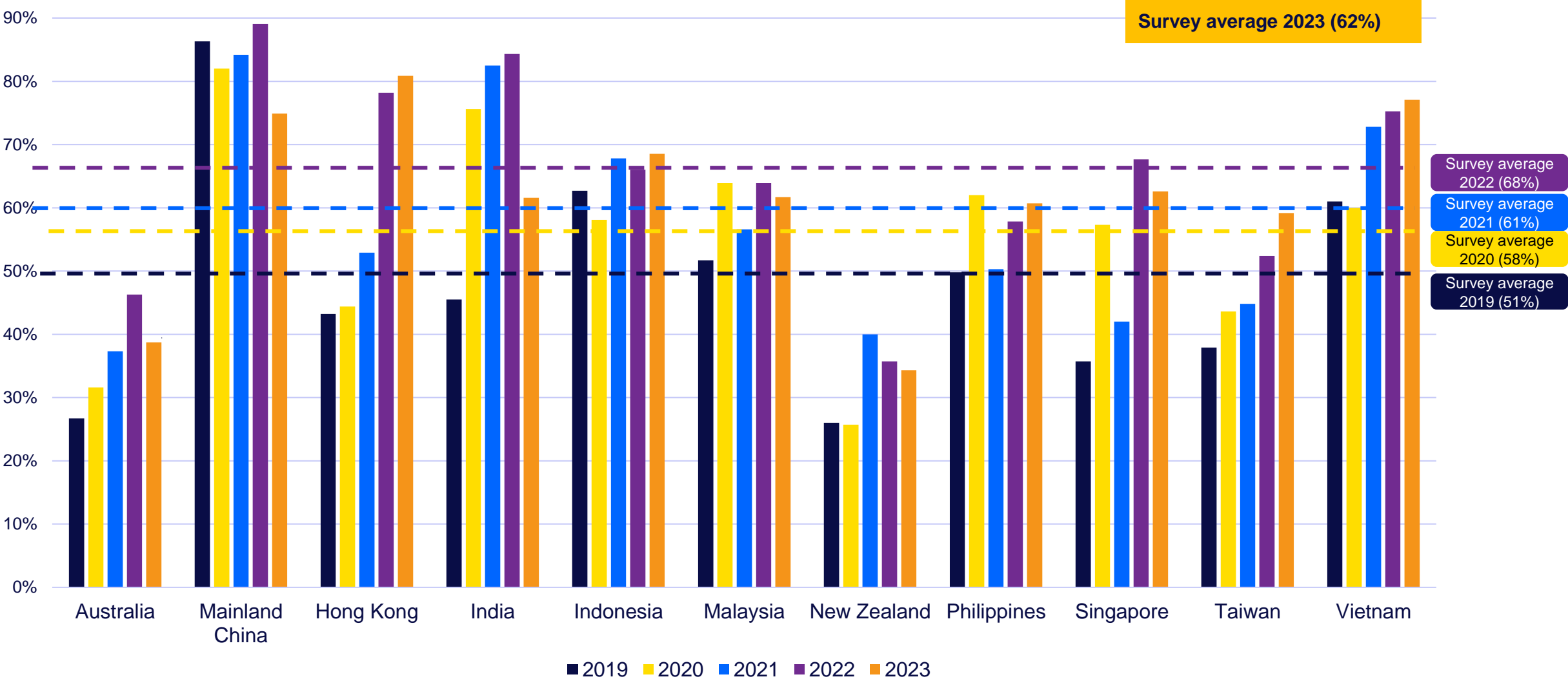
High growth businesses are significantly more likely to sell online than businesses that aren't growing

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



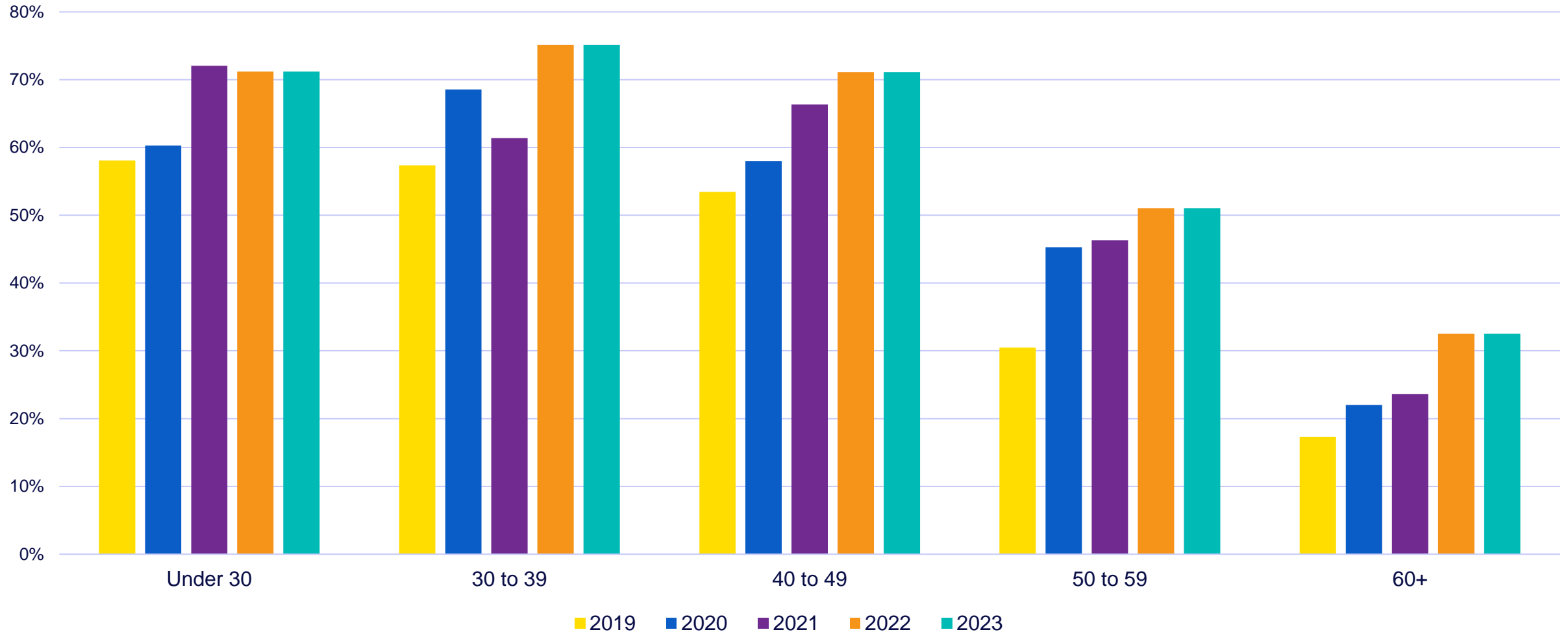
Small businesses were somewhat less likely to sell online in 2023 than 2022

Percentage of business earning more than 10 per cent of revenue online – by market and time



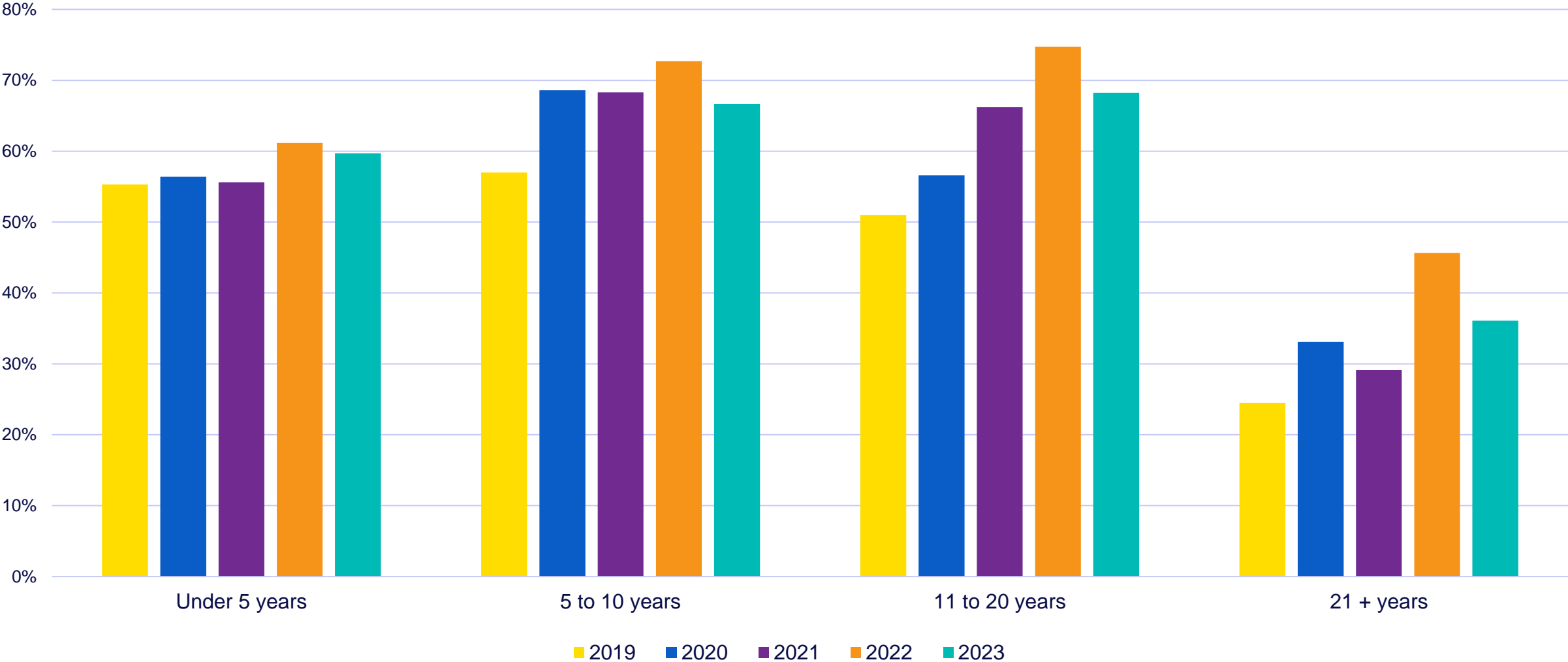
Younger respondents are more likely to own or manage small businesses that are selling online

Percentage of business earning more than 10 per cent of revenue online – by age of business owner and over time



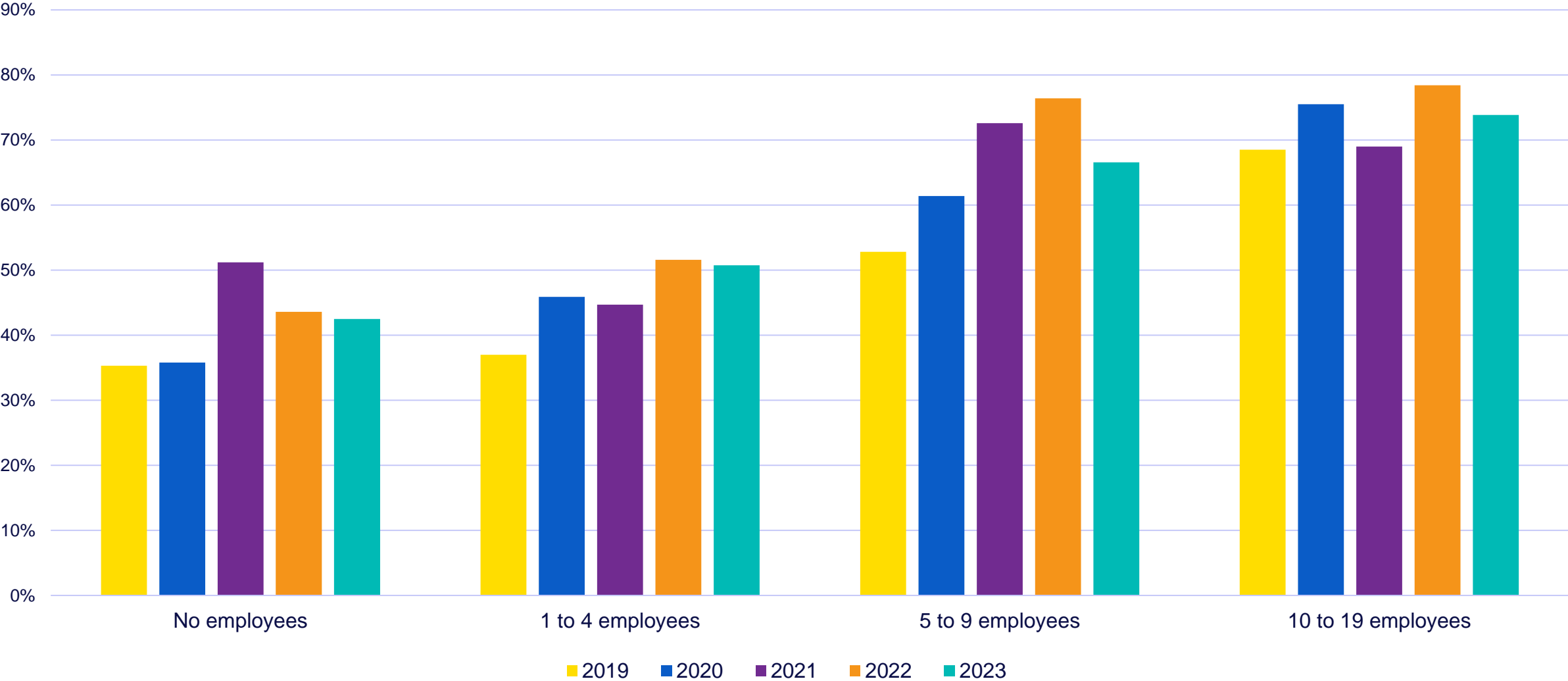
Businesses established for over 20 years are less likely to sell online

Percentage of business earning more than 10 per cent of revenue online – by age of business and over time



Small businesses with five or more staff are more likely to sell online

Percentage of business earning more than 10 per cent of revenue online – by business size and over time



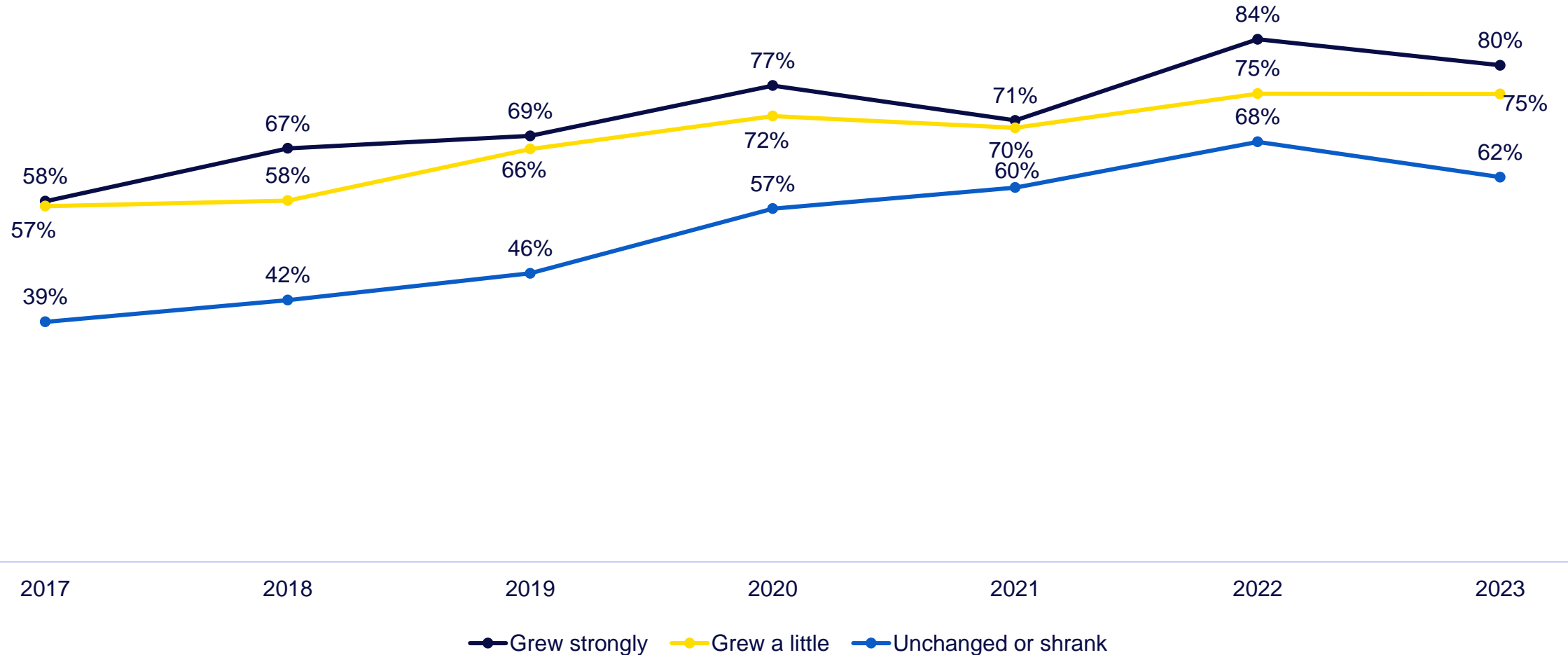
NEW PAYMENT TECHNOLOGIES

Offering new payment technologies

- High growth businesses remain more likely than other businesses to receive more than 10 per cent of their sales through new payment technologies such as PayPal, WeChat Pay, Apple Pay and buy now pay later. However, the slowdown in online sales in 2023 may have contributed to a decrease in sales made through such payment technology in that year.
- Mainland China's small businesses continue to lead the region in offering new payment technologies to their customers, with Hong Kong and Vietnam close behind.
- It's difficult to find a small business in Mainland China that's not selling online and allowing customers to pay through new technologies.
- New Zealand and Australian small businesses continue to be the least likely to offer new payment options to customers. Small businesses from those markets are however highly unlikely to rely on cash sales. Previous survey data suggests they rely heavily on well established payment services such as EFTPOS.
- As with selling online, older respondents, older businesses and micro businesses continue to be significantly less likely to offer new payment technologies to their clients. This may be due to a lack of knowledge of how to apply such technologies in their business and concerns over the cost of such technologies, for example, transaction fees.

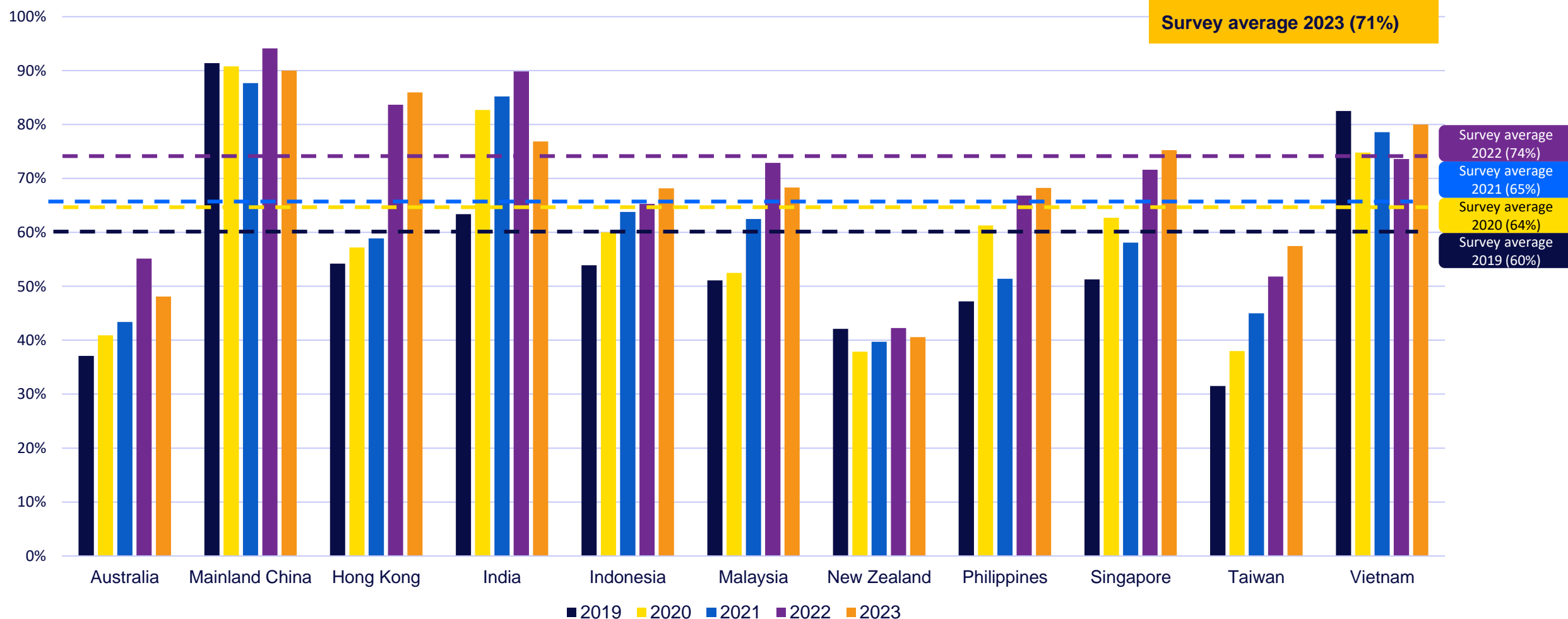
High growth small businesses are more likely to offer new payment technologies to customers

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



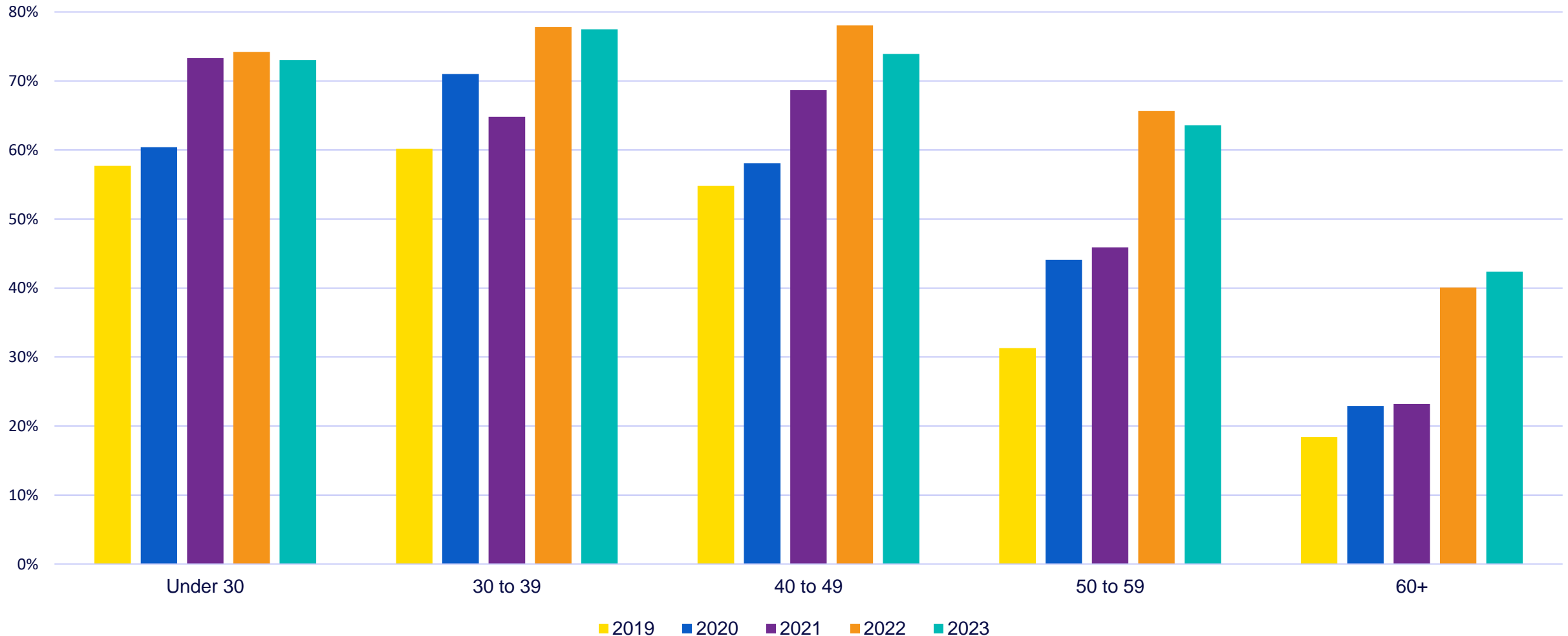
Businesses with a high reliance on e-commerce are more likely to offer new payment technologies to customers

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



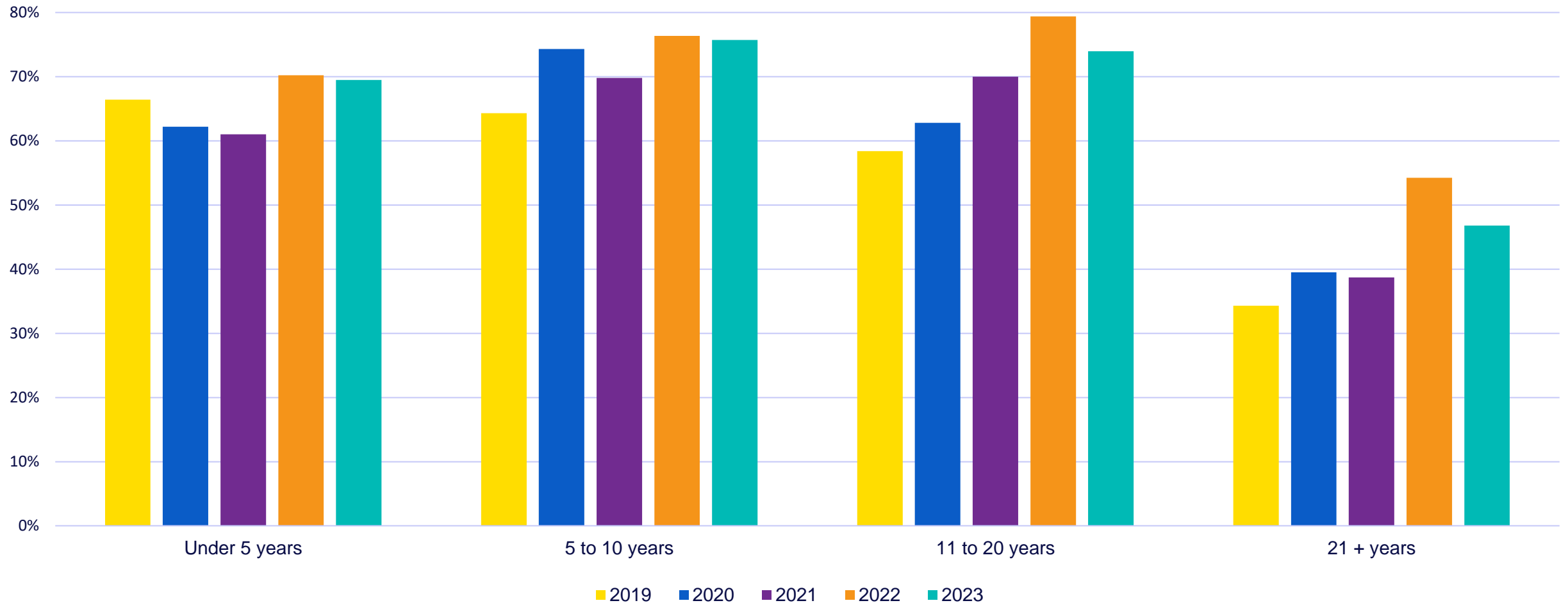
Small businesses owned or managed by respondents under 50 are more likely to receive payments through new payment technologies

Percentage of businesses receiving more than 10 per cent of their sales through digital payment options – by age and time



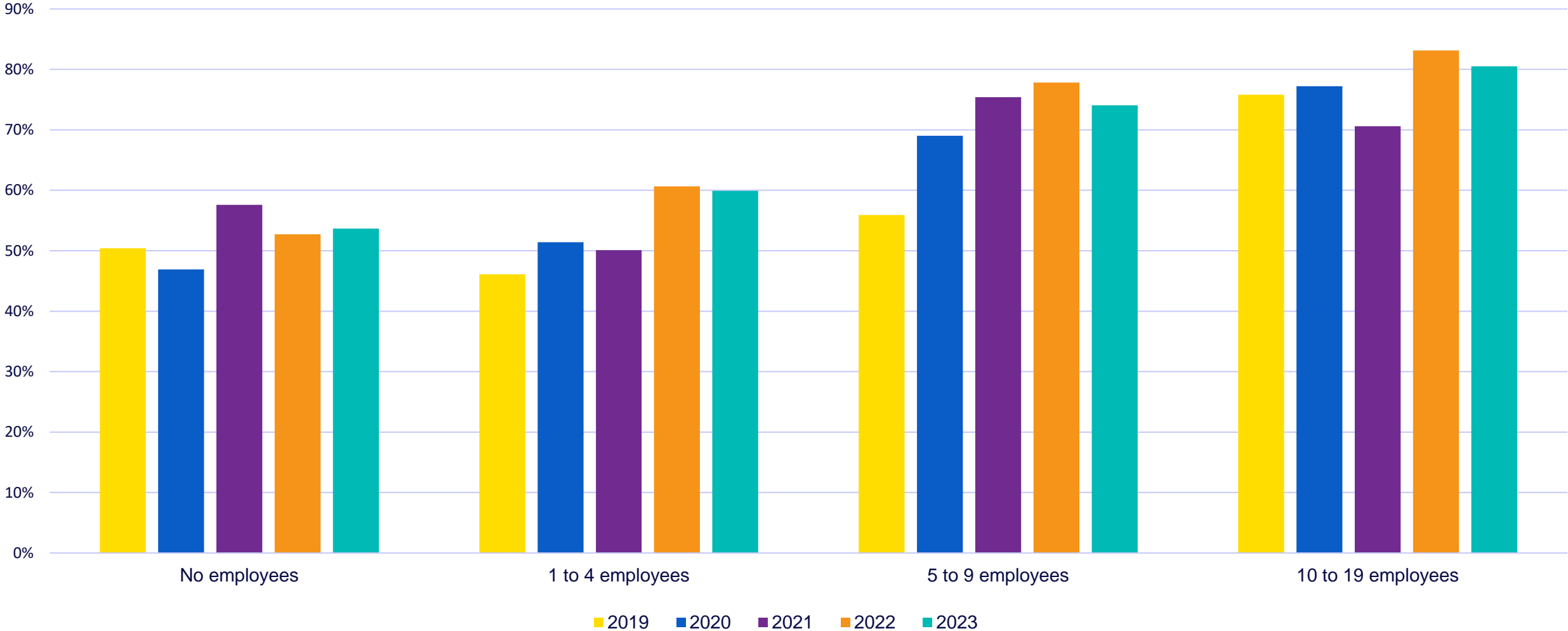
Businesses established for over 20 years remain significantly less likely to offer new payment technologies to customers despite recent improvements

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



Small businesses with 10 to 19 employees are significantly more likely to offer new payment technology options to customers than micro businesses

Percentage of businesses receiving more than 10 per cent of their sales through digital payment options – by business size and time



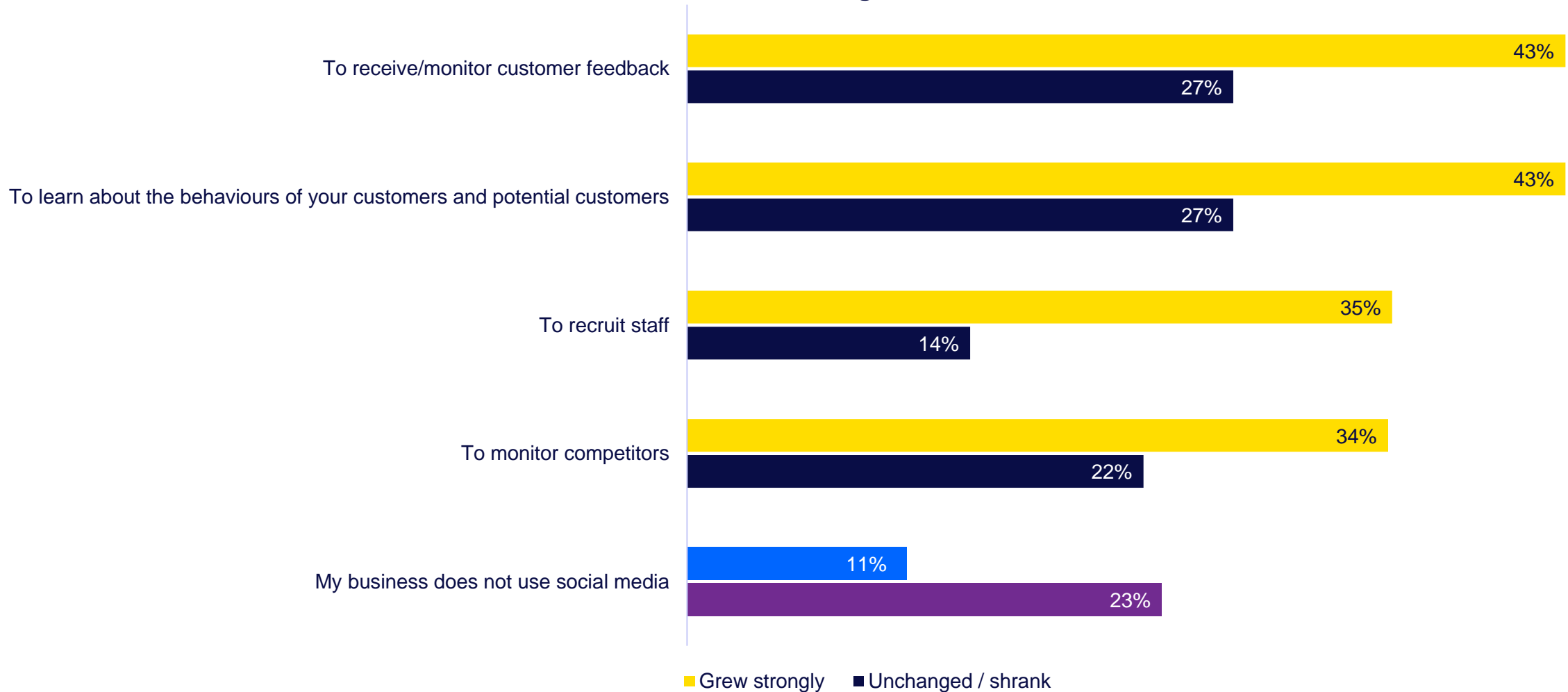
SOCIAL MEDIA USE

Using social media for business purposes

- Growing businesses continue to be more likely to use social media in their business and to use it in a variety of ways.
- It's common for most small businesses to use social media to market their business and communicate with customers and potential customers. High growth businesses however are more likely to use social media for other purposes including:
 - to receive or monitor customer feedback
 - learn about the behaviours of customers and potential customers
 - recruit staff
 - monitor competitors.
- Australian and New Zealand small businesses continue to be the most likely to *not* use social media for business purposes.
- As with selling online, older respondents, older businesses and micro businesses continue to be significantly more likely to *not* use social media for business purposes. This may be due to a lack of knowledge on how to use social media in their business.

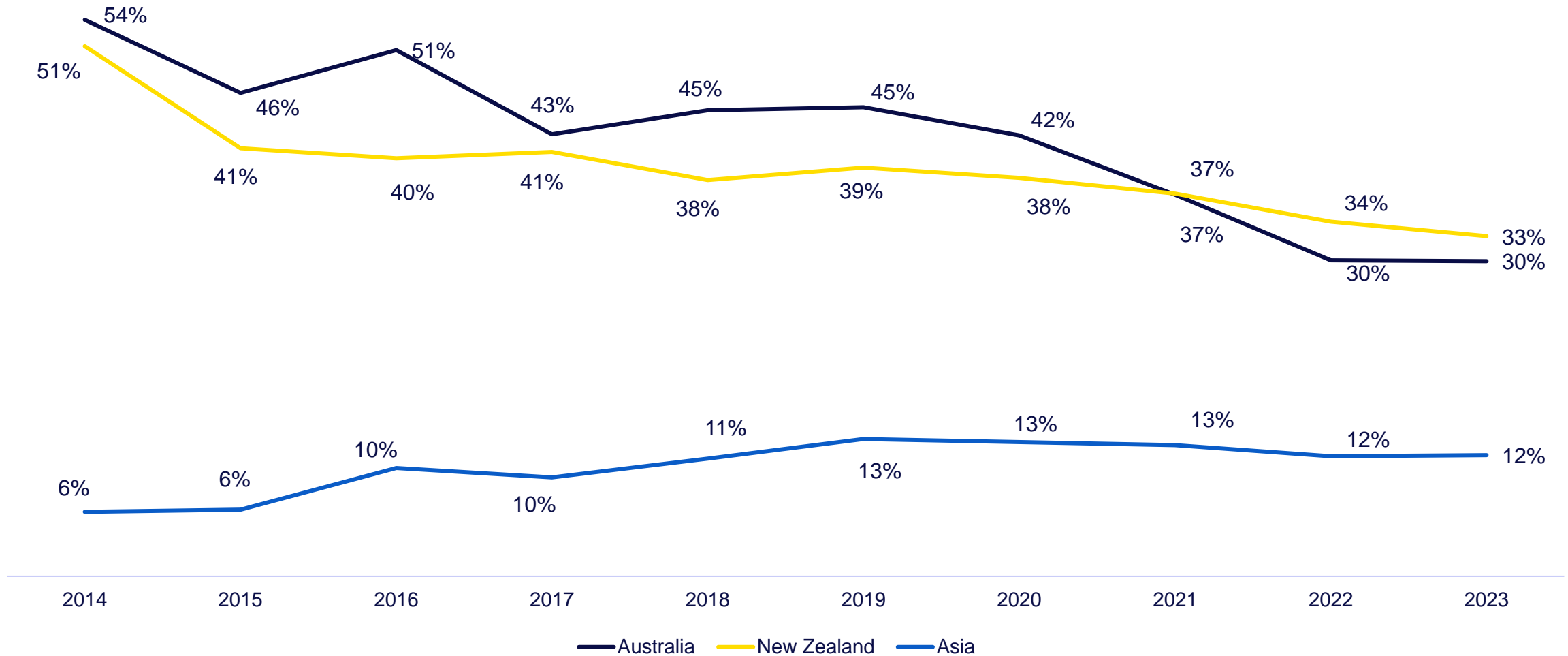
High growth businesses are more likely to use social media for a variety of reasons

What small businesses use social media for – comparison of high growth businesses in 2023 with those that were unchanged or shrank



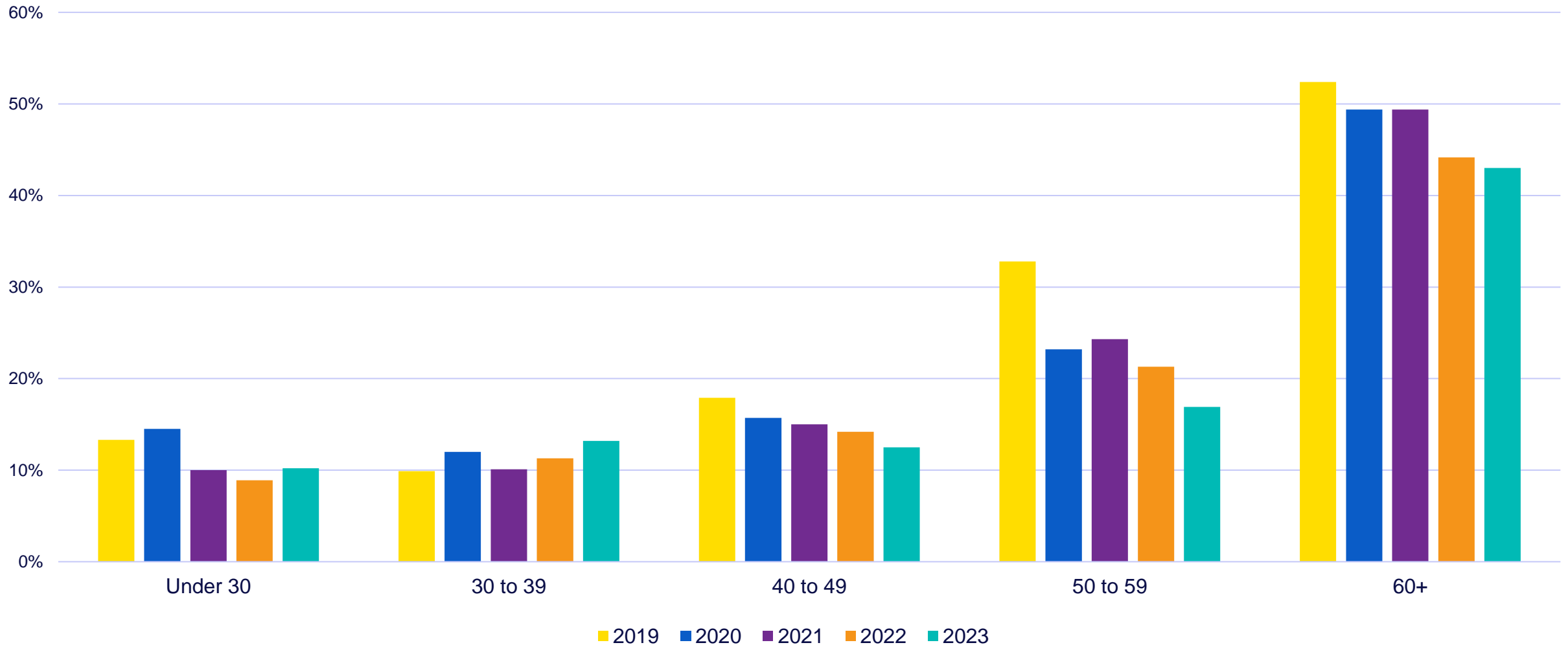
Australian and New Zealand small businesses remain the most likely to *not* use social media

NOT using social media for business purposes – Australia and New Zealand compared with Asia



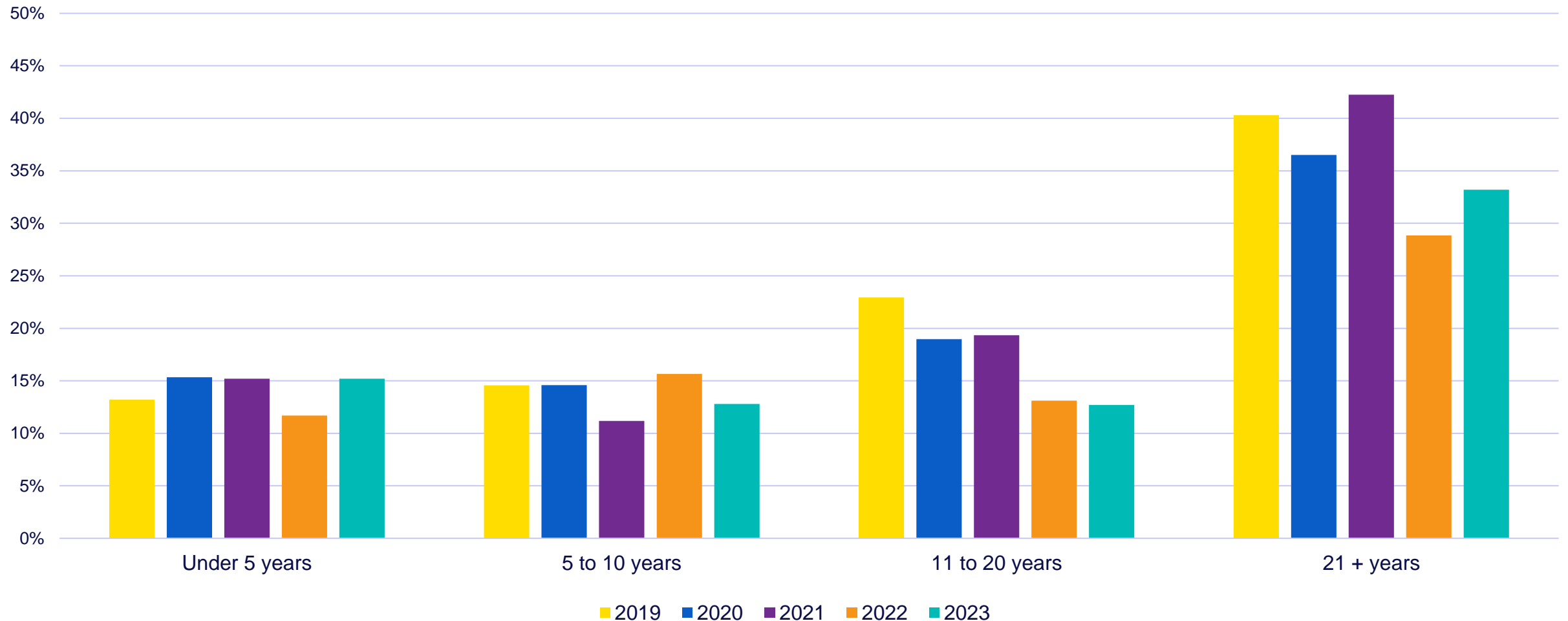
Respondents 60 and over remain significantly less likely to use social media

NOT using social media for business purposes – by age of respondent and over time



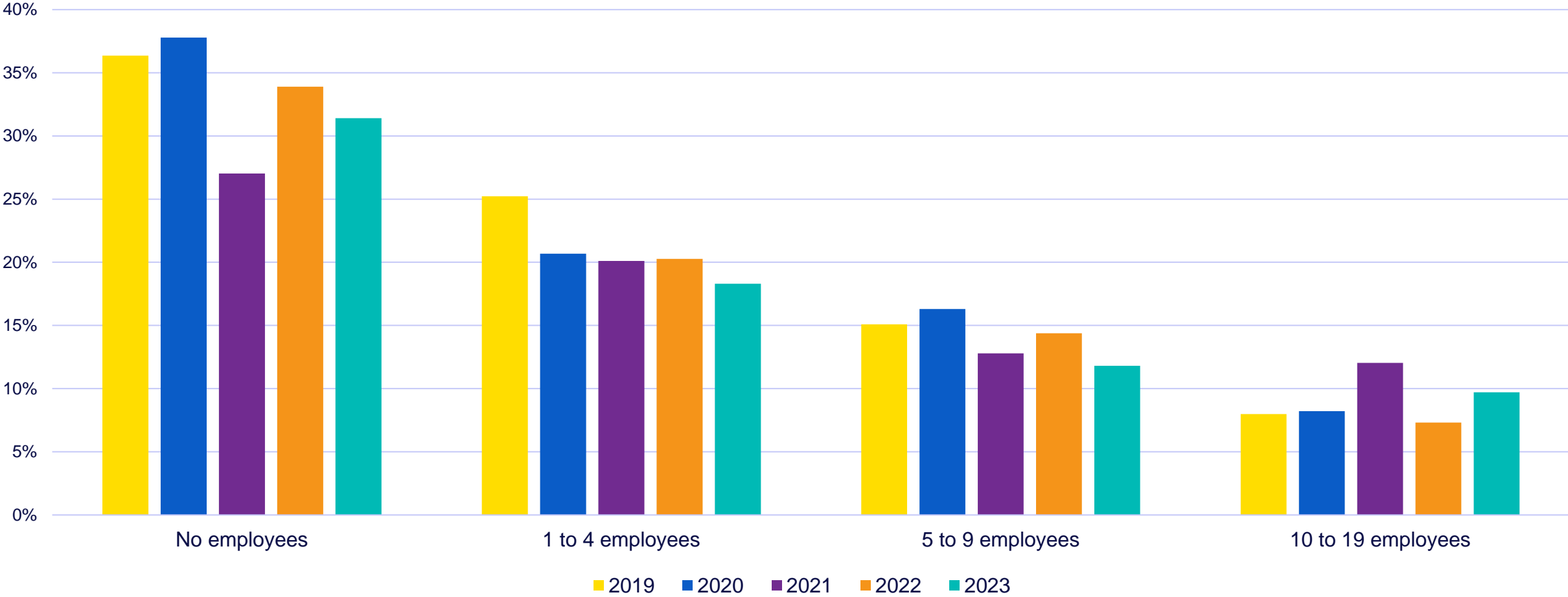
Businesses established for over 20 years are much less likely to use social media

NOT using social media for business purposes – by age of respondent and over time – by age of business and over time



Businesses with no employees are the least likely to use social media

NOT using social media for business purposes – by age of respondent and over time – by business size and over time



CYBERSECURITY

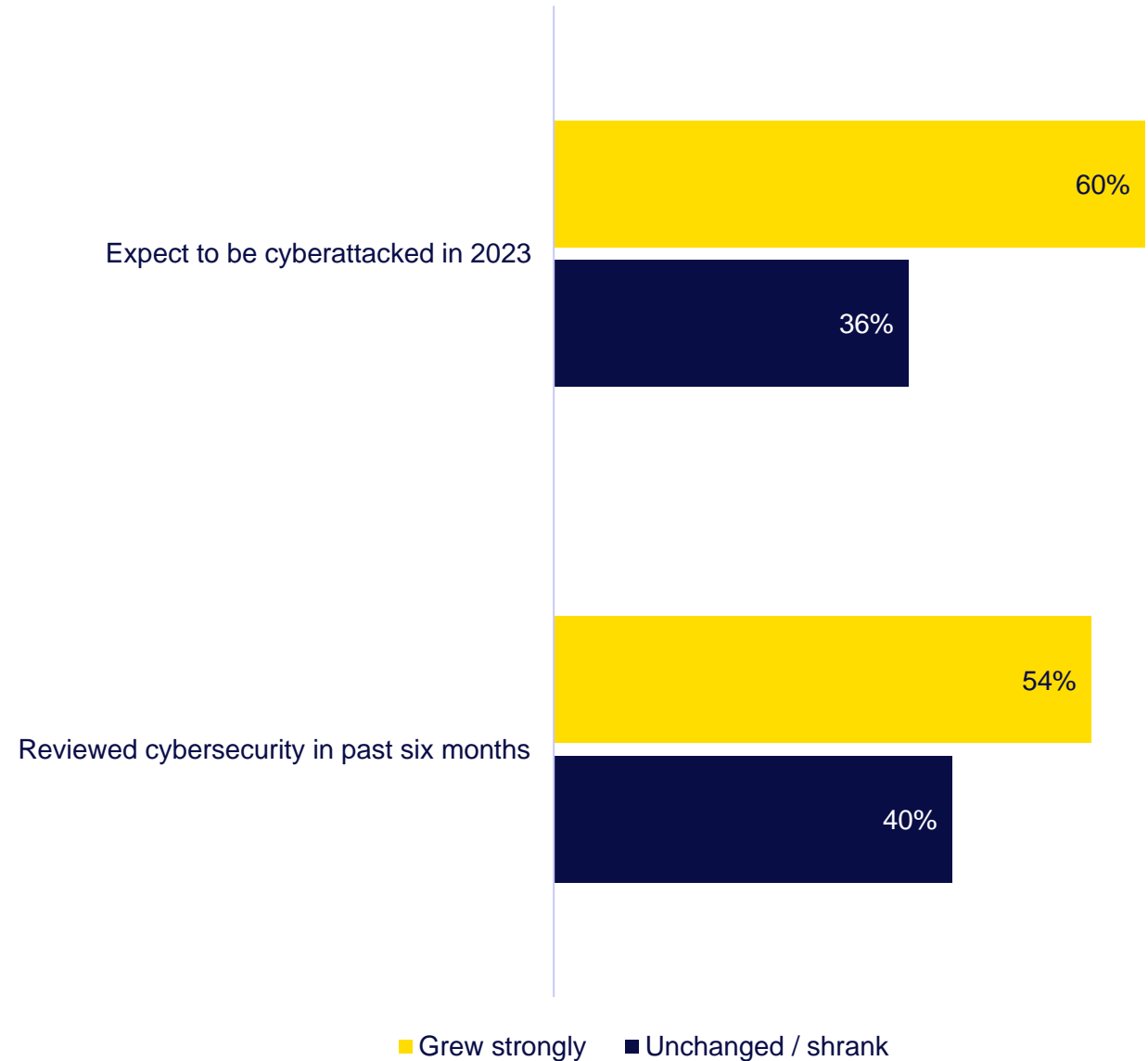
Cybersecurity

- With high-growth businesses more reliant on technology, it's not surprising they are significantly more likely to expect a cyberattack in 2024 than businesses that expect to remain unchanged or shrink in 2024.
- It's also not surprising that high-growth businesses are therefore significantly more likely to have reviewed their cybersecurity in the past six months
- Hong Kong and Vietnamese small businesses are the most likely to expect to be cyberattacked in 2024. They were also the most likely to experience lost time and/or money due to a cyber incident in 2023.
- Given the low digital uptake by many Australian and New Zealand businesses, it's not surprising that they are among the least likely to expect a cyberattack this year, and the least likely to have lost time and/or money due to a cyber incident in 2023.
- As Hong Kong and Vietnamese small businesses are the most likely to expect a cyberattack, it is encouraging to see an almost equal number of businesses from those markets stating they regularly review their cybersecurity practices. However, there is room to improve as almost every business should be reviewing their cybersecurity on a regular basis.
- Older respondents and micro businesses are the least likely to expect a cyberattack this year. They are also the least likely to have reviewed their cybersecurity in the past six months. Given their lower levels of digital uptake, this result is unsurprising. However, when compared to previous years older respondents and businesses have improved with more stating they reviewed their cybersecurity in the past six months.

Cybersecurity concerns and whether there is a connection to high-growth businesses

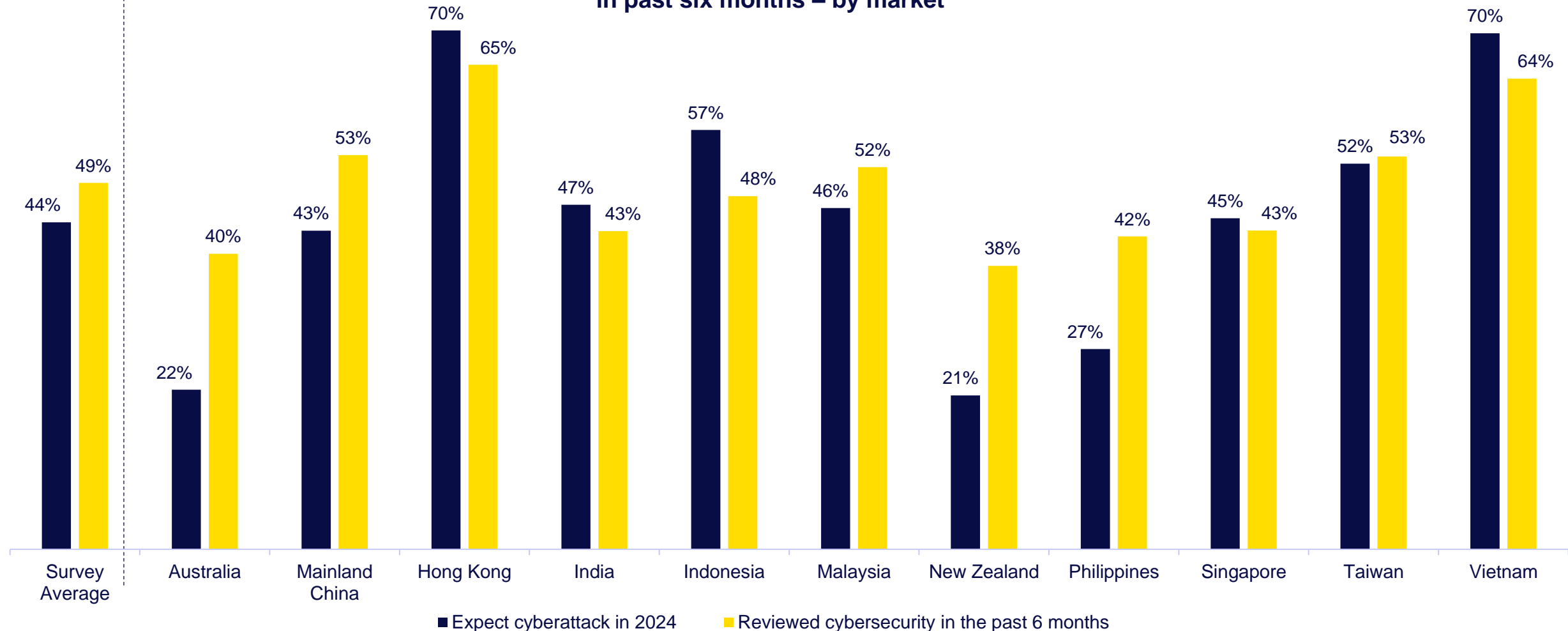
Reflecting that high-growth businesses are more reliant on technologies, the results show that they are more likely to expect to be cyberattacked and take action to protect themselves from such attacks

Slightly more businesses that were unchanged or shrank took steps to review their cybersecurity practices in 2023.



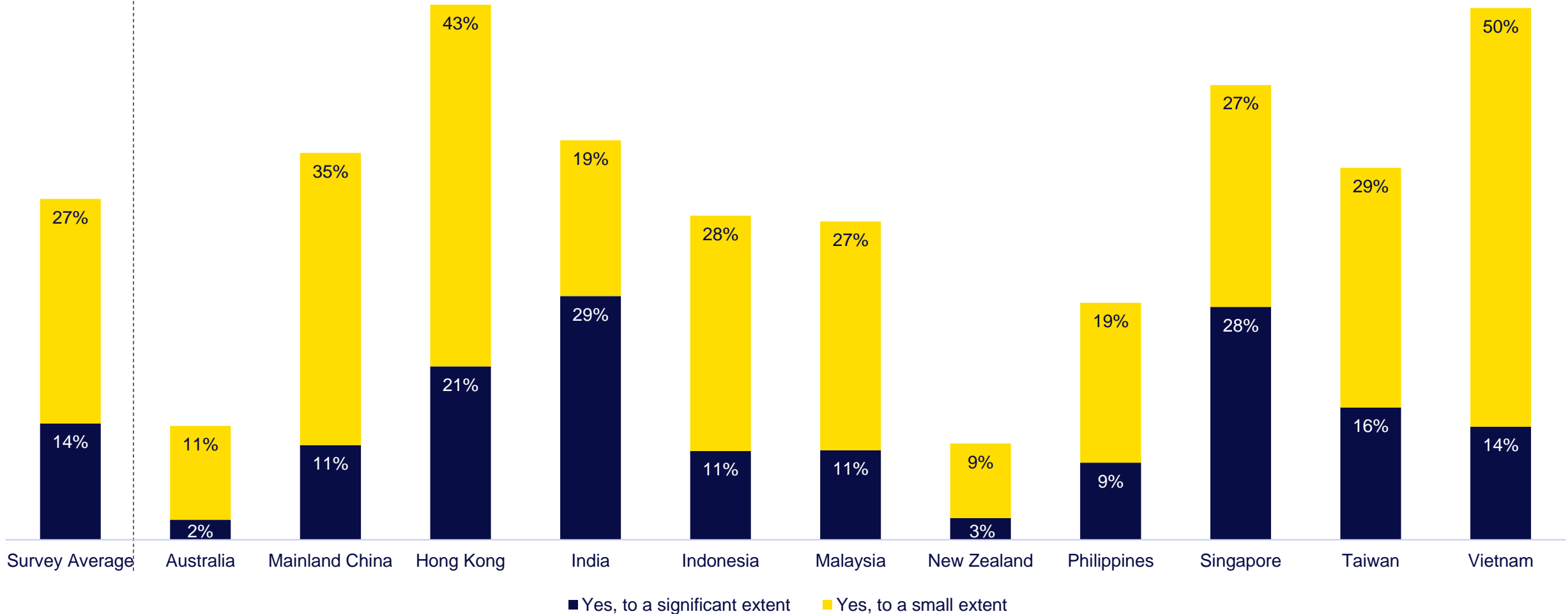
Prudent small businesses should be reviewing their cybersecurity on a regular basis, regardless of whether they expect to be cyberattacked

Comparison of those who believe a cyberattack is likely in 2024 against those that reviewed their cybersecurity in past six months – by market



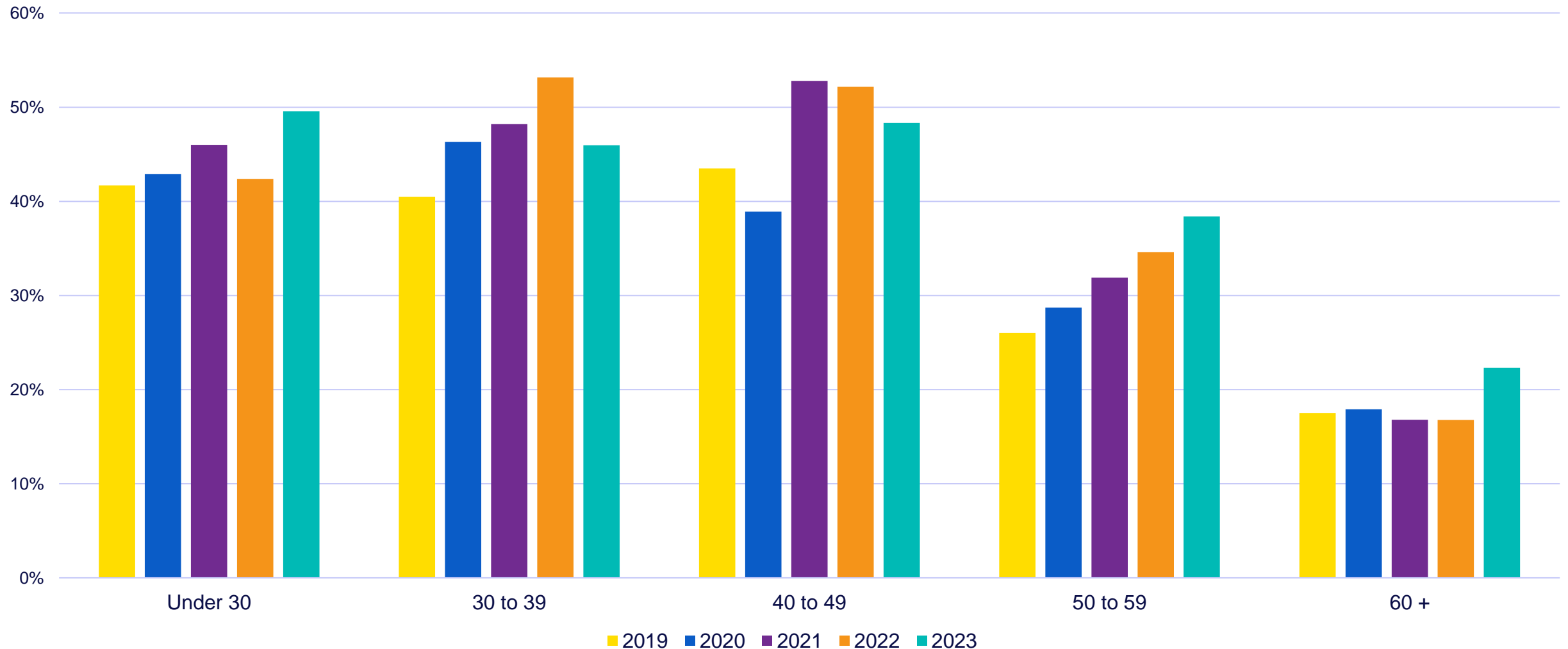
Respondents from India and Singapore were the most likely to report they suffered lost time and/or money from a cyber incident in 2023

Businesses that lost time and/or money due to a cybersecurity incident in the past 12 months



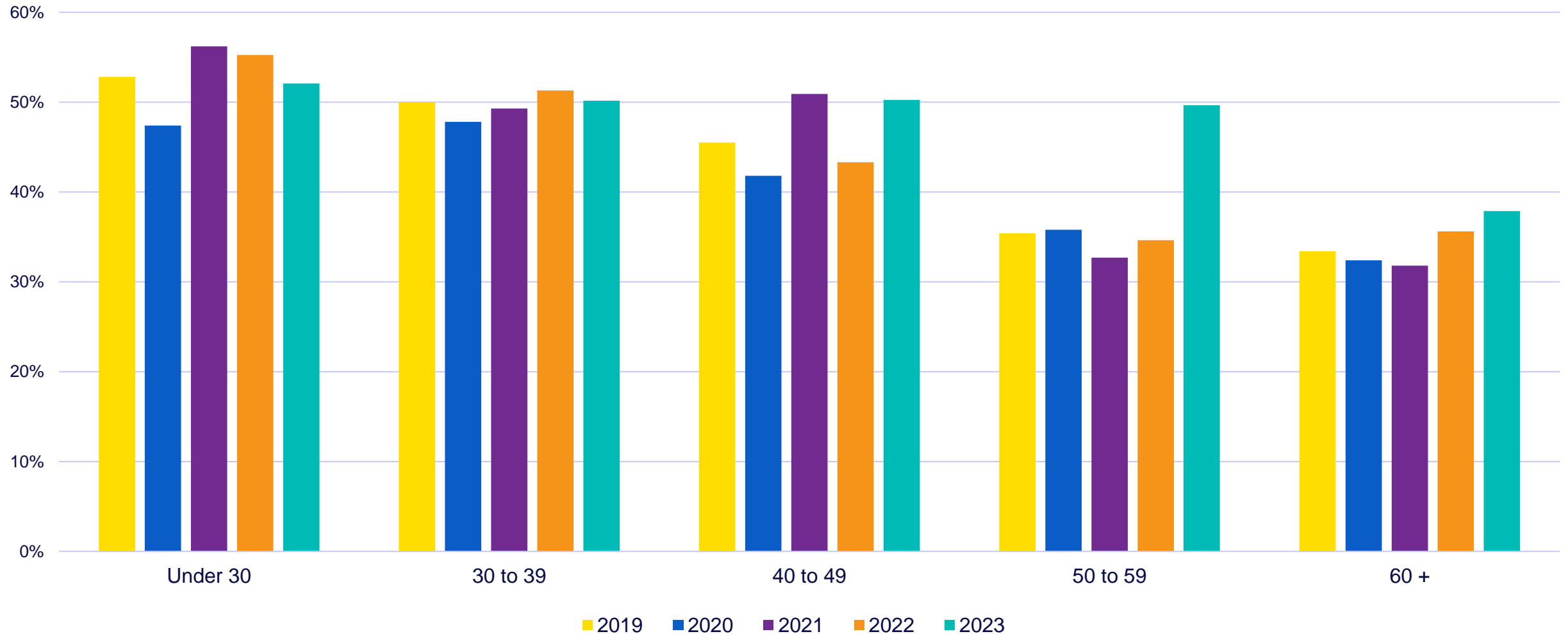
Older respondents are much less likely to expect to be cyberattacked

Expect a cyber attack in the next 12 months – by age of respondent and over time

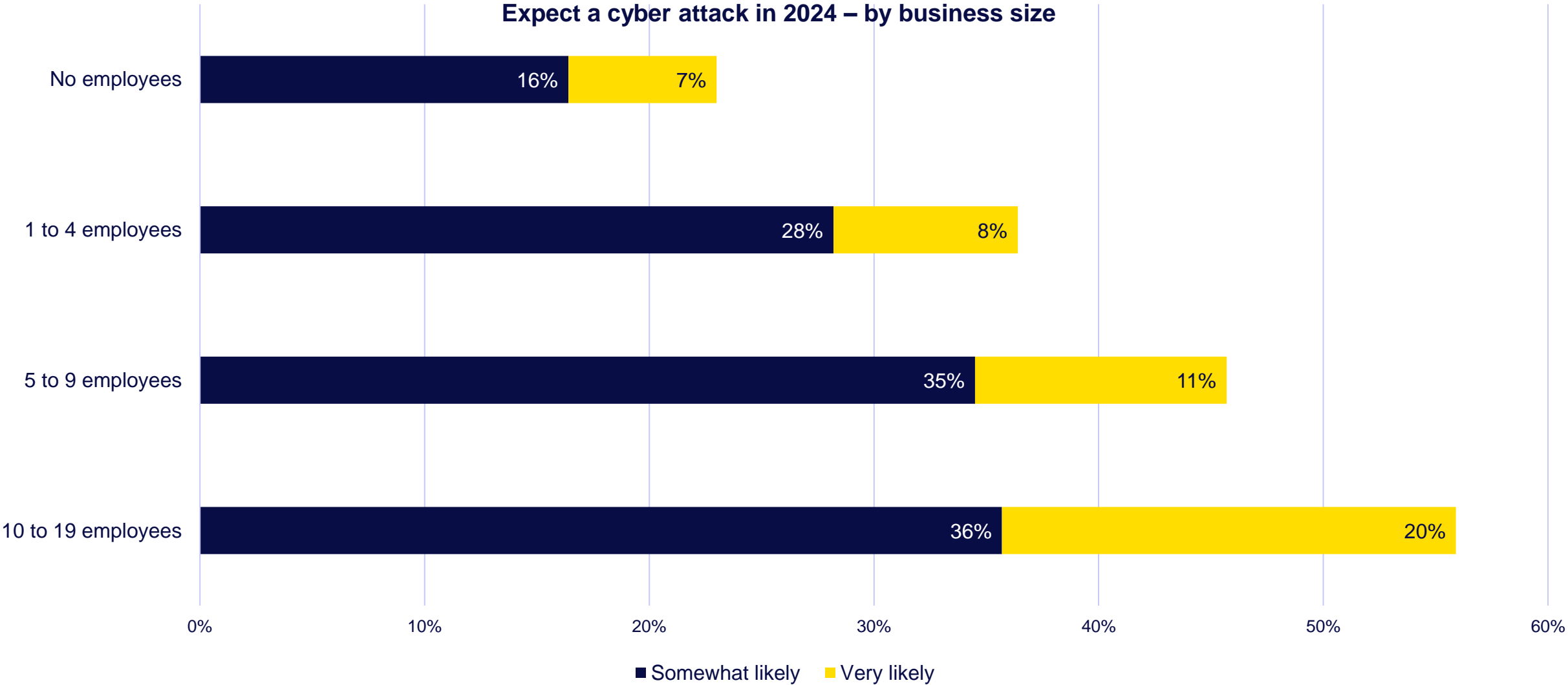


Despite most older respondents not expecting to be cyberattacked, many still review their cybersecurity on a regular basis

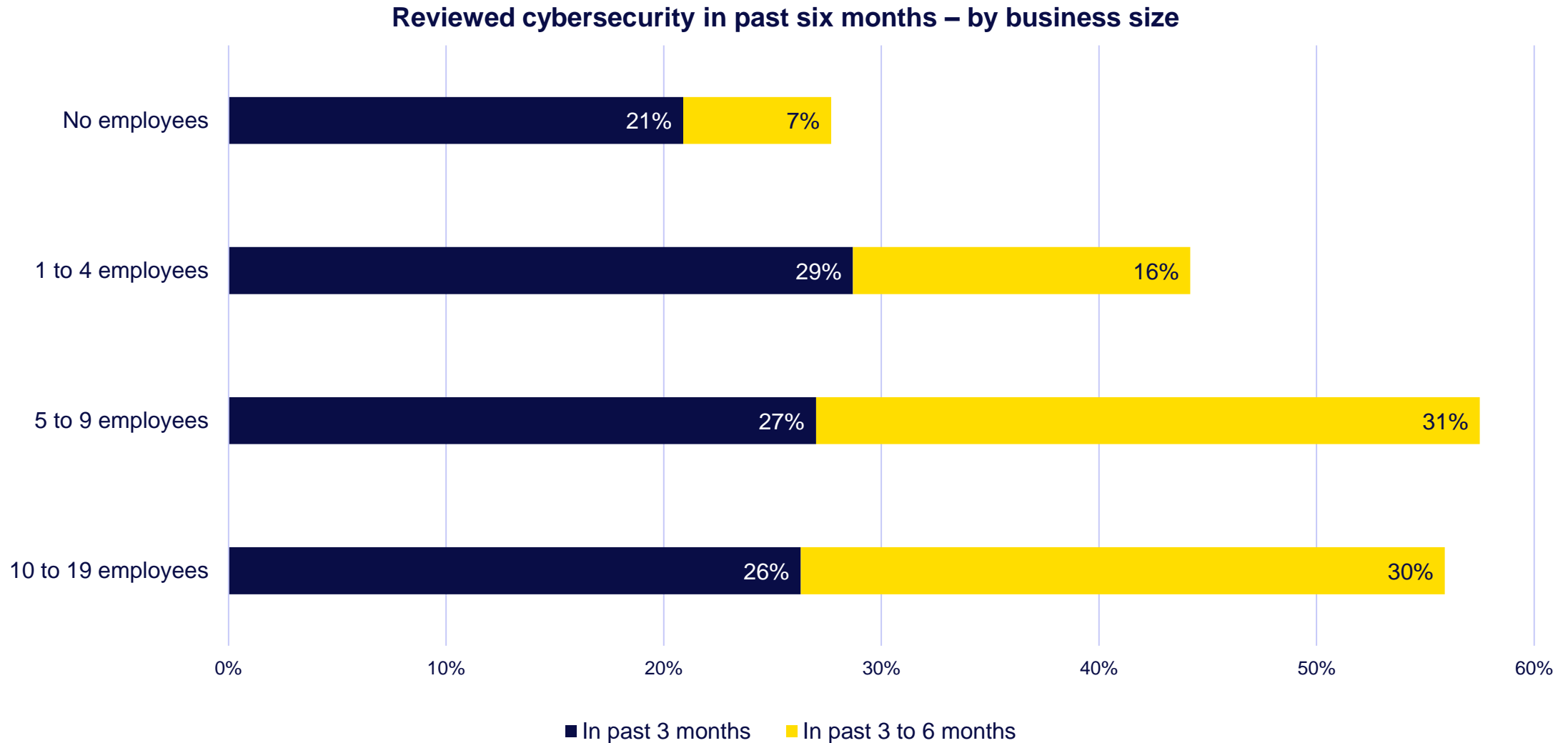
Reviewed cybersecurity in past six months – by age of respondent and over time



Businesses with more employees are more likely to expect to be cyberattacked



Despite most micro businesses not expecting to be cyberattacked, many still review their cybersecurity on a regular basis



Cybersecurity by industry

Top-five industries that expect to be cyberattacked in 2024

1. Public administration and safety – 65%
2. Utilities – 65%
3. Banking, finance or insurance – 56%
4. Administrative and support services – 55%
5. Healthcare and social assistance – 52%

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

1. Banking, finance or insurance – 68%
2. Administrative and support services – 61%
3. Manufacturing – 58%
4. Transport and warehousing – 58%
5. Healthcare and social assistance – 55%

Top-five industries that lost time and/or money due to a cybersecurity incident in the past 12 months

- Industries that lost time and/or money tend to be those that have large databases of personal/financial information.
- Businesses in these industries must take greater steps to ensure adequate safeguards are in place to protect their operations.



Utilities – 70%



Public administration and safety – 63%



Banking, finance or insurance – 57%



Health care and social assistance – 50%



Manufacturing – 49%

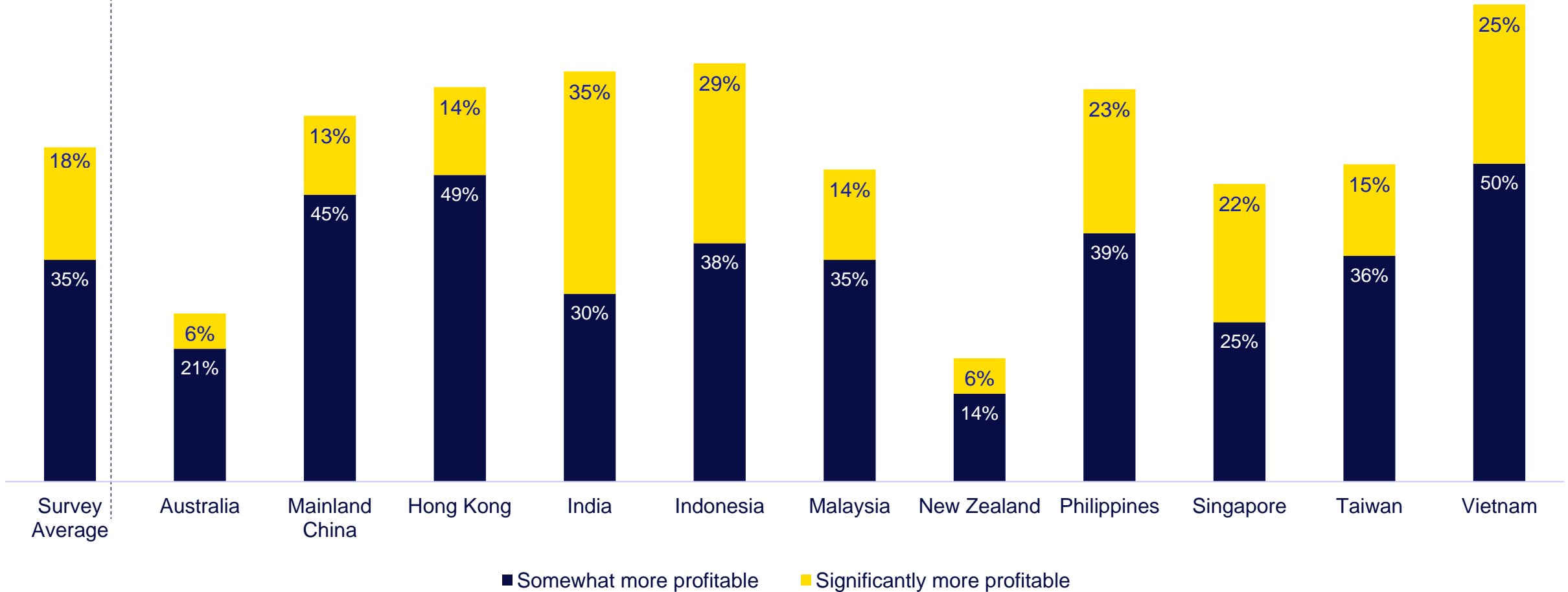
IMPACT OF TECHNOLOGY ON PROFITABILITY

Impact of technology on profitability in 2023

- Markets most likely to have high-growth small businesses were again the most likely to have small businesses that reported their investment in technology improved their profitability in 2023.
- Vietnamese small businesses were the most likely to report that their investment in technology last year resulted in improved profitability. India's small businesses were the most likely to report that such investments significantly improved their profitability.
- Australian and New Zealand small businesses were the least likely to say their investment in technology increased their profitability. Given that small businesses in those markets have fewer employees and their owners are typically older, this result is not surprising.
- As with selling online and using social media, older respondents, older businesses and micro businesses continue to be significantly less likely to be investing in technology that improves profitability. This possibly reflects a lack of knowledge of what technology options exists for their business and how best to apply it in their business.
- Technology vendors should work harder at explaining their products or services to older small business owners.
- Governments have a role to play in providing more independent information on technology options available to small businesses. Further, governments can help provide training for older businesses to improve their technology skills and/or improve access to technology advice.

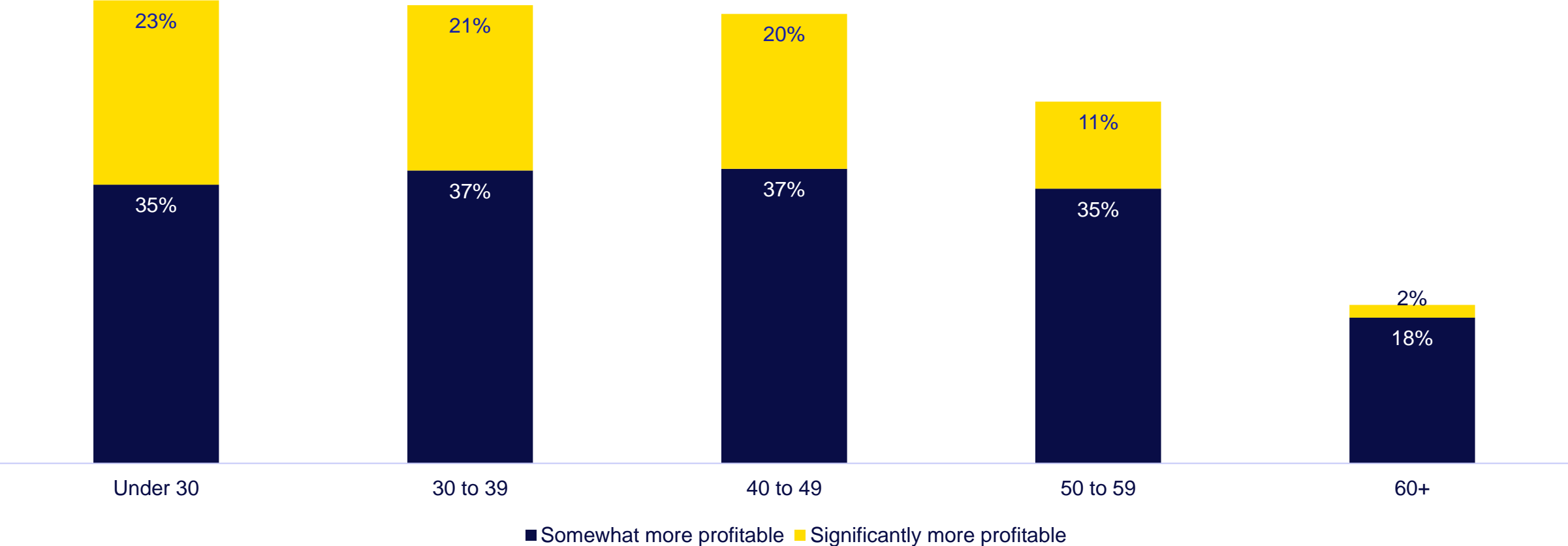
Vietnam's small businesses lead the way in investing in technology that quickly improved their profitability, with New Zealand a long way behind

Investment in technology in 2023 made the business more profitable – by market



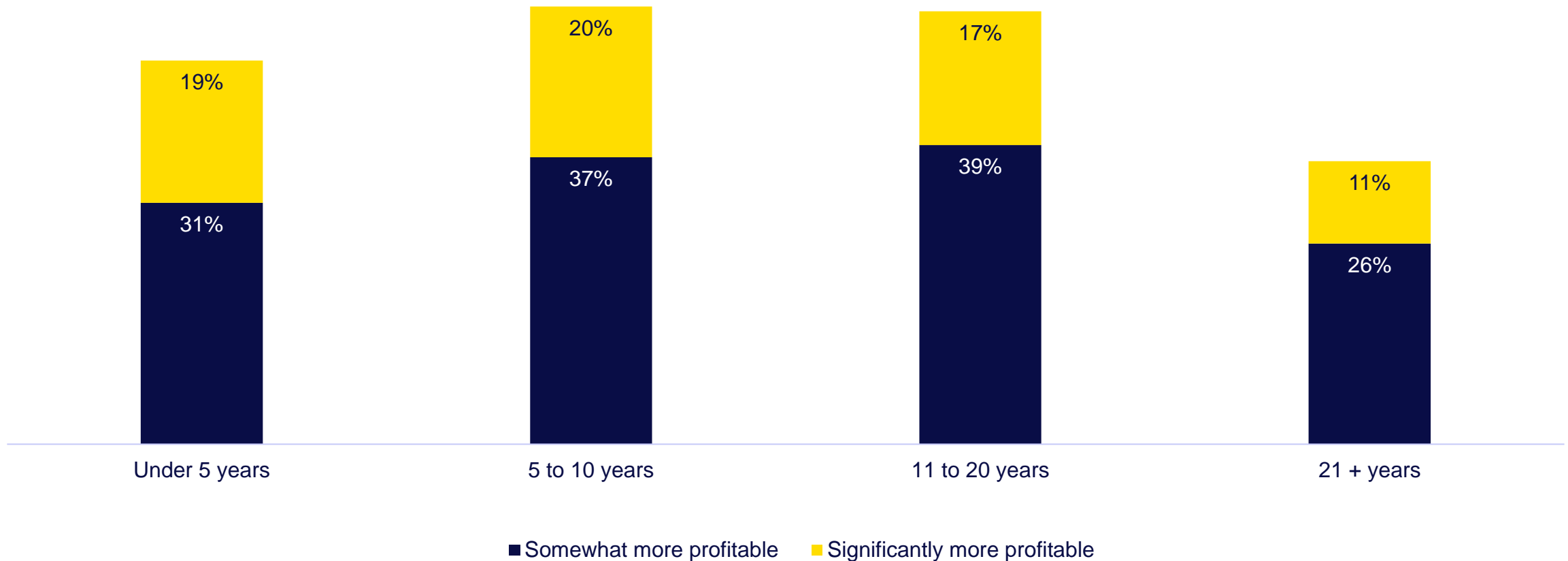
Small businesses owned or managed by people under 50 are significantly more likely to be purchasing technology that rapidly improves their profitability

Investment in technology in 2023 made the business more profitable – by age of respondent



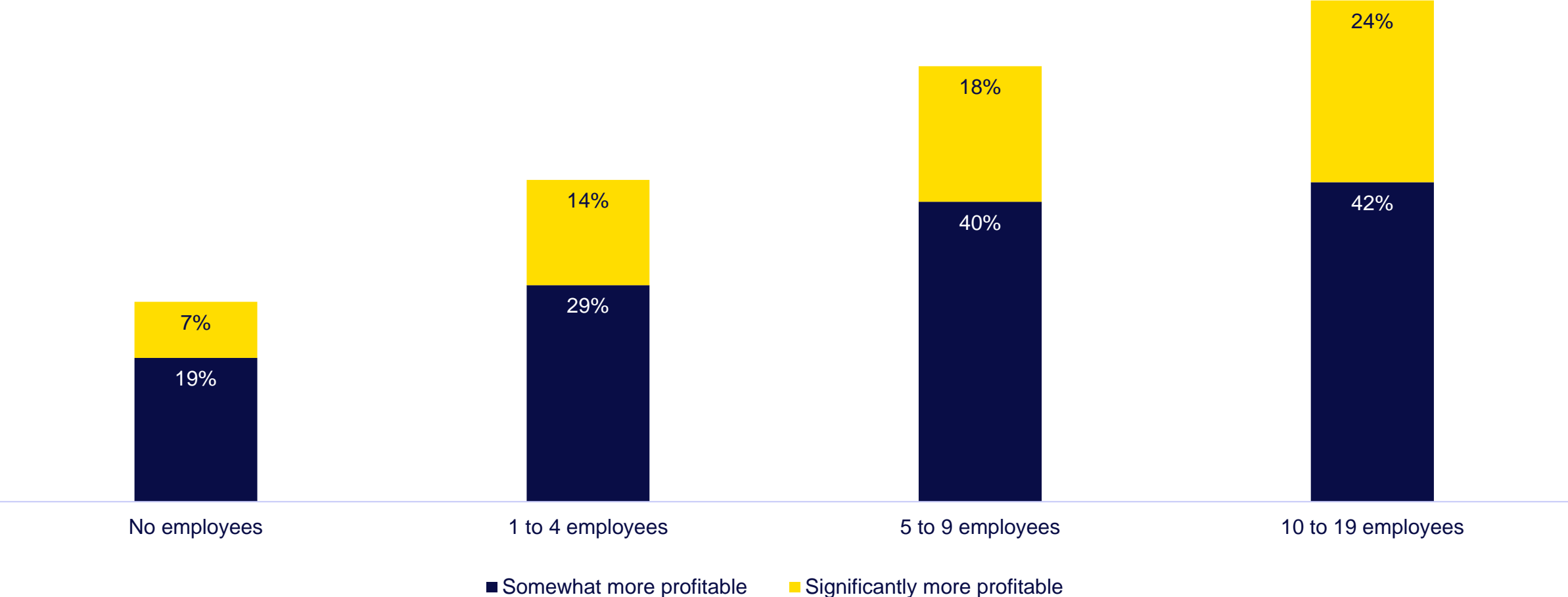
Younger businesses are far more likely to be purchasing technology that rapidly improves its profitability

Investment in technology in 2023 made the business more profitable – by age of business



Small businesses with employees are more likely to be investing in technology that rapidly improves their profitability

Investment in technology in 2023 made the business more profitable – by size of business



Top technologies small business invested in in 2023 – by market

	Most invested in	Second most invested in	Third most invested in
High-growth businesses	Computer equipment (31%)	Website & Mobile applications (25%)	Accounting software (21%)
Australia	Computer equipment (39%)	Website (33%)	Accounting software (26%)
Mainland China	Computer equipment (33%)	Artificial intelligence (30%)	Enterprise resource planning software (29%)
Hong Kong	Computer equipment (28%)	Artificial intelligence (26%)	Enterprise resource planning software (26%)
India	Computer equipment (31%)	Website (27%)	Mobile applications (24%)
Indonesia	Computer equipment (43%)	Mobile apps (42%)	Website (29%)
Malaysia	Mobile apps (35%)	Computer equipment (30%)	Website (30%)
New Zealand	Computer equipment (33%)	Website (31%)	Accounting software (22%)
Philippines	Computer equipment (34%)	Mobile apps (31%)	Website (24%)
Singapore	Computer equipment (25%)	Customer Relationship Management software (23%)	Mobile apps (22%)
Taiwan	Computer equipment (34%)	Artificial intelligence (22%)	Website (22%)
Vietnam	Website (38%)	Customer Relationship Management software (32%)	Accounting software (30%)

Small business conditions in 2023

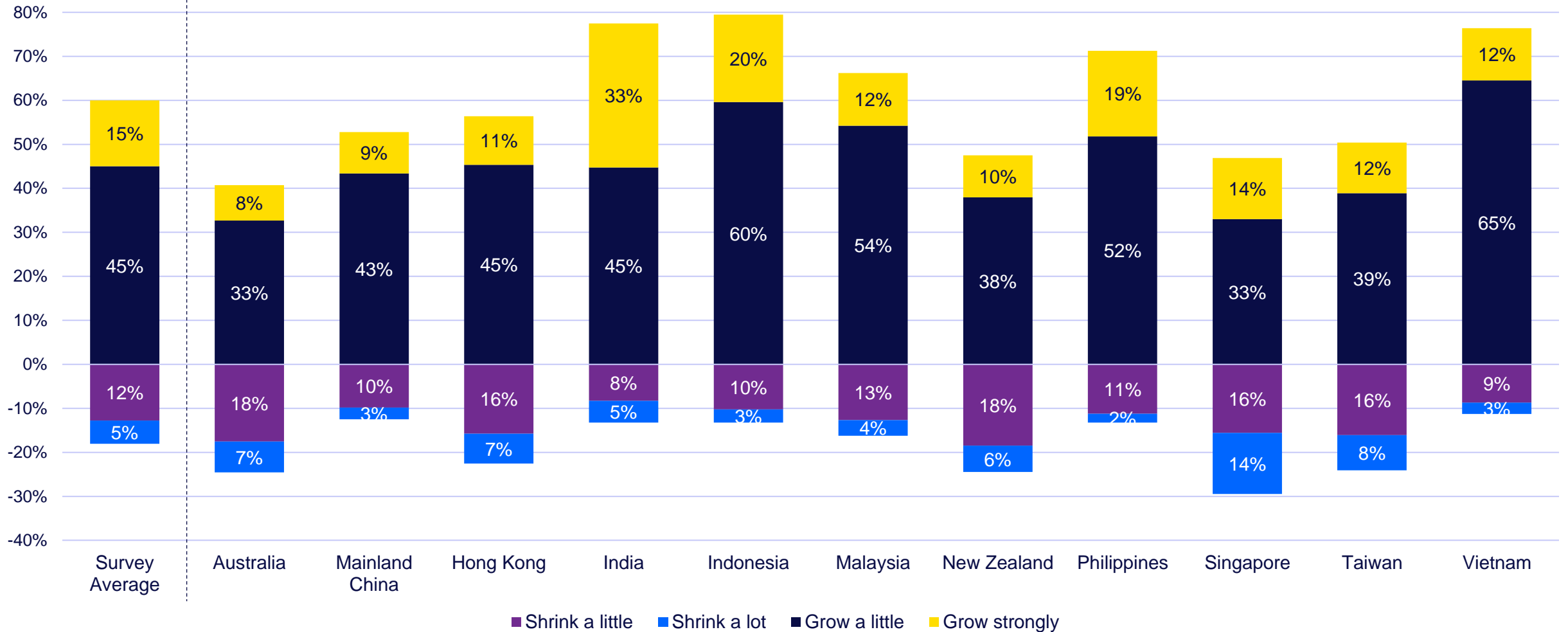
BUSINESS GROWTH IN 2023

Business growth in 2023

- Indonesia's small businesses were the most likely to grow in 2023, overtaking Vietnam.
- Indian small businesses were the most likely to grow strongly.
- Australia, Singaporean and New Zealand small businesses were the least likely to grow.
- Singaporean small businesses were the most likely to shrink.
- Singapore and Taiwan were the only markets where the number of small businesses that grew last year exceeded expectations.
- Small businesses from the banking, finance and insurance sector were the most likely to grow in 2023.

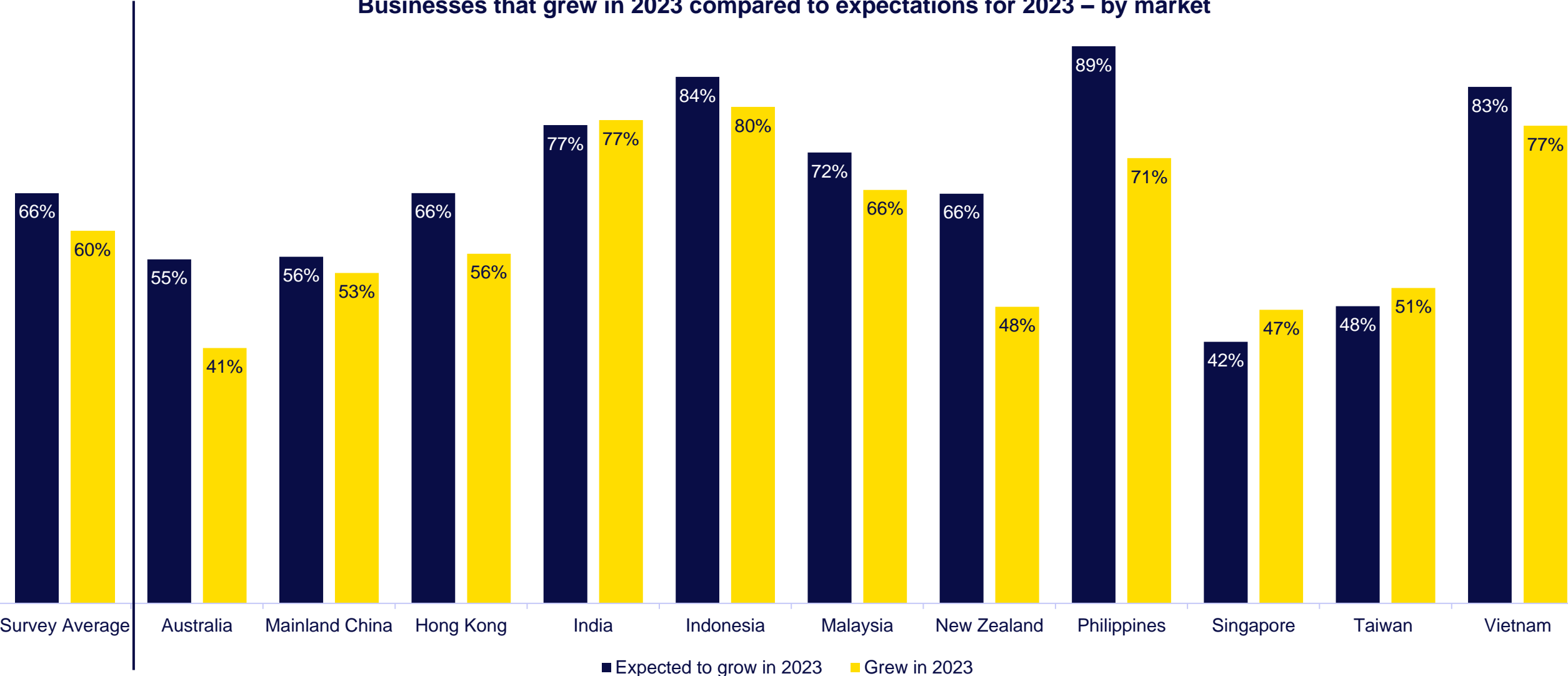
Most markets reported an increase in the number of small businesses that grew in 2023 compared with 2022

Small businesses that grew compared with shrank in 2023 – by market



Only Singapore and Taiwan outperformed their expectations for 2023

Businesses that grew in 2023 compared to expectations for 2023 – by market



Industries that grew the most – by year

	Highest	Second highest	Third highest
2023	Banking, finance or insurance – 70%	Agriculture, forestry and fishing – 66%	Arts and recreation services – 64%
2022	Health care and social assistance – 67%	Property and construction – 65%	Accommodation and food services – 62%
2021	Agriculture, forestry and fishing – 64%	Banking, finance or insurance – 61%	Accommodation and food services – 54%
2020	Information, media and telecommunications – 63%	Banking, finance or insurance – 60%	Utilities – 57%
2019	Banking, finance or insurance – 82%	Accommodation and food services – 74%	Utilities – 74%
2018	Manufacturing – 75%	Accommodation and food services – 74%	Administrative and support services – 71%
2017	Manufacturing – 84%	Accommodation and food services – 77%	Property and construction – 76%
2016	Manufacturing – 80%	Accommodation and food services – 74%	Property and construction – 72%
2015	Manufacturing – 82%	Utilities – 79%	Accommodation and food services – 77%

Industries that grew the most – advanced vs developing economies

Advanced economies

	Highest	Second highest	Third highest
2023	Banking, finance or insurance – 64%	Health care and social assistance – 61%	Public administration and safety – 58%
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
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%

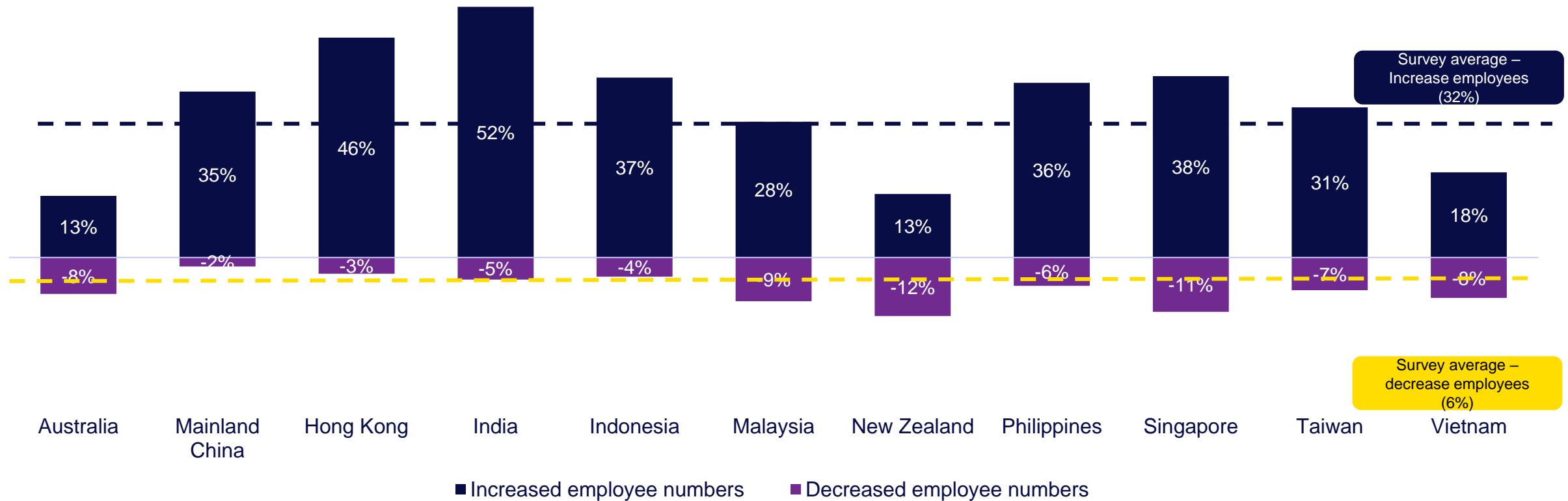
SMALL BUSINESS AND JOBS CREATION IN 2023

Small business impact on employment in 2023

- Reflecting the large number of Indian small businesses that grew strongly in 2023, that market's small businesses were the most likely to increase their employee numbers in 2023, repeating the outcome from the 2022/23 survey. However, the number of Indian businesses that added to their headcount last year was well down from 2022.
- In all markets, small businesses were more likely to add to their headcount last year than reduce it.
- Interestingly, despite strong growth numbers, Vietnamese small businesses were the third least likely to add to their headcount last year. This implies that many Vietnamese small businesses are achieving growth through greater productivity and efficiency – i.e., they are doing more with similar resources. This is reflected in their large investment in technology.
- Singaporean and Taiwanese small businesses were more likely to add to their headcount than expected, which is similar to the result on business growth.
- As with business growth and technology uptake, older respondents and older businesses continue to be less likely to be creating jobs.

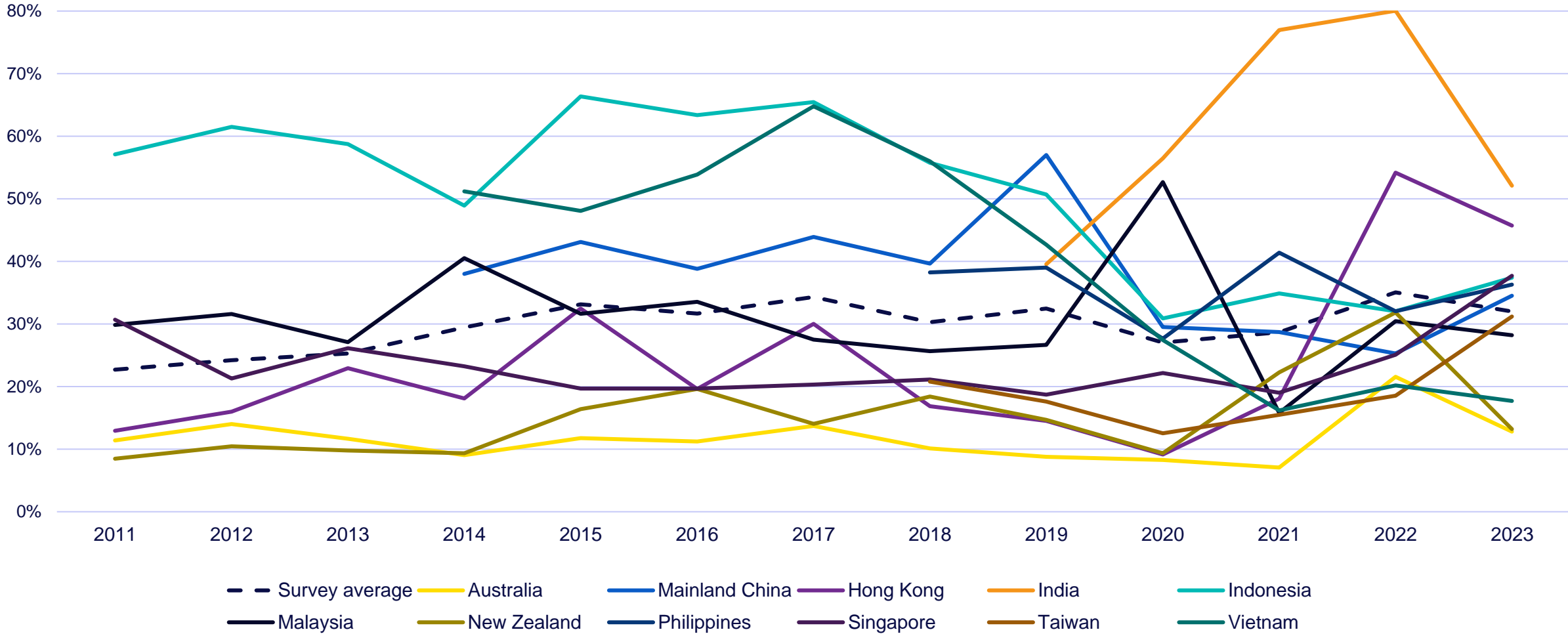
India's small businesses are large creators of new jobs

Small businesses that created new jobs in 2023 compared with reduced jobs – by market



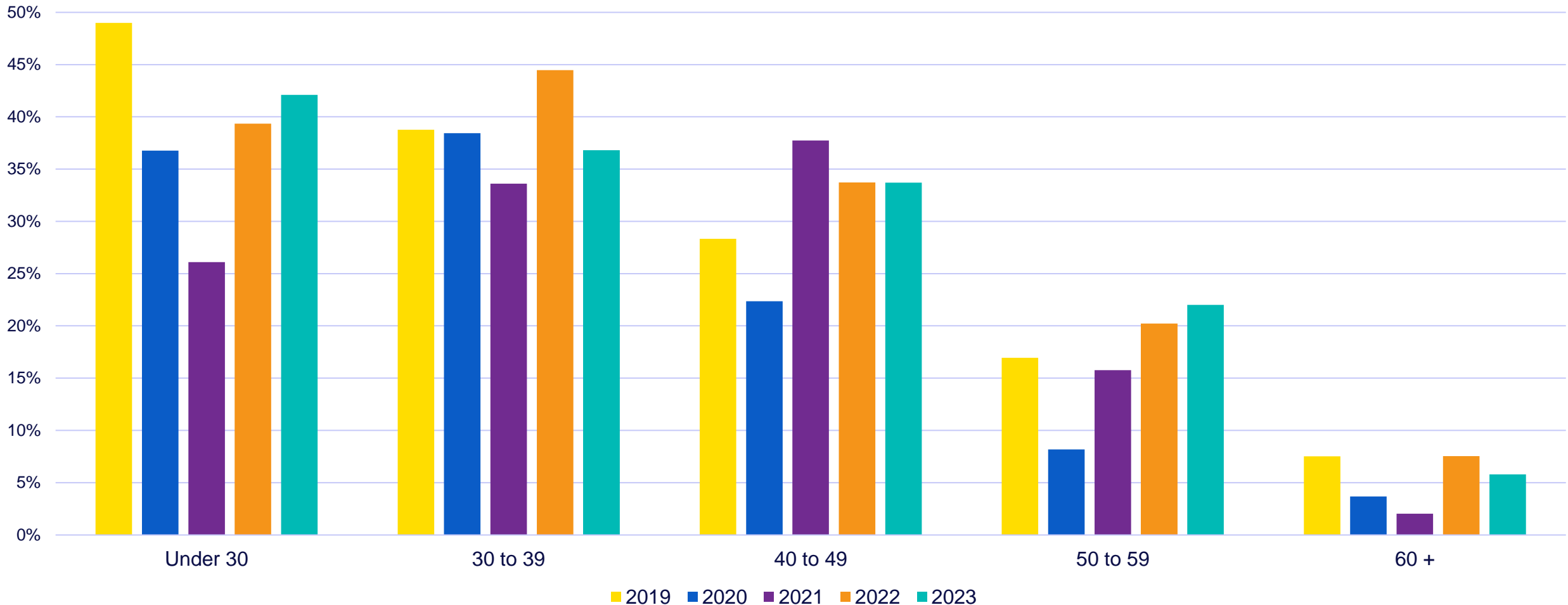
Most markets saw an increase in the number of small businesses creating new jobs in 2023, while India experienced the sharpest decline in increasing new jobs

Small businesses that created new jobs in past 12 months – by market and over time



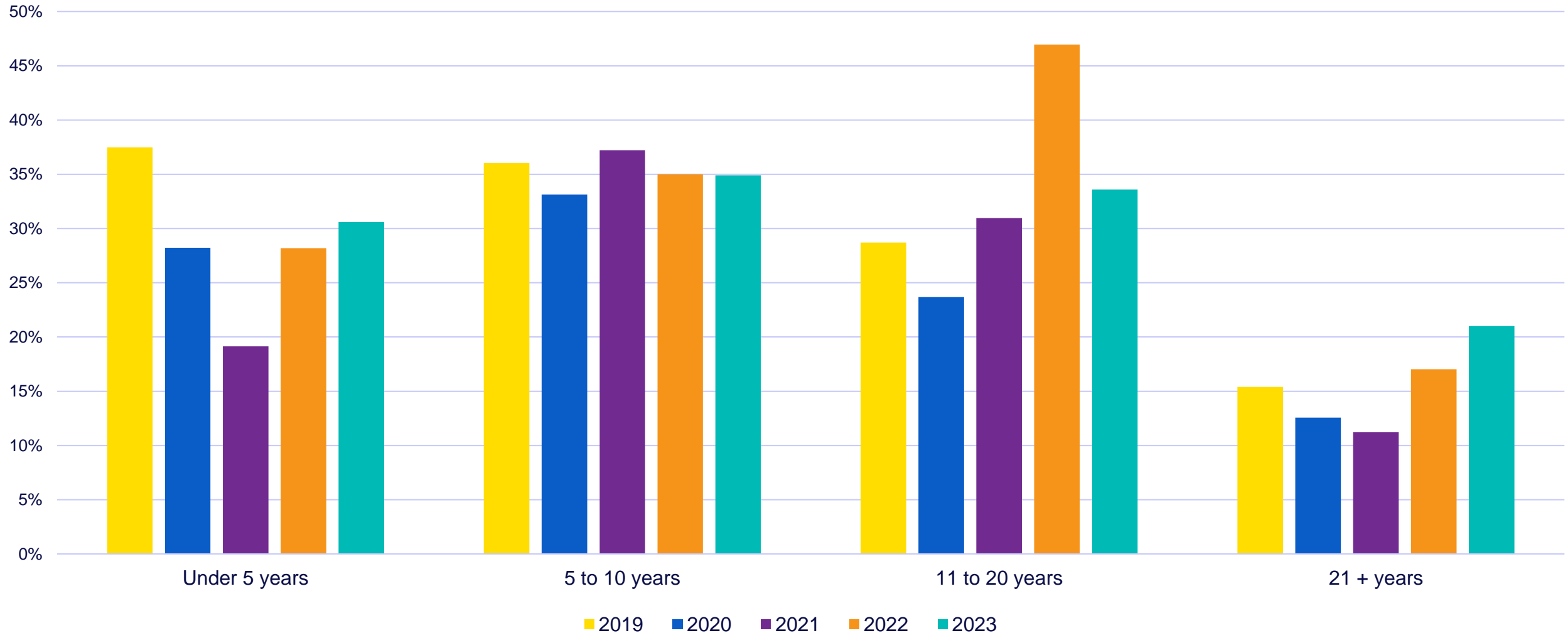
Small businesses owned or managed by someone under 50 are noticeably more likely to increase employee numbers in 2023 than their older counterparts

Businesses that created new jobs over the past 12 months – by age of respondent and over time



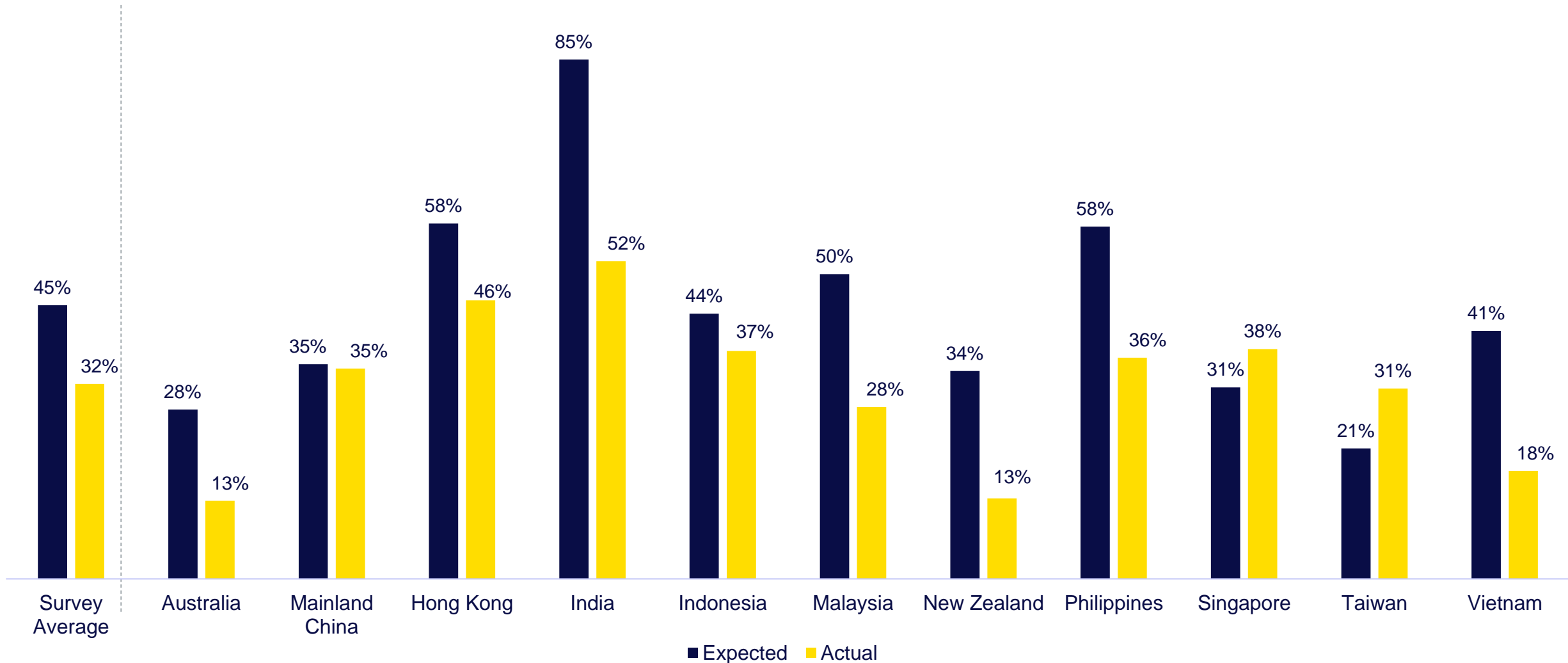
Younger businesses are more likely to increase employee numbers in 2023 than their older competitors

Businesses that created new jobs over the past 12 months – by age of business and over time



Singaporean and Taiwanese small businesses increased their employee numbers more than expected

Actual increase in employee numbers in 2023 compared to expected increase



Top-five industries that increased employee numbers in 2023

- Most of these industries reported strong growth in 2023 which is commensurate with the increased need for employees



Information, media and telecommunications – 42%



Banking, finance or insurance – 40%



Accommodation and food services – 38%



Health care and social assistance – 38%



Utilities – 37 %

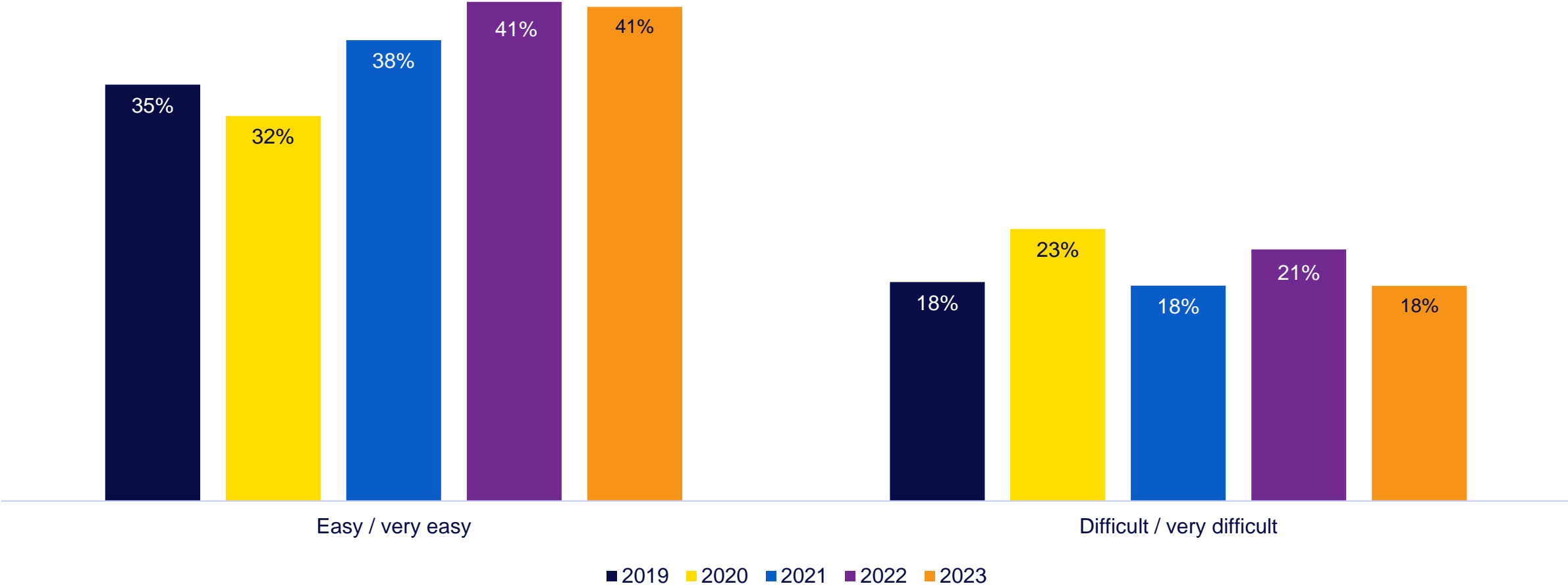
BUSINESS SOLVENCY

Small business' ability to pay their debts

- There has been no material increase in the percentage of small businesses that found paying debts difficult during the pandemic (2020, 2021 and 2022) compared with pre-pandemic (2019) and post-pandemic (2023). This most likely reflects the significant cash flow assistance many governments offered small business to help them through the pandemic. Loan moratoriums and easier credit terms from suppliers also eased the debt stress on many small businesses.
- Small businesses in Hong Kong found it easiest to pay their debts 2023.
- Filipino small businesses found it the most difficult. This could be due to increasing interest rates, supply chain issues and large outstanding liabilities.
- Small businesses with more employees were significantly more likely to find it easy to pay their debts in 2023 than sole traders.

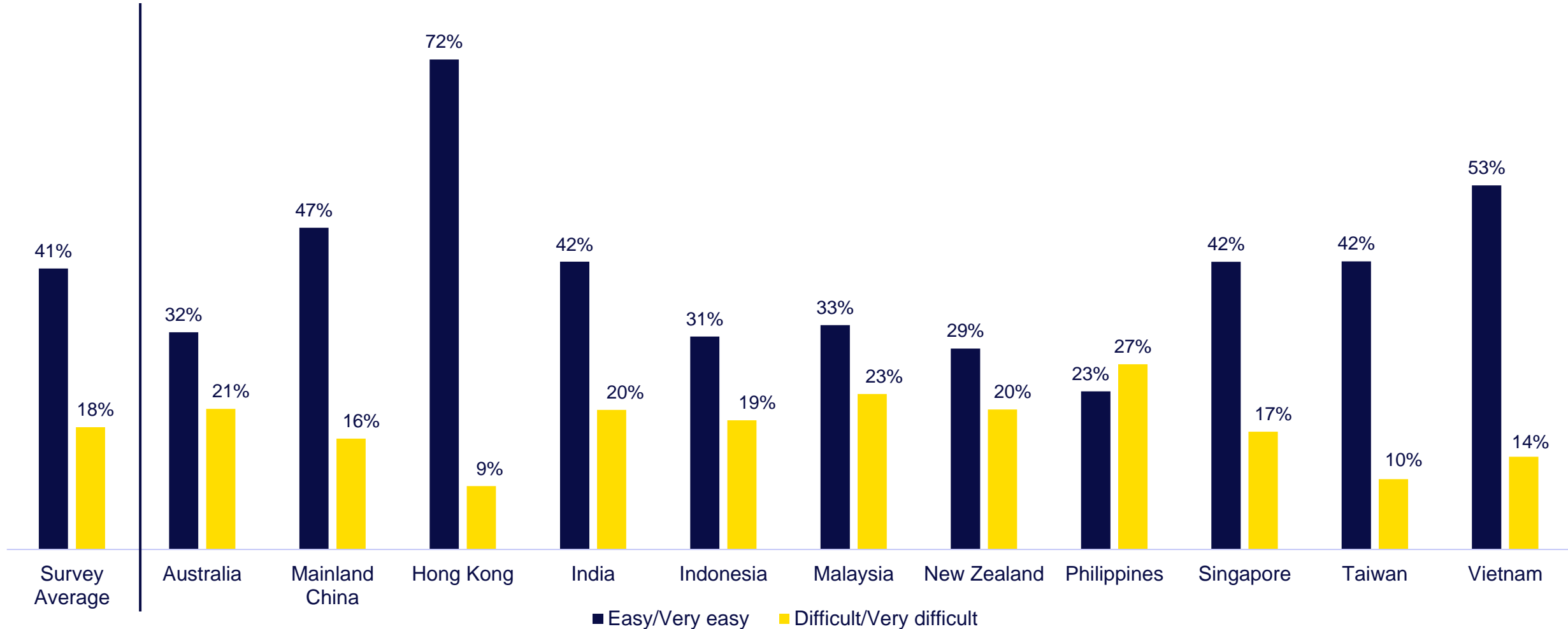
Despite rising interest rates and cost increases, many businesses did not seem to have a major issue in repaying their debts in 2023

Business experience in paying debts – over time



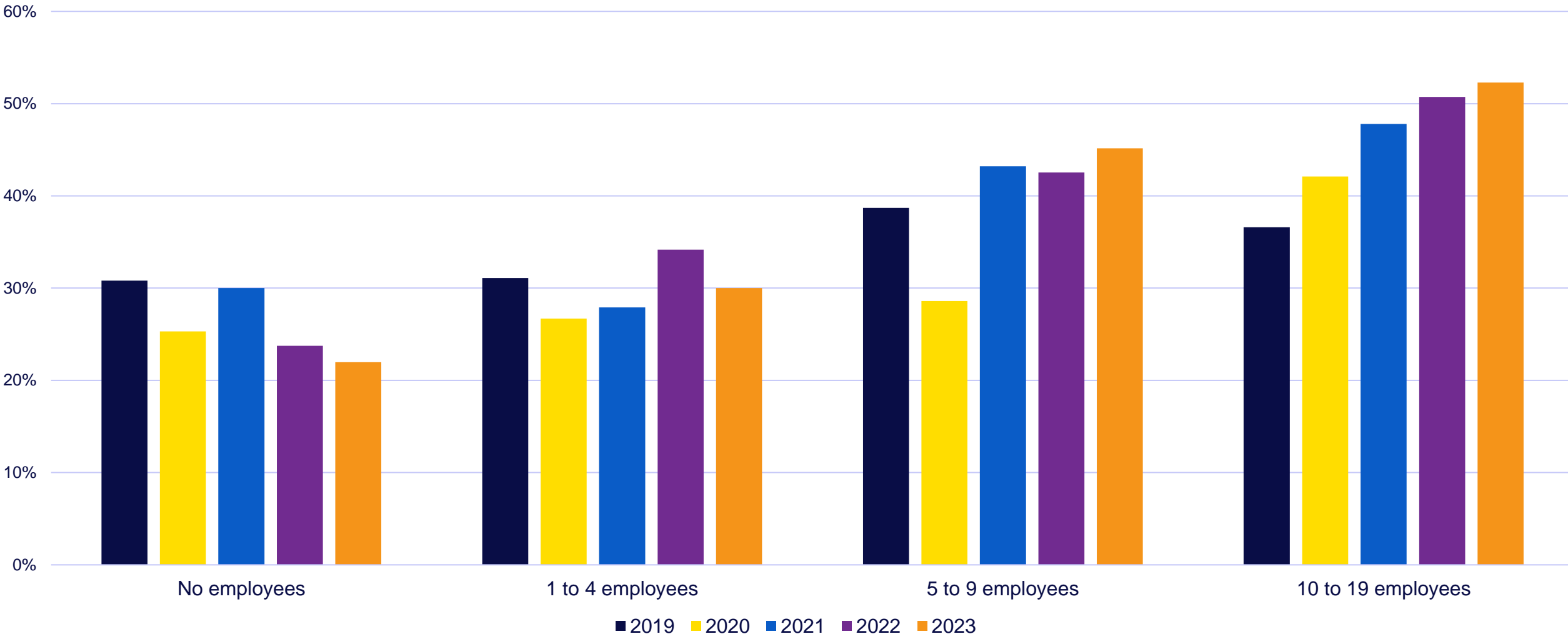
Except for the Philippines, small businesses in all the markets were more likely to find it easy to pay their debts in 2023 than difficult

Business experience in paying debts in 2023 – by market



Small businesses with more employees were significantly more likely to find it easy to pay their debts in 2023 than sole traders

Business found paying their debts easy or very easy – by business size and over time



Top-five industries that found paying their debts was easy or very easy in 2023

1. Public administration and safety – 53%
2. Banking, finance or insurance – 52%
3. Manufacturing – 51%
4. Information, media and telecommunications – 49%
5. Property and construction – 43%

Top-five industries that found paying their debts was difficult or very difficult in 2023

1. Administrative and support services – 27%
2. Utilities – 22%
3. Property and construction – 22%
4. Transport and warehousing – 22%
5. Agriculture, forestry and fishing – 22%

ISSUES THAT HAD THE LARGEST
POSITIVE AND NEGATIVE
INFLUENCES ON SMALL BUSINESS IN
2023

Issues that had the largest positive and negative influence of small businesses in 2023

- Customer loyalty was the factor that had the most positive impact on small businesses last year, regardless whether it was in a high growth phase or not.
- High growth businesses were much more likely than businesses that did not grow or shrank to nominate the following as having a major positive influence on their business in 2023:
 - improved business strategy
 - technology
 - improved business management.
- High growth businesses were also much more likely to find that improving customer satisfaction had a major positive influence on their business in 2023.
- Not surprisingly, the most popular negative impact on businesses in 2023 was increasing costs. Indonesia was the only market where increasing costs was not the top challenge, instead citing increasing competition as their main barrier to growth.
- New Zealand, Australian and Malaysian small businesses were the most likely to state that increasing costs had a major negative impact on their business last year.
- With inflation slowing in most of the markets surveyed, it will be interesting to see how much increasing costs is a barrier to business growth in 2024.

Most popular positive influences on business in 2023 – by market

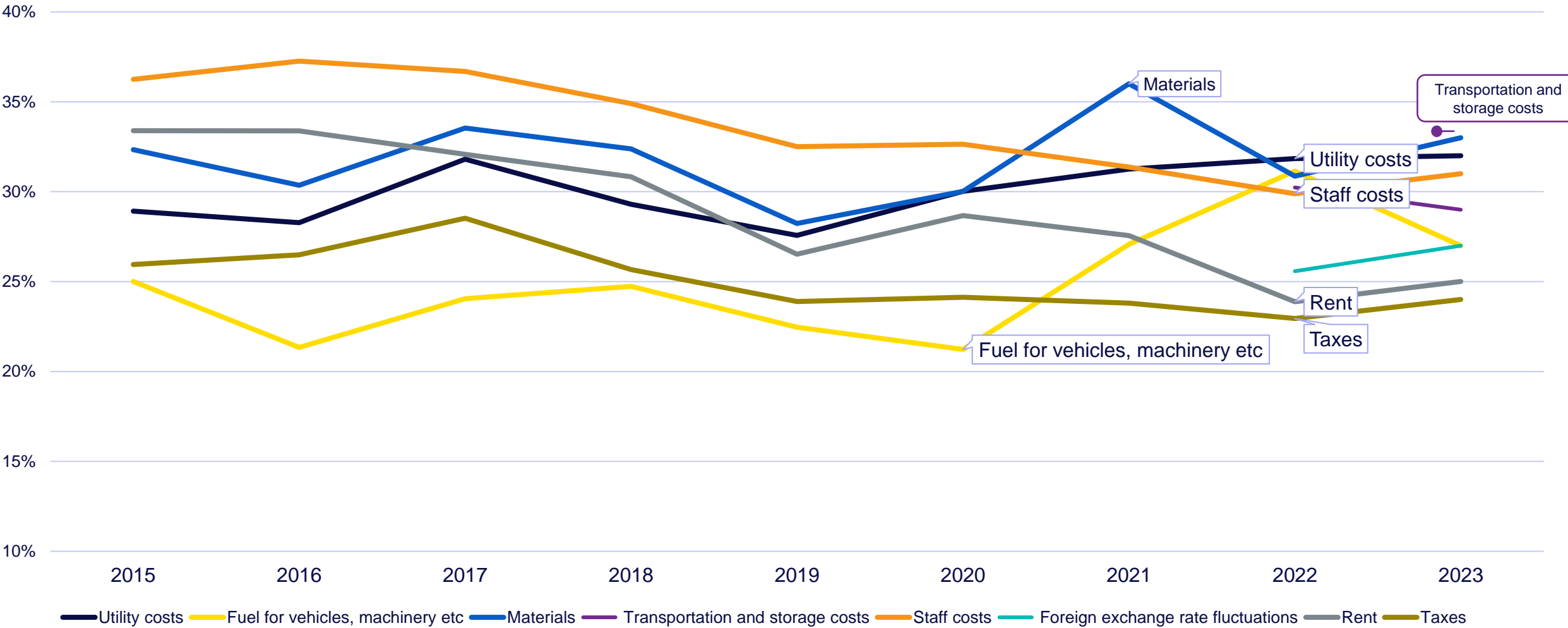
	Most popular	Second most popular	Third most popular
High-growth businesses	Customer loyalty & good staff (38%)	Improved customer satisfaction (37%)	Improved business strategy (36%)
Businesses that were unchanged or shrank	Customer loyalty (31%)	Cost control (23%)	Improved customer satisfaction (20%)
Australia	Customer loyalty (47%)	Good staff (25%)	Cost control (20%)
Mainland China	Improved business management (28%)	Introduced a new product or services (27%)	Entering new markets (27%)
Hong Kong	Entering new markets (26%)	Good staff (26%)	Positive overall economic environment (24%)
India	Good staff (42%)	Customer loyalty (40%)	Technology (40%)
Indonesia	Customer loyalty (44%)	Improved customer satisfaction (40%)	Improved business strategy (33%)
Malaysia	Customer loyalty (41%)	Cost control (34%)	E-commerce (33%)
New Zealand	Customer loyalty (43%)	Good staff (31%)	Improved customer satisfaction (25%)
Philippines	Customer loyalty (47%)	Improved customer satisfaction (38%)	Improved business strategy (36%)
Singapore	Customer loyalty (26%)	Cost control & Improved customer satisfaction (23%)	Positive overall economic environment (23%)
Taiwan	Cost control (31%)	Customer loyalty (25%)	Improved customer satisfaction & Good staff (19%)
Vietnam	Improved customer satisfaction (38%)	Customer loyalty (35%)	Improved business management (34%)

Most popular negative influences on business in 2023 – by market

	Most popular negative influence	Second most popular negative influence	Third most popular negative influence
Survey average	Increasing costs (40%)	Increasing competition (28%)	Poor overall economic environment (25%)
Australia	Increasing costs (50%)	Poor overall economic environment (32%)	Rising interest rates (26%)
Mainland China	Increasing costs (30%)	Increasing rent (23%)	Increasing competition (22%)
Hong Kong	Increasing costs (27%)	Increasing rent (22%)	Problems with staff skills (21%)
India	Increasing costs (44%)	Increasing competition (39%)	Cash flow difficulties (31%)
Indonesia	Increasing competition (44%)	Increasing costs (39%)	Poor overall economic environment (25%)
Malaysia	Increasing costs (50%)	Increasing competition (34%)	Poor overall economic environment (32%)
New Zealand	Increasing costs (53%)	Poor overall economic environment (28%)	Tax (26%)
Philippines	Increasing costs (46%)	Increasing competition (42%)	Tax (24%)
Singapore	Increasing costs (31%)	Increasing competition (27%)	Cash flow difficulties (25%)
Taiwan	Increasing costs (32%)	Poor overall economic environment (30%)	Staff costs (19%)
Vietnam	Increasing costs (40%)	Increasing competition (39%)	Poor overall economic environment (38%)

Transportation and storage costs became an increasing concern for small businesses across the region

Cost increases that caused the business the most detriment – over time



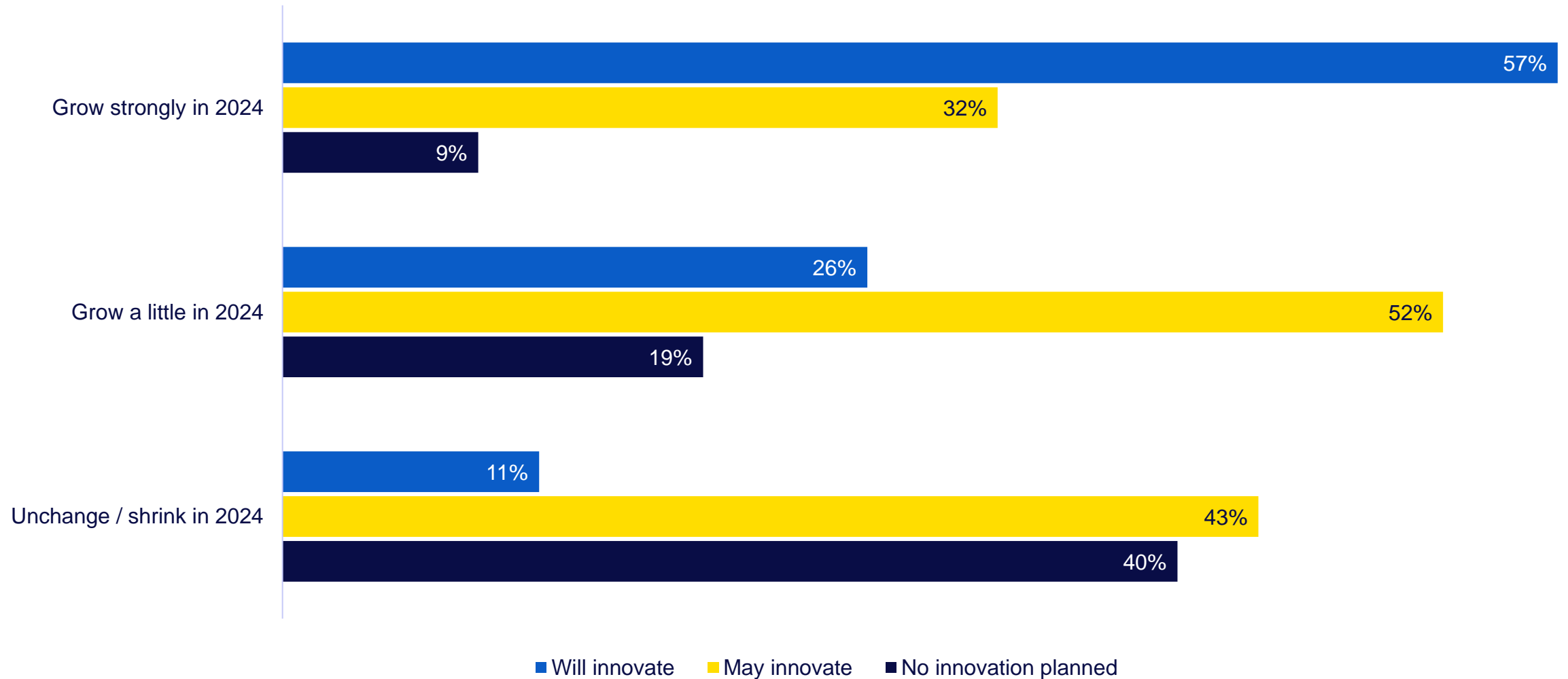
Small business and innovation

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 2023 are significantly more likely to expect to grow in 2024. This is consistent with the results from previous surveys.
- 2024 seems to be a more muted year for a majority of markets in the region when it comes to innovation. Only small businesses from Singapore, Taiwan, Vietnam and Mainland China expect to increase innovation in 2024 when compared to 2023.
- Significantly more Singapore, Taiwan and Vietnam small businesses expect to innovate in 2024 than in 2023 or in 2022. This could be due to expected improvements in the business environment and government policies to encourage innovation. Innovation could also be driven by the need for businesses to manage cost and improve efficiency of their operations.
- New Zealand and Australian small businesses are the least likely to innovate in 2024
- Younger businesses, younger respondents and larger small businesses are more likely to say they will innovate this year. This is also consistent with the results from previous surveys.

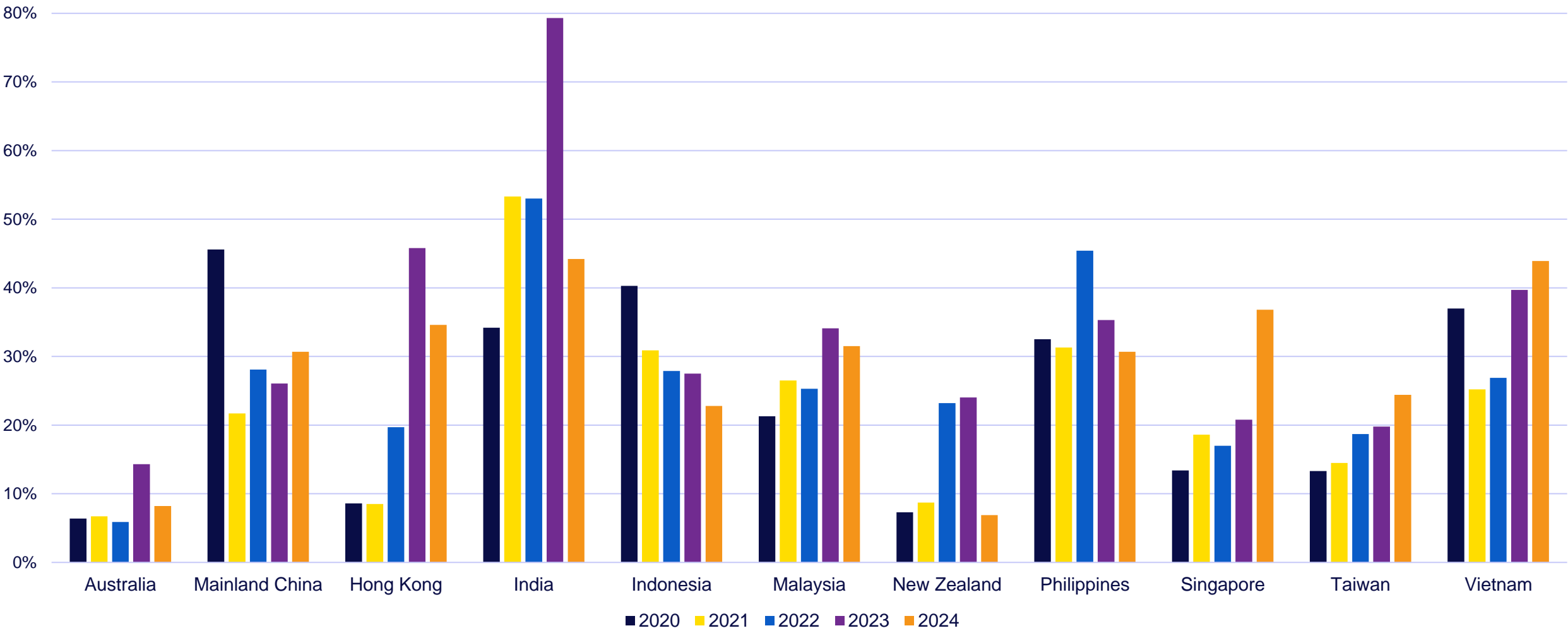
High growth small businesses are significantly more likely to say they will innovate this year

Small business innovation intentions in 2024 - by business growth expectations for that year



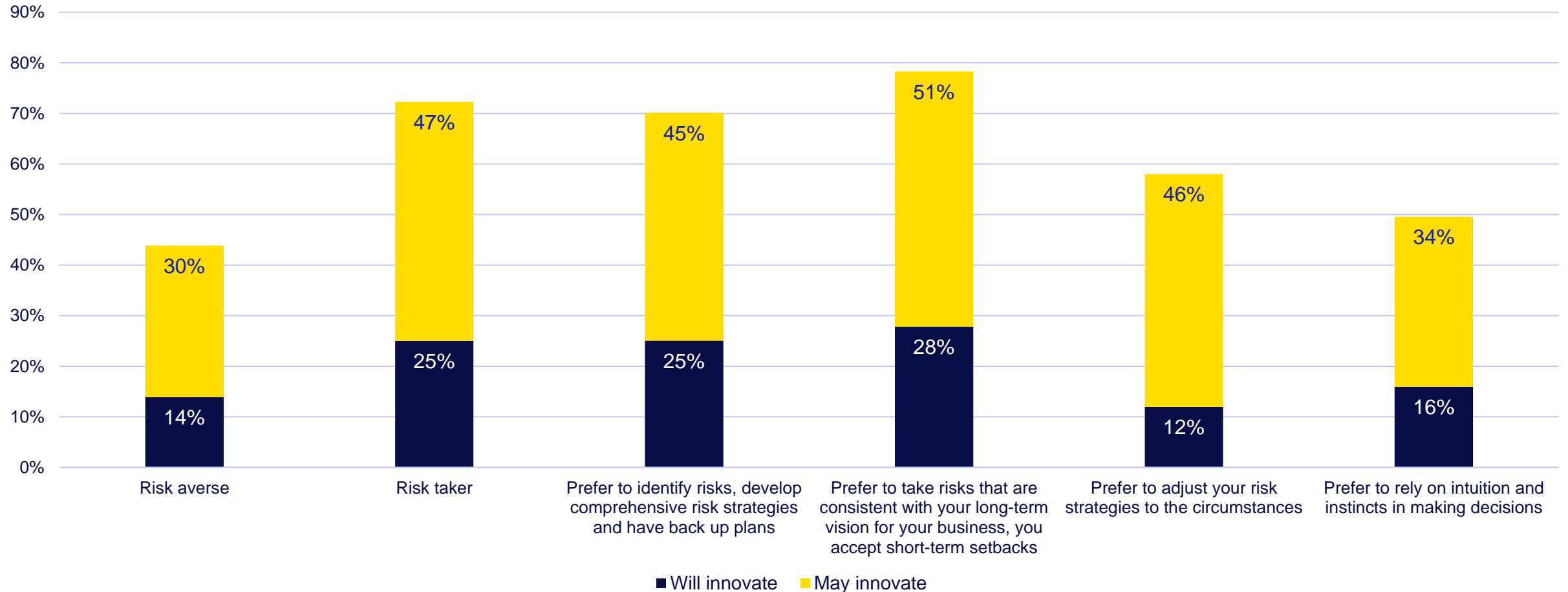
Only Mainland Chinese, Singaporean, Taiwanese and Vietnamese small businesses report an increase in the number of businesses that will innovate this year compared to last year

Small businesses that state they will innovate in the next 12 months - by market and year



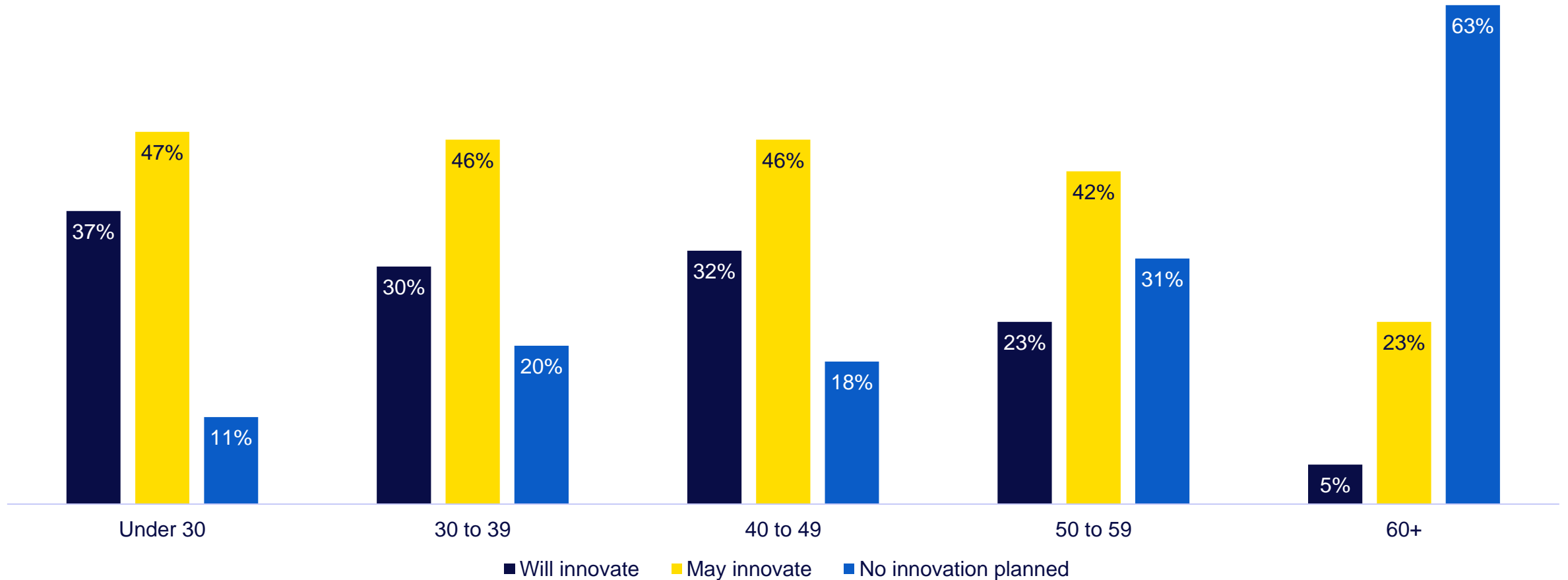
Not surprisingly, risk averse business owners are the least likely to expect to innovate in 2024, while those preferring to take risks consistent with their long-term vision are the most likely to innovate

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



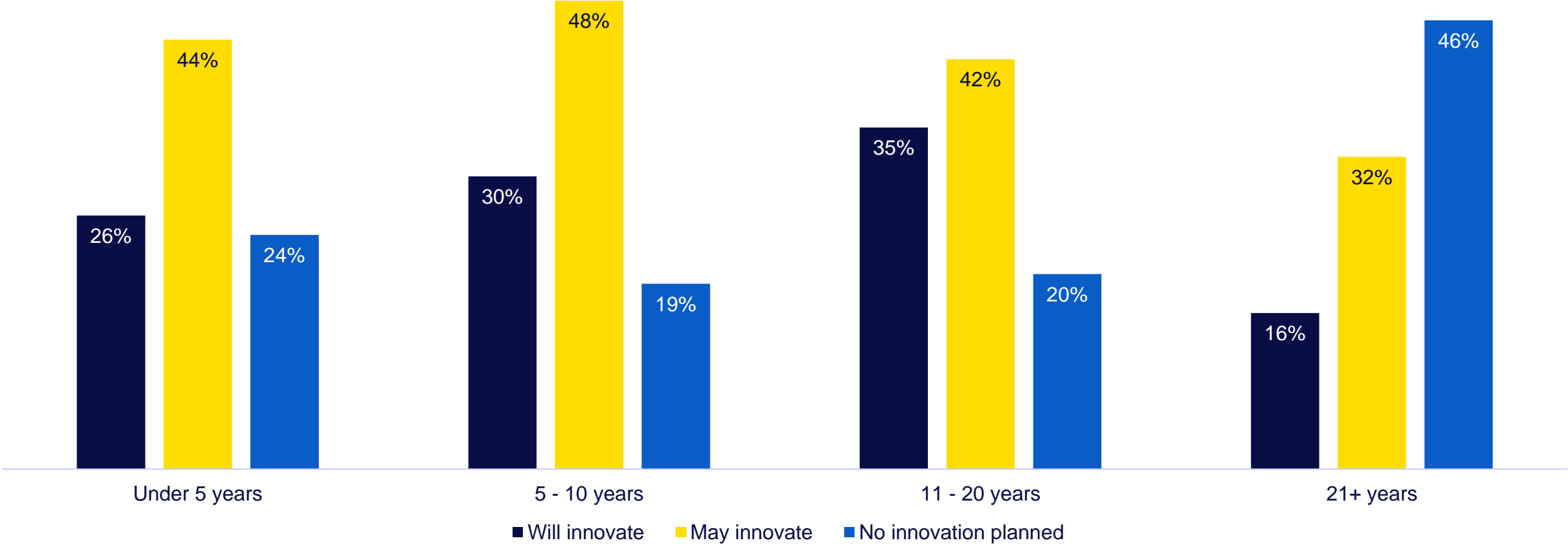
Small businesses owned or managed by people under 50 are more likely to say they will innovate in 2024, while those 60 and over are highly unlikely to innovate

Small businesses innovation intentions in 2024 - by age of respondent



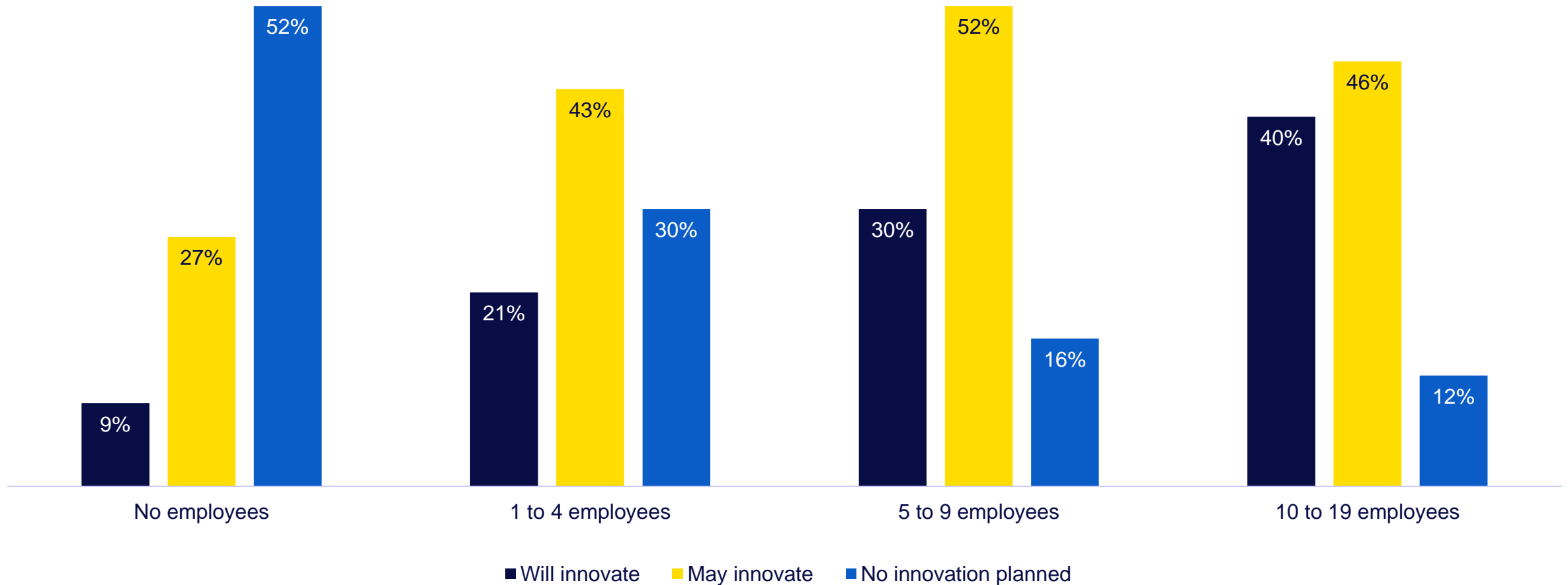
Businesses established five to 20 years are the most likely to innovate this year, while those operating over 20 years are the least likely

Small business innovation intentions in 2024 - by age of business



Small businesses with more employees are much more likely to innovate this year

Small business innovation intentions in 2024 - by number of employees



Top-five industries that will innovate in 2024

It is interesting to note that the utilities sector is one of the most likely to state they will innovate in 2024. This could be a response to the transition to renewable energy sources to meet customer demand and government targets.



Banking, finance or insurance – 46%



Utilities – 43%



Public administration and safety – 43%



Healthcare and social assistance – 37%



Rental, hiring and real estate services – 34%

Small business expectations for 2024

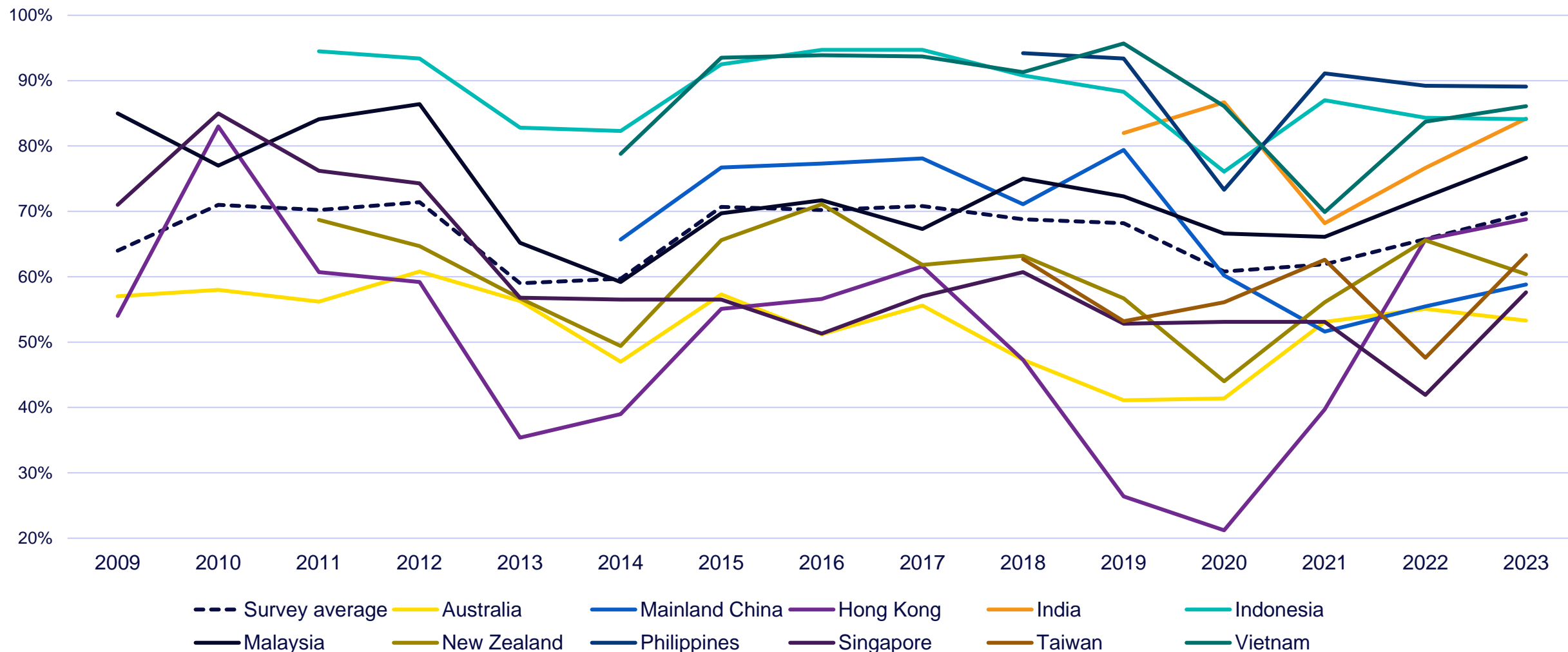
SMALL BUSINESS GROWTH EXPECTATIONS FOR 2024

Small business growth expectations for 2024

- In all markets, the percentage of small businesses that expect to grow this year is higher than the percentage that reported growing in 2023.
- The results are however mixed when comparing growth expectations for 2024 to growth expectations for 2023. The survey results show a large increase in the number of small business that expect to grow this year in Singapore, India and Taiwan. While other markets expect a decrease, led by New Zealand and Australia.
- Filipino small businesses are the most likely to forecast they will grow this year, however Indian small businesses are the most likely to expect to grow strongly.
- Consistent with reported growth for 2023, younger businesses, younger respondents and larger small businesses are more likely to expect to grow in 2024.

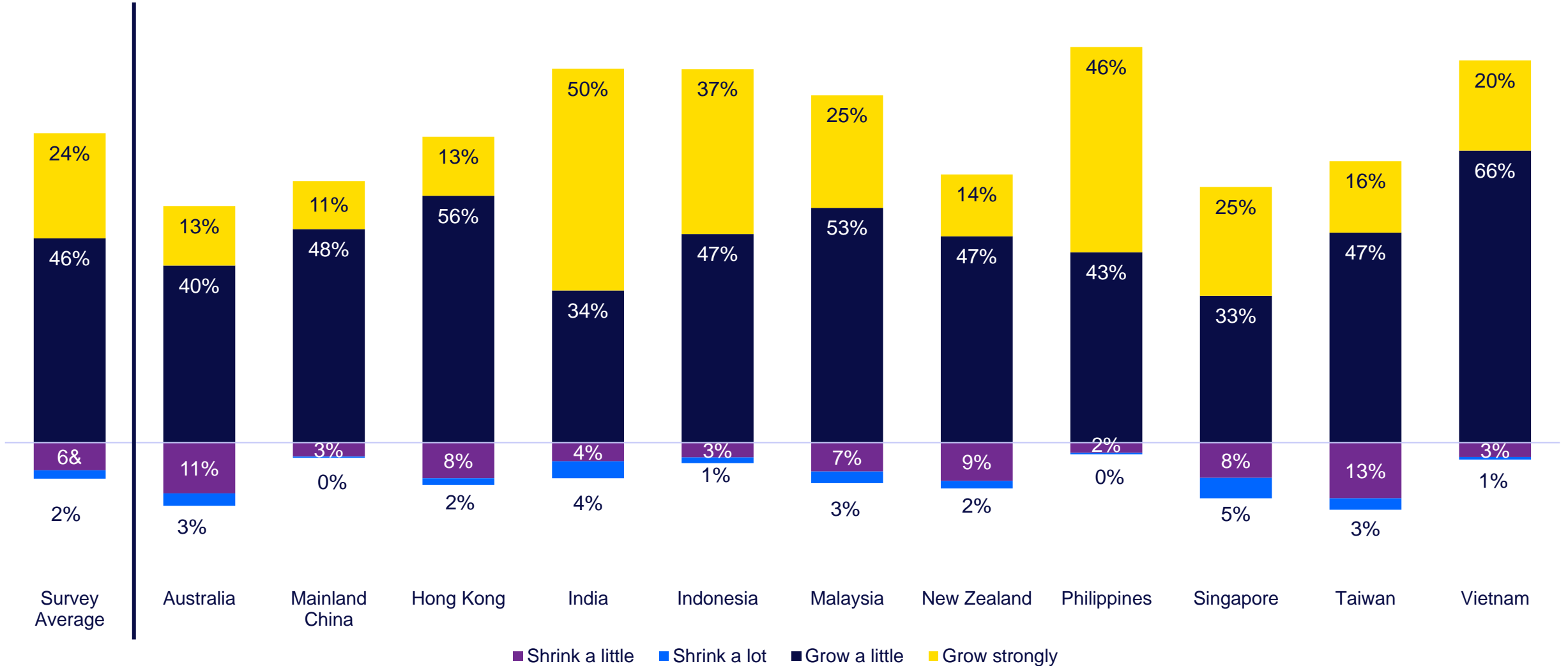
The survey shows good improvement in the percentage of small businesses that expect to grow from India, Malaysia, Taiwan and Singapore

Small businesses that expect to grow in the next 12 months – a comparison by market and over time



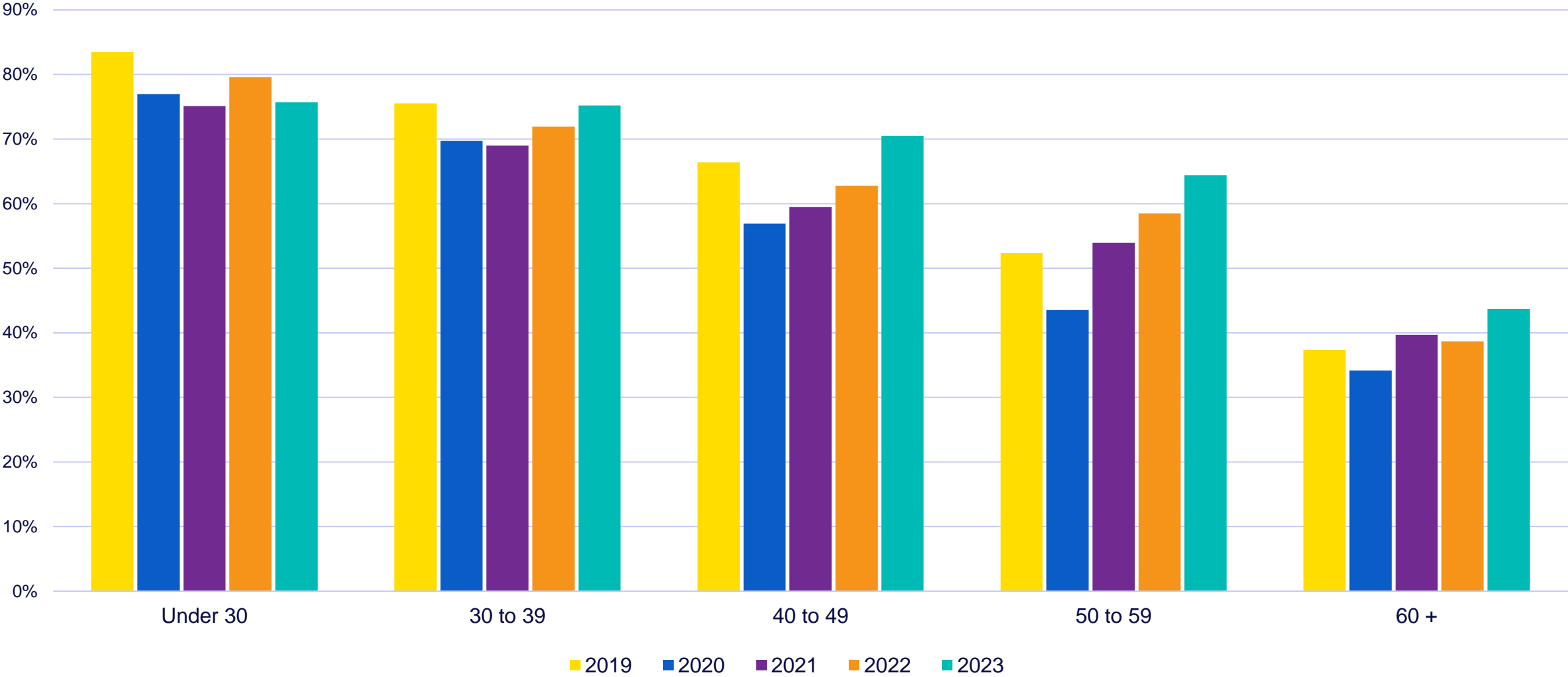
Most small businesses in the region expect to grow in 2024

Small business growth expectations for 2024 – by market



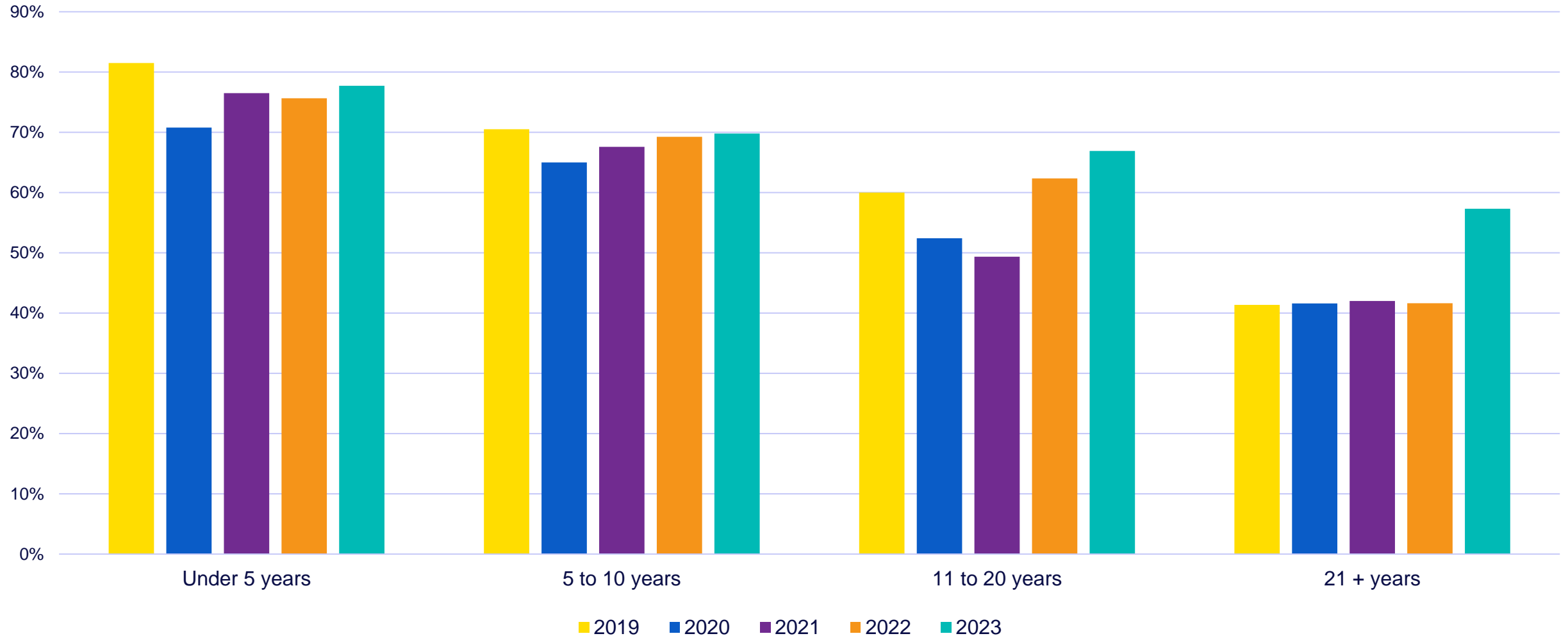
Small businesses owned or managed by people under 50 are more likely to expect to grow this year

Small business that expect to grow in the next 12 months – a comparison by age of respondent and over time



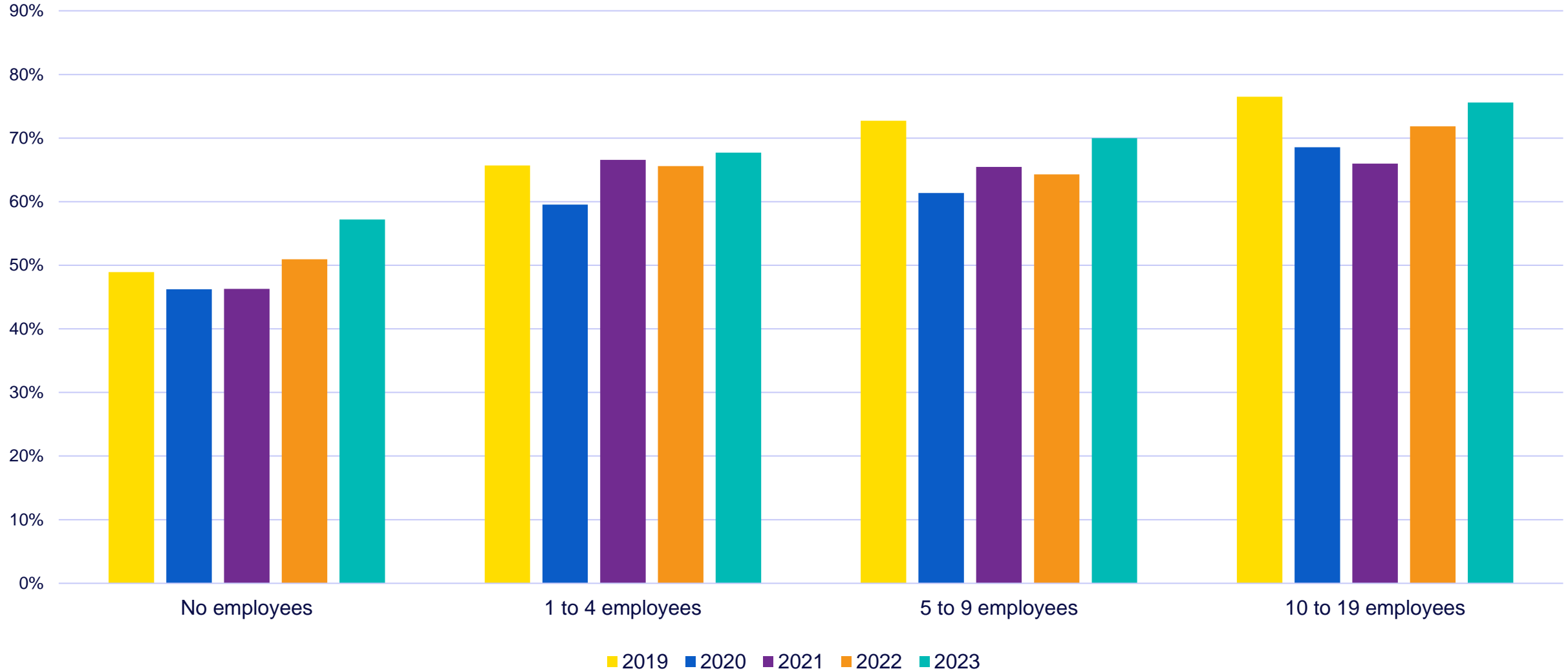
Younger businesses are more likely to expect to grow this year

Small business that expect to grow in the next 12 months – by age of business and over time



Businesses with more employees are more likely to expect to grow this year

Small business that expect to grow in the next 12 months – by business size and over time



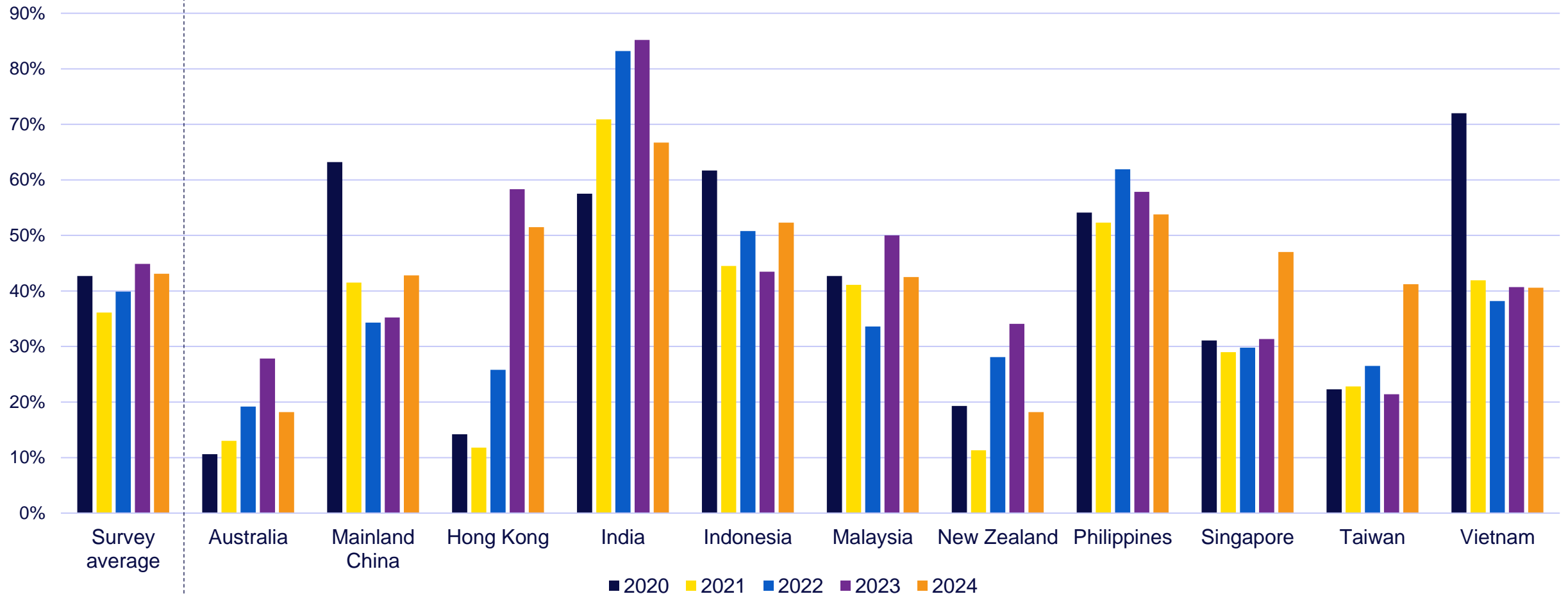
EXPECTATIONS FOR ADDING EMPLOYEES IN 2024

Small business job creation expectations for 2024

- India's small businesses are the most likely to expect to increase employee numbers in 2024. The number of Indian small businesses that expect to increase their headcount however is significantly lower than 2023.
- Australian and New Zealand small businesses are the least likely to expect to increase employee numbers. This is consistent with their small business experience in 2023.
- Consistent with expected growth for 2024, businesses owned or managed by younger respondents are more likely to expect to increase their employee headcount this year.

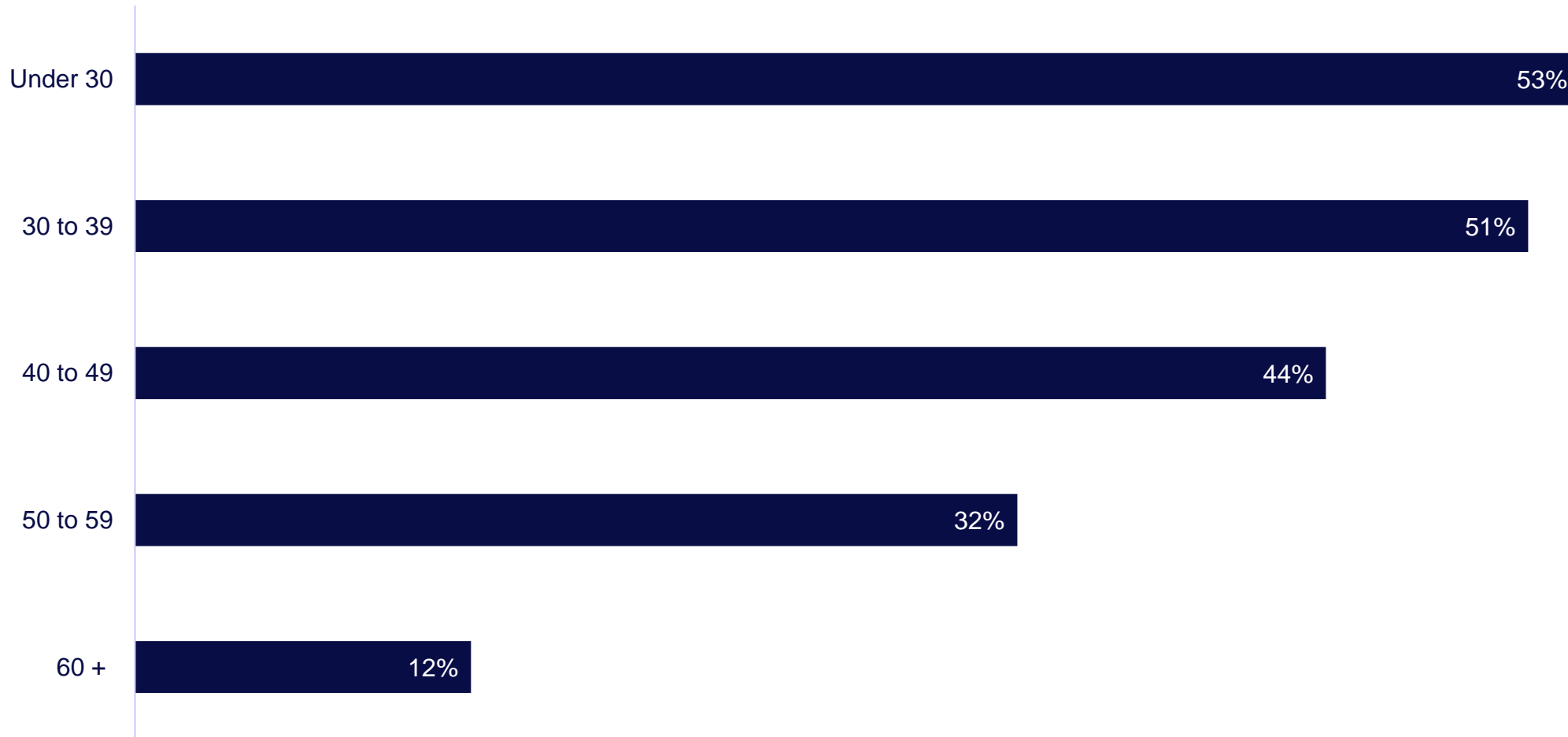
India's small businesses will continue to be a source of strong jobs growth this year. Singapore and Taiwan show a large jump in employment expectations, consistent with their stronger growth expectations for 2024

Expect to increase employee numbers over the next 12 months from the previous 12 months – by market and over time



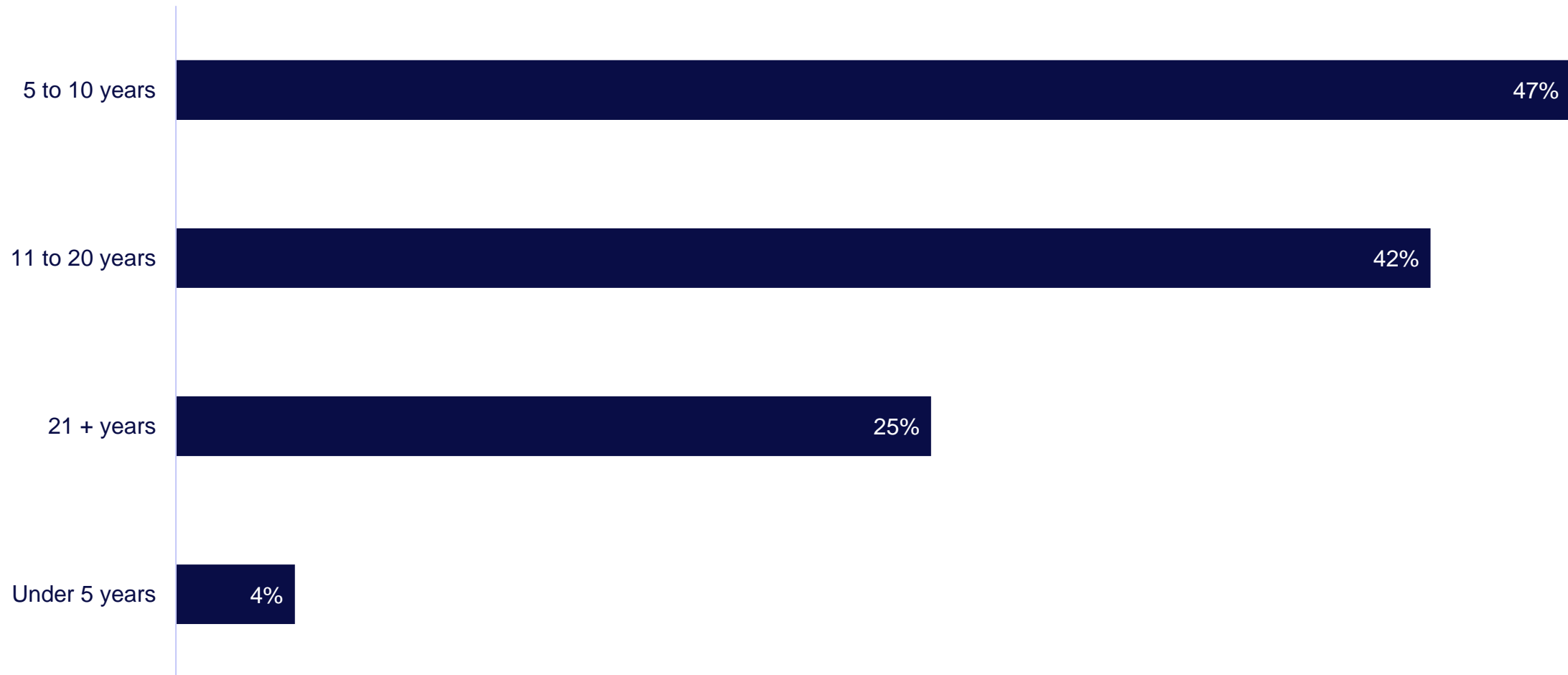
As in previous years, small businesses owned or managed by younger respondents are significantly more likely to expect they will increase their employee numbers this year

Expect to increase employee numbers in 2024 from 2023 – by age of respondent



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

Expect to increase employee numbers in 2024 from 2023 – by age of business



Top five industries that will increase employee numbers in 2024



Transport and warehousing – 51%



Banking, finance or insurance – 51%



Information, media and telecommunications – 49%



Accommodation and food services – 49%



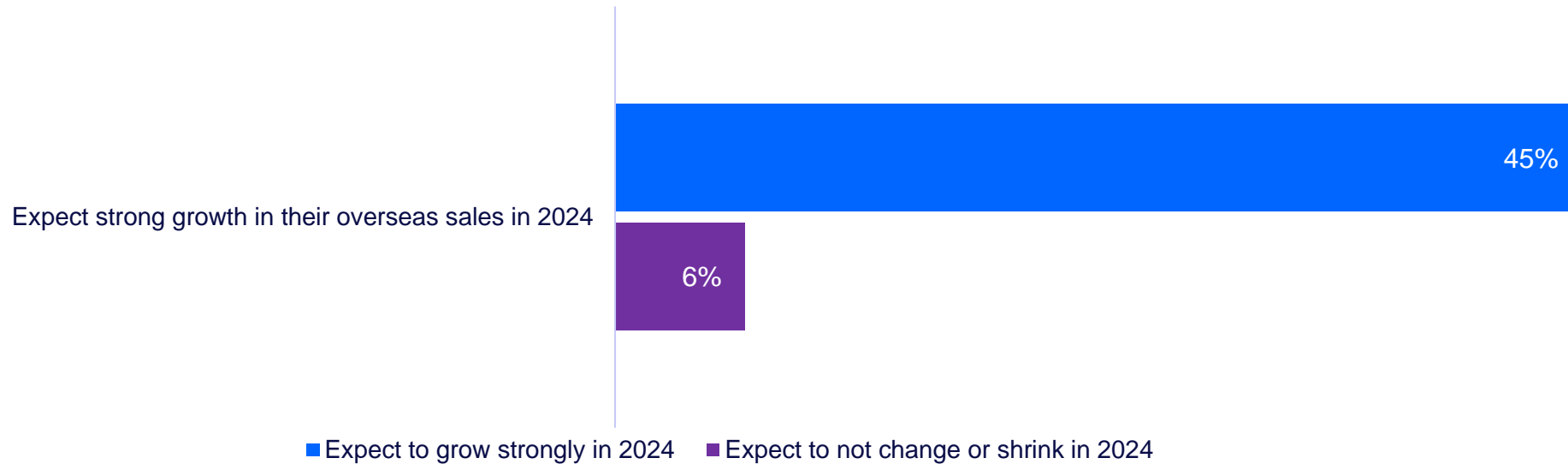
Property and construction – 49%

EXPECTED GROWTH IN EXPORT REVENUE

Small business and exporting

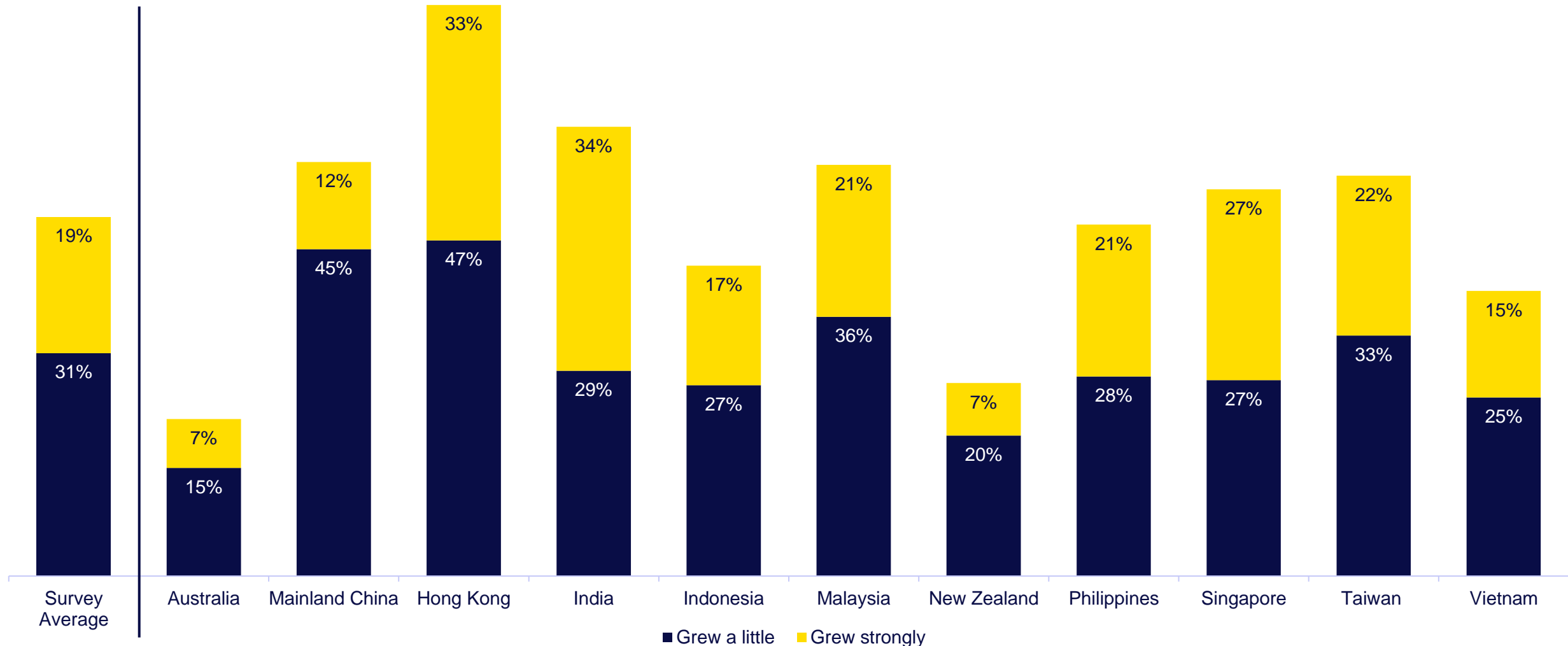
- The results show a strong correlation between businesses that expect to grow strongly in 2024 and those that expect their export sales to grow strongly.
- Many businesses that grew strongly in 2023 stated that entering new markets last year was one of the most positive influences on their business.
- Consistent with Hong Kong businesses being one of the most optimistic markets for 2024, they are ranked first in expecting their revenue from overseas sales to grow.
- Australia, New Zealand and Vietnam have the highest percentage of respondents *not* expecting to export this year.
- Younger respondents, younger businesses and larger small businesses are significantly more likely to expect to increase their export revenue this year.

High-growth small businesses are significantly more likely to expect strong growth in overseas sales in 2024



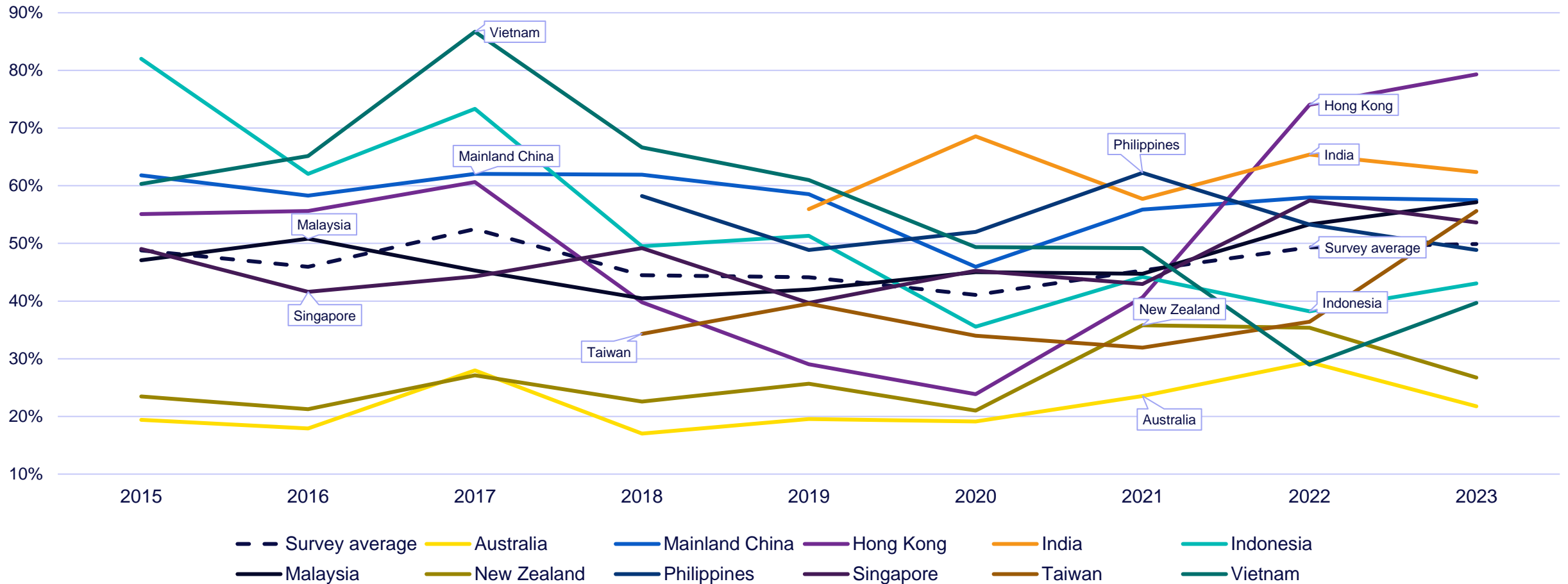
Hong Kong and Indian small businesses are more likely to expect their overseas sales to grow this year

Small businesses expecting revenue from overseas sales will grow in 2024 - by market



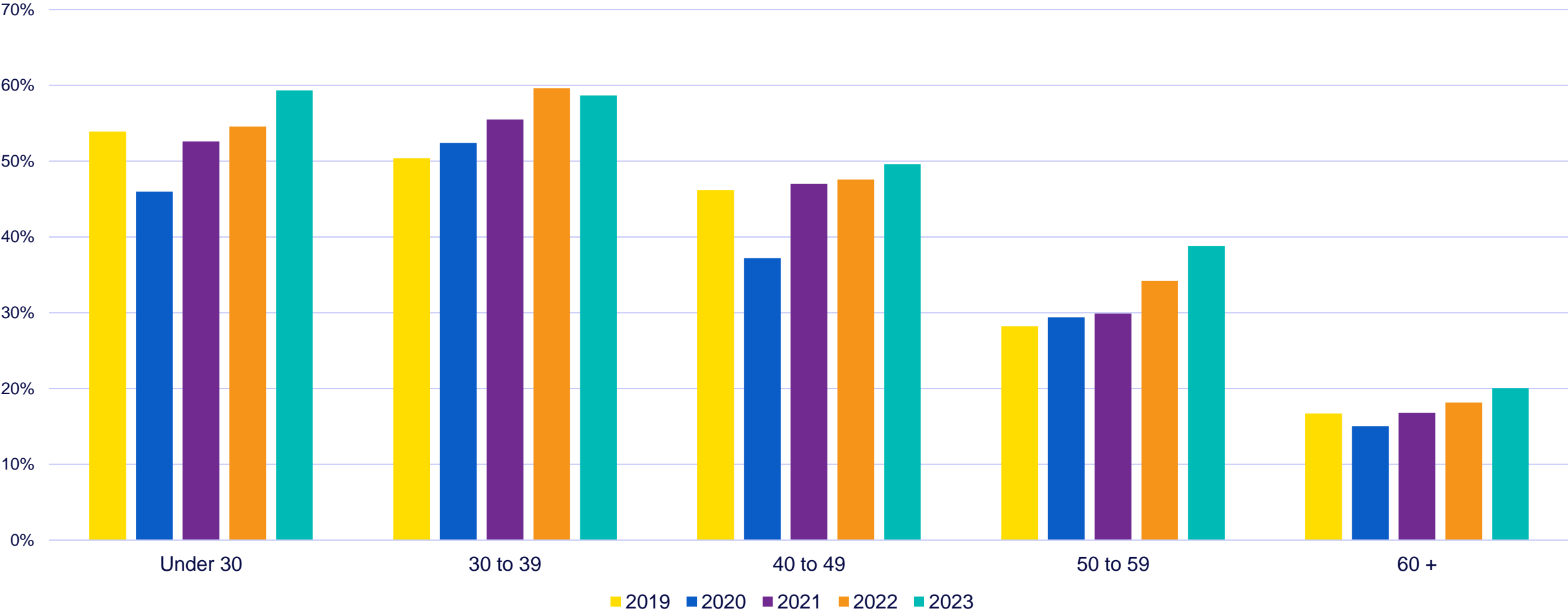
Hong Kong small businesses are the most likely to expect to sell overseas this year, continuing last survey's trend.

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



Small businesses owned or managed by younger respondents are significantly more likely to be involved in exporting

Small businesses expecting revenue from overseas sales will grow in the next 12 months – by age of respondent



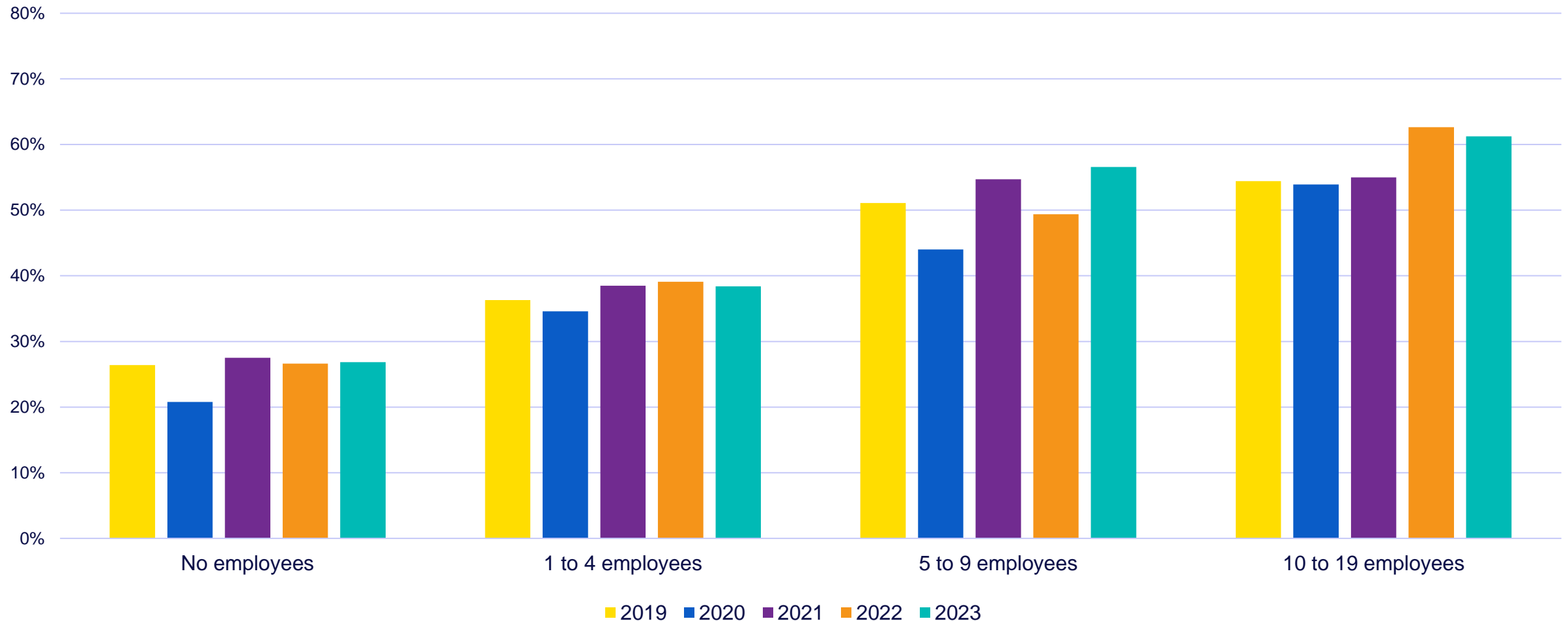
Younger businesses have a stronger focus on exporting

Small businesses expecting revenue from overseas sales will grow in the next 12 months – by age of business



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

Small businesses expecting revenue from overseas sales will grow in the next 12 months – by number of employees and over time



Top-five industries expecting revenue from overseas sales to increase in 2024

- High-growth industries are more likely to look to expand overseas to increase profits.



Mining – 69%



Utilities – 67%



Information, media and telecommunications – 61%



Banking, finance or insurance – 60%



Administrative and support services – 58%

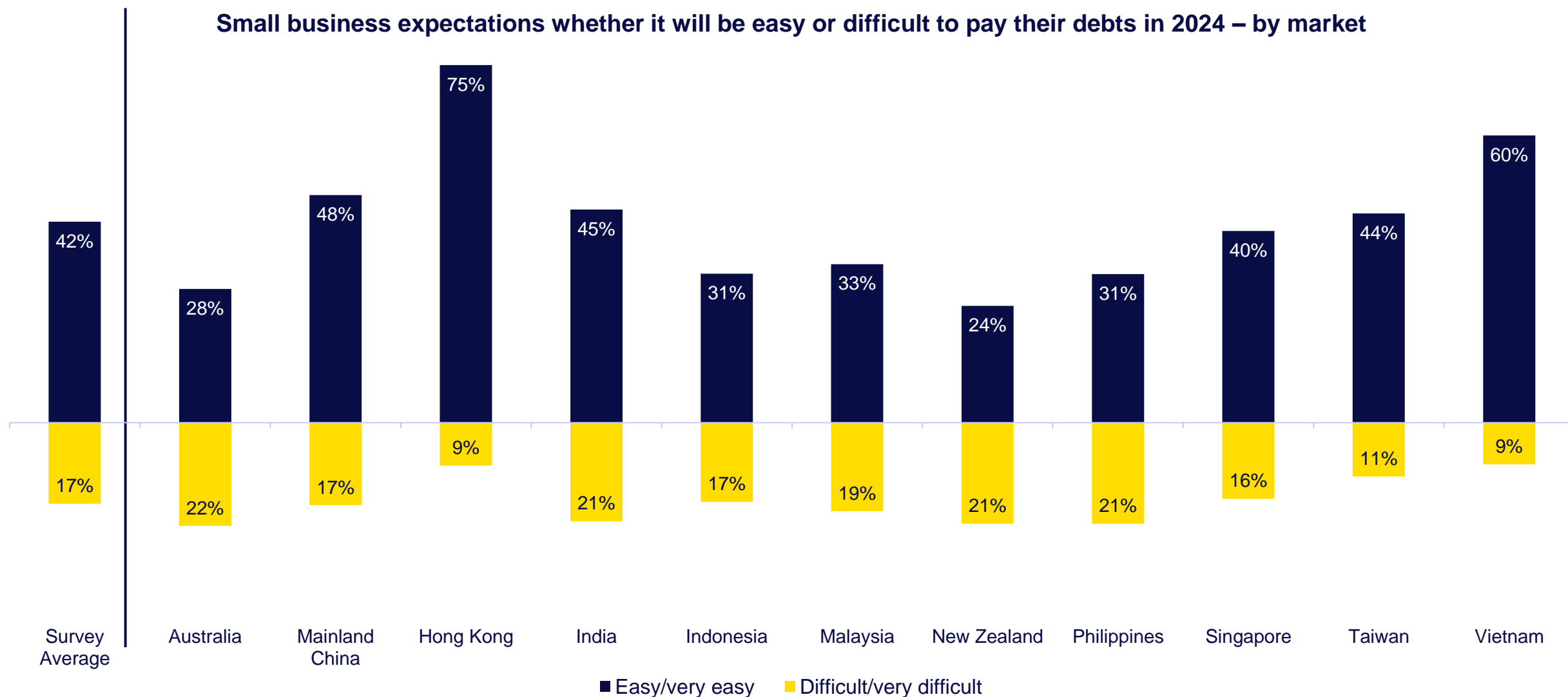
SMALL BUSINESS SOLVENCY EXPECTATIONS FOR 2024

Small business paying their debts in 2024

- Overall, small businesses are more likely to expect it will be easy to pay their debts in 2024 than difficult. This is especially so for small businesses from Mainland China, Hong Kong and Vietnam.
- Solvency challenges are most likely to hit businesses in Australia, New Zealand and the Philippines this year.
- Newly created businesses are slightly less likely to believe that paying their debts will be easy this year.
- Businesses with under five employees are also less likely to believe that paying their debts will be easy than larger small businesses.

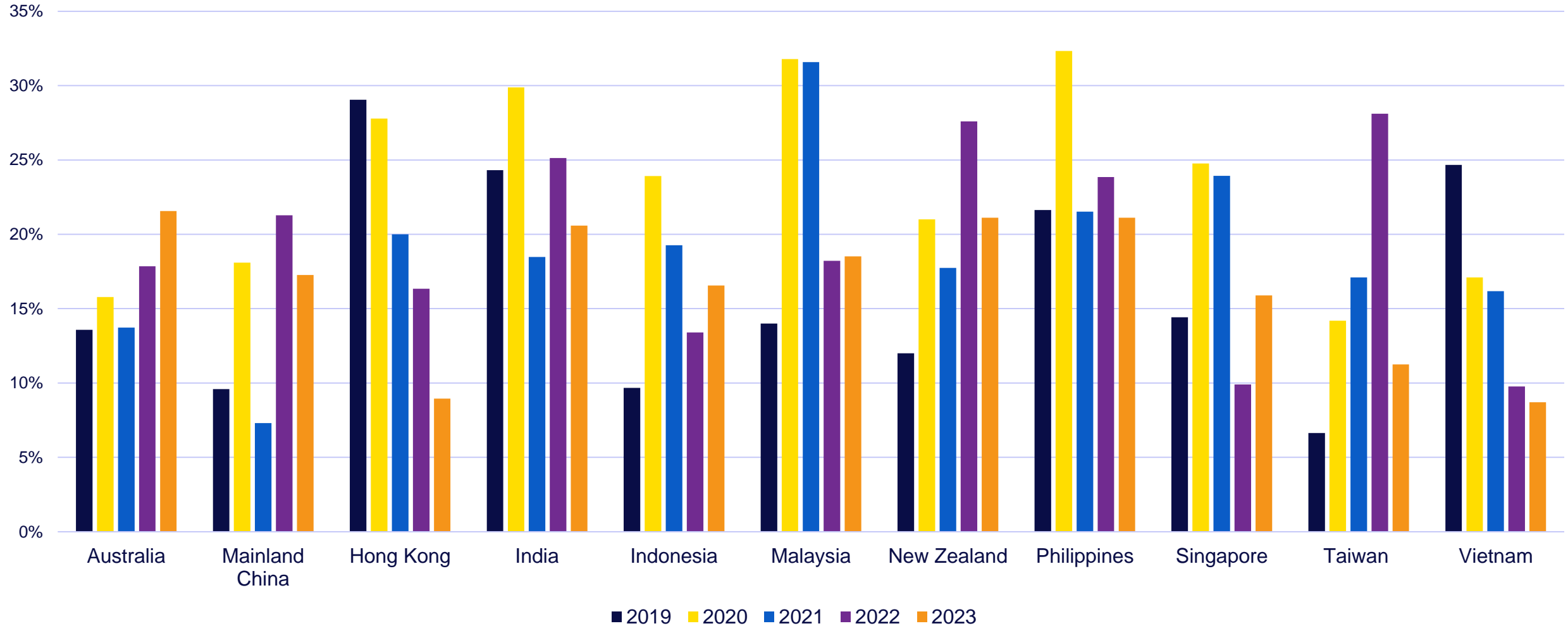
Solvency challenges are most likely to hit businesses in Australia, New Zealand and the Philippines this year

Small business expectations whether it will be easy or difficult to pay their debts in 2024 – by market



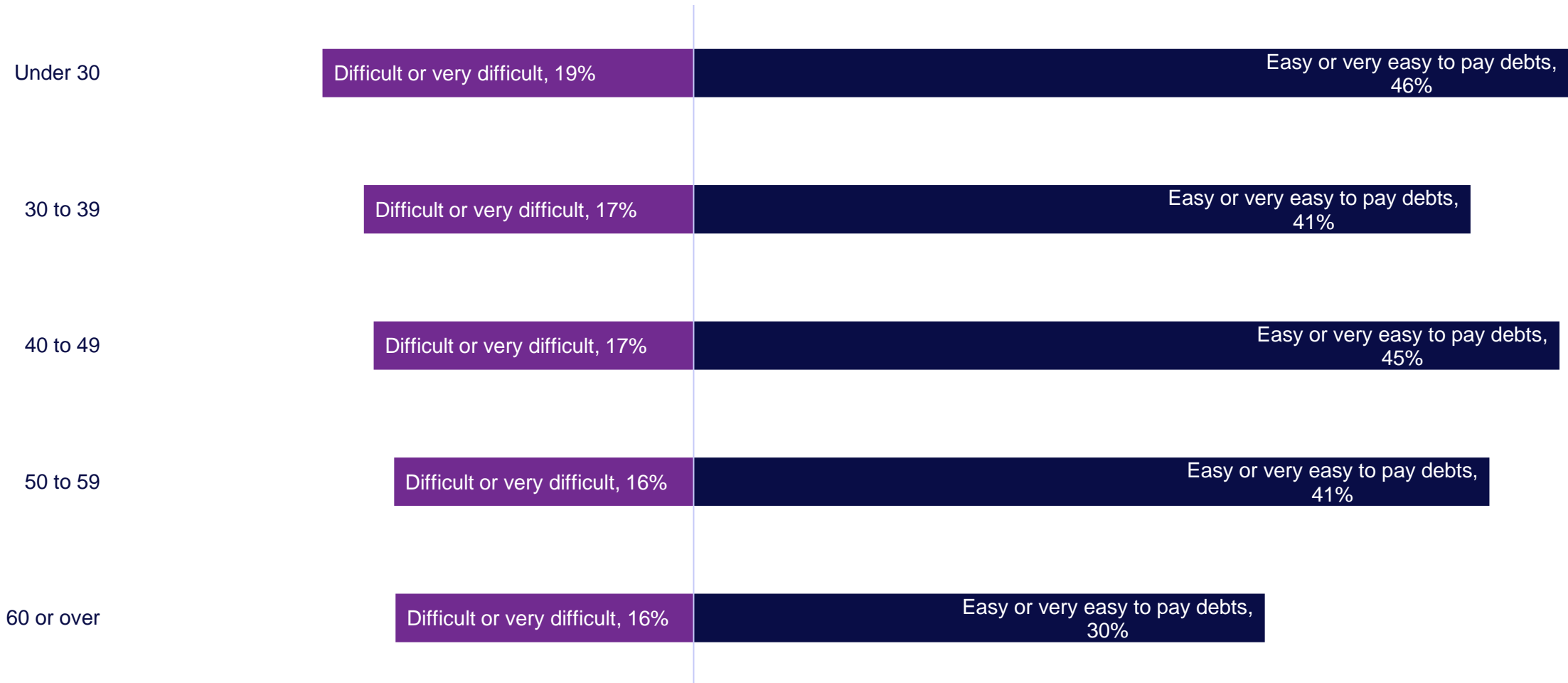
Australia, Indonesia and Singapore expect an increase in small businesses facing solvency challenges this year

Small business expect it will be difficult to pay their debts in the next 12 months 2024 – over time and by market



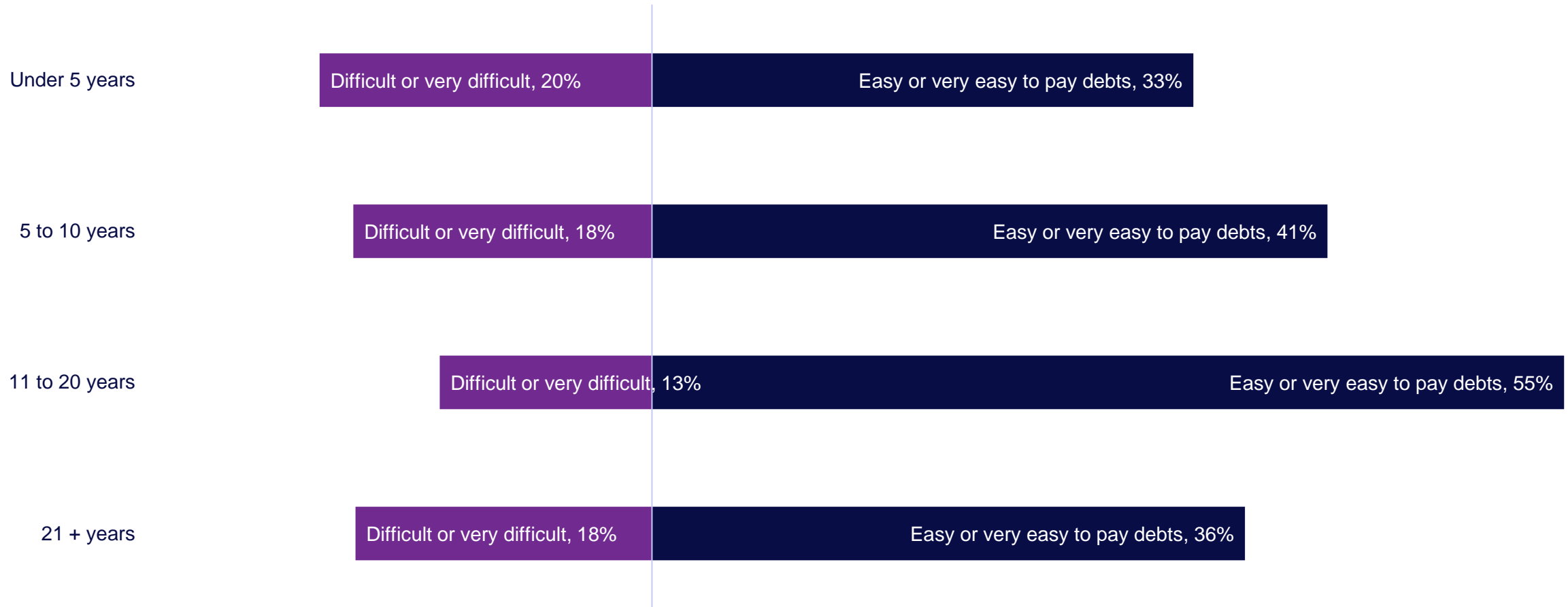
Age of respondent doesn't make much difference in whether respondents believe it will be difficult to pay business debts this year

Small businesses that expect it will be easy or difficult to pay their debts in 2023 – by age of respondent



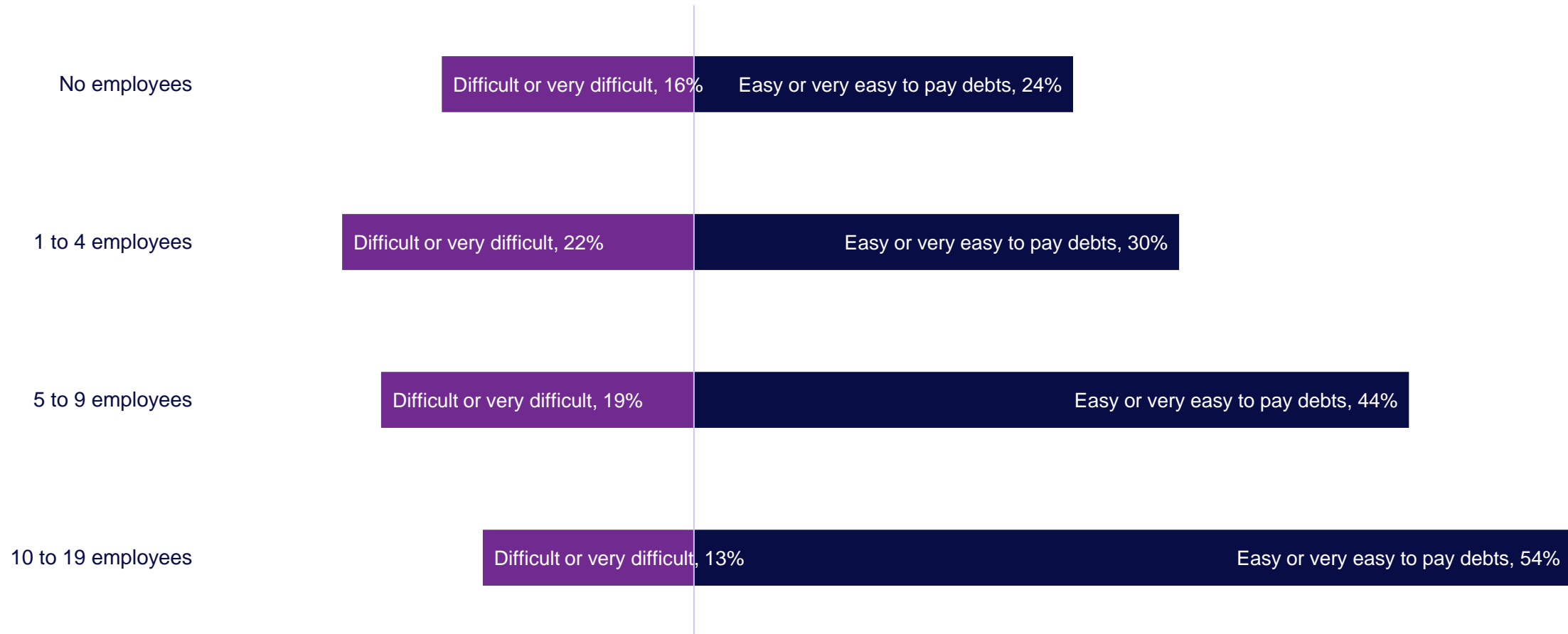
Businesses established less than five years are slightly less likely to expect it will be easy for them to pay their debts this year

Small businesses that expect it will be easy or difficult to pay their debts in 2024 – by age of business



Small businesses with more employees are more likely to expect it will be easy to pay their debts this year

Small businesses that expect it will be easy or difficult to pay their debts in 2024 – by size of business



Top-five industries that expect paying their debts will be easy or very easy in 2024

1. Public administration and safety – 55%
2. Manufacturing – 52%
3. Information, Media And Telecommunications – 51%
4. Banking, Finance Or Insurance – 50%
5. Wholesale trade – 49%

Top-five industries that expect paying their debts will be difficult or very difficult in 2024

1. Administrative and support services – 21%
2. Property and construction – 21%
3. Agriculture, forestry and fishing – 21%
4. Education and training – 20%
5. Retail trade – 19%

Access to finance

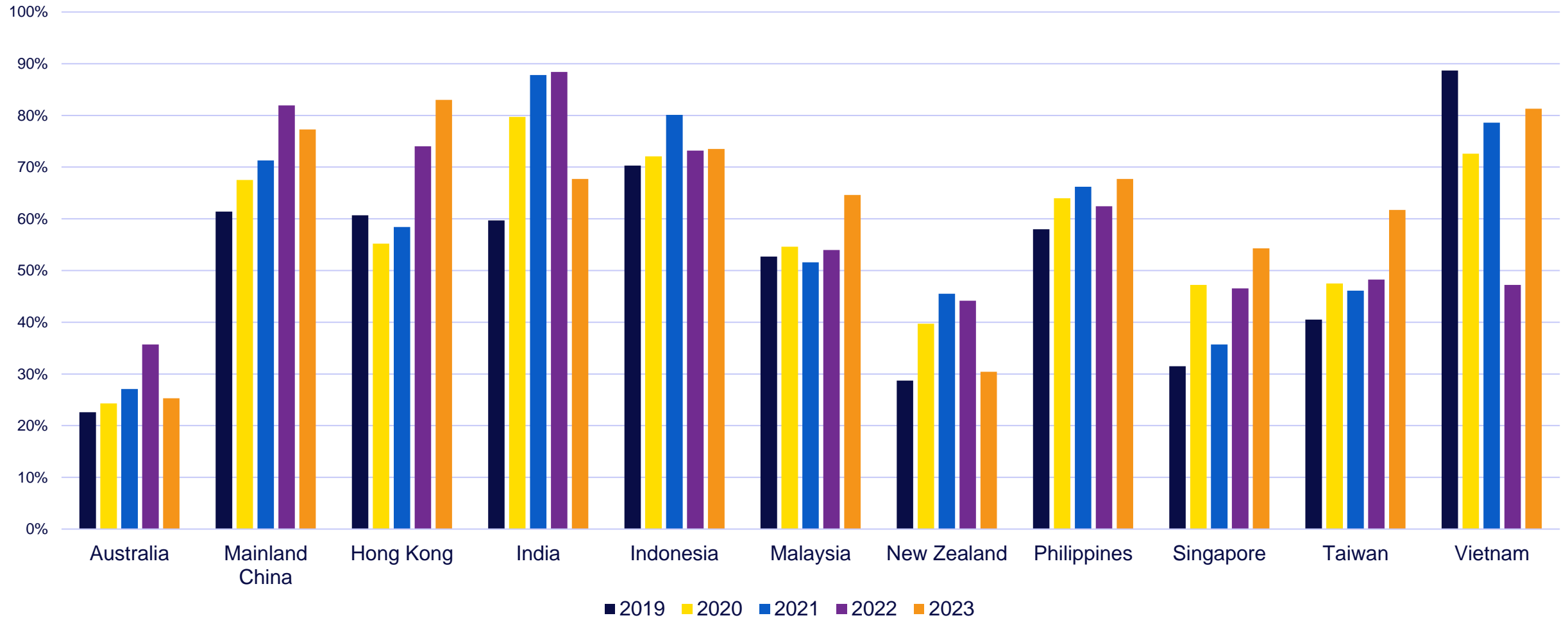
REQUIRED EXTERNAL FINANCE IN 2023

Small businesses requiring finance in 2023

- Small businesses from higher growth markets were more likely to require external finance last year than small businesses from lower growth markets
- Hong Kong's small businesses overtook India as the most likely to have required external finance. This reflects the strong growth in that market
- Vietnam's small businesses were significantly more likely to require finance last year compared to the previous year. This is consistent with the strong capital needs of that market given the relatively small percentage that added to their employee headcount in 2023.
- Younger respondents, younger businesses and larger small businesses are much more likely to have required external finance in 2023. Given such businesses are more likely to be growing, using technology, innovating and entering new markets, this strong demand for external finance is no surprise.

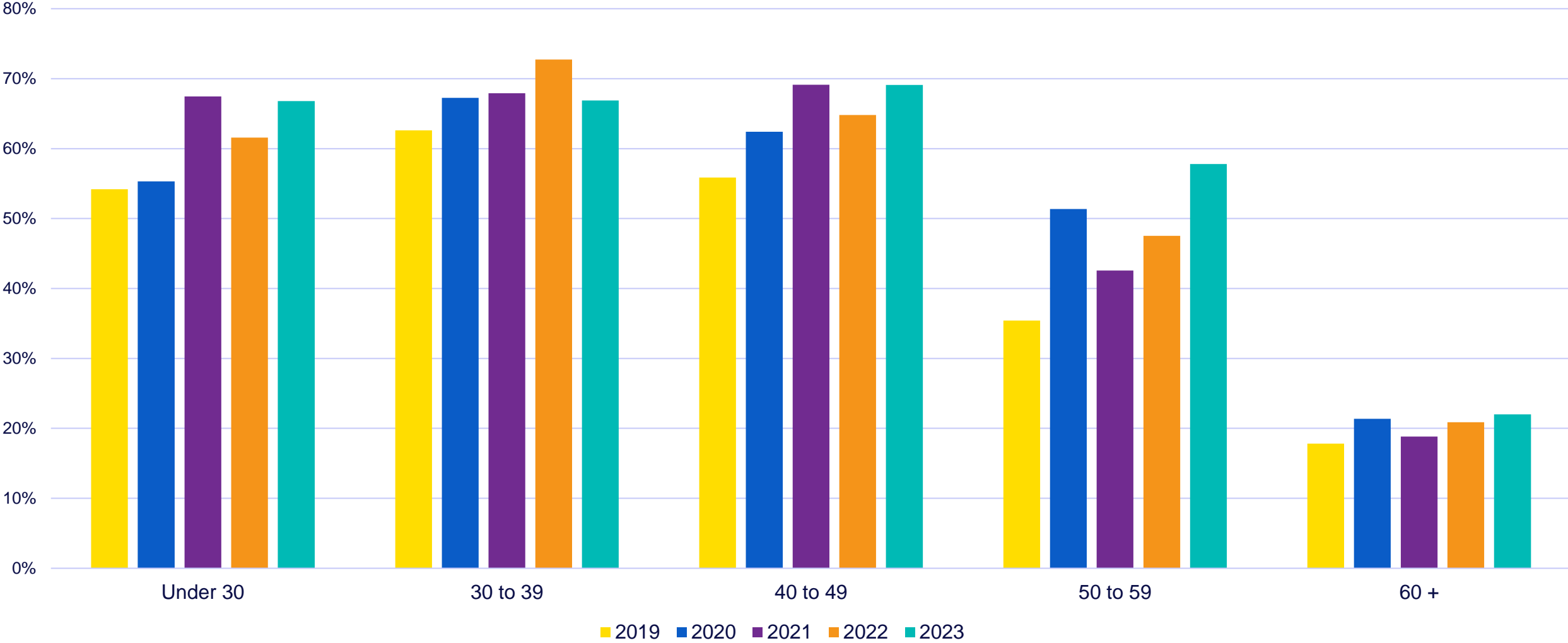
Hong Kong small businesses were the most likely to have required external finance last year. Australian small businesses were significantly less likely to have required finance

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



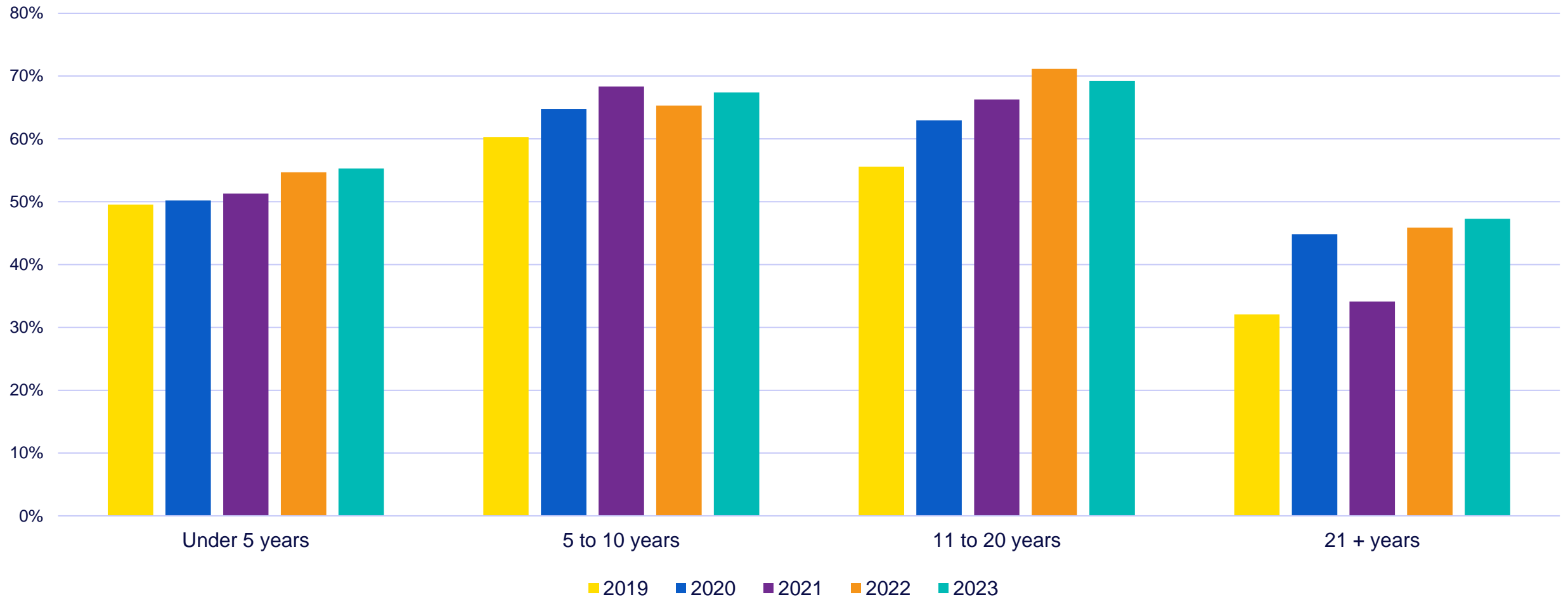
Older respondents remain far less likely to have required external finance in 2023

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



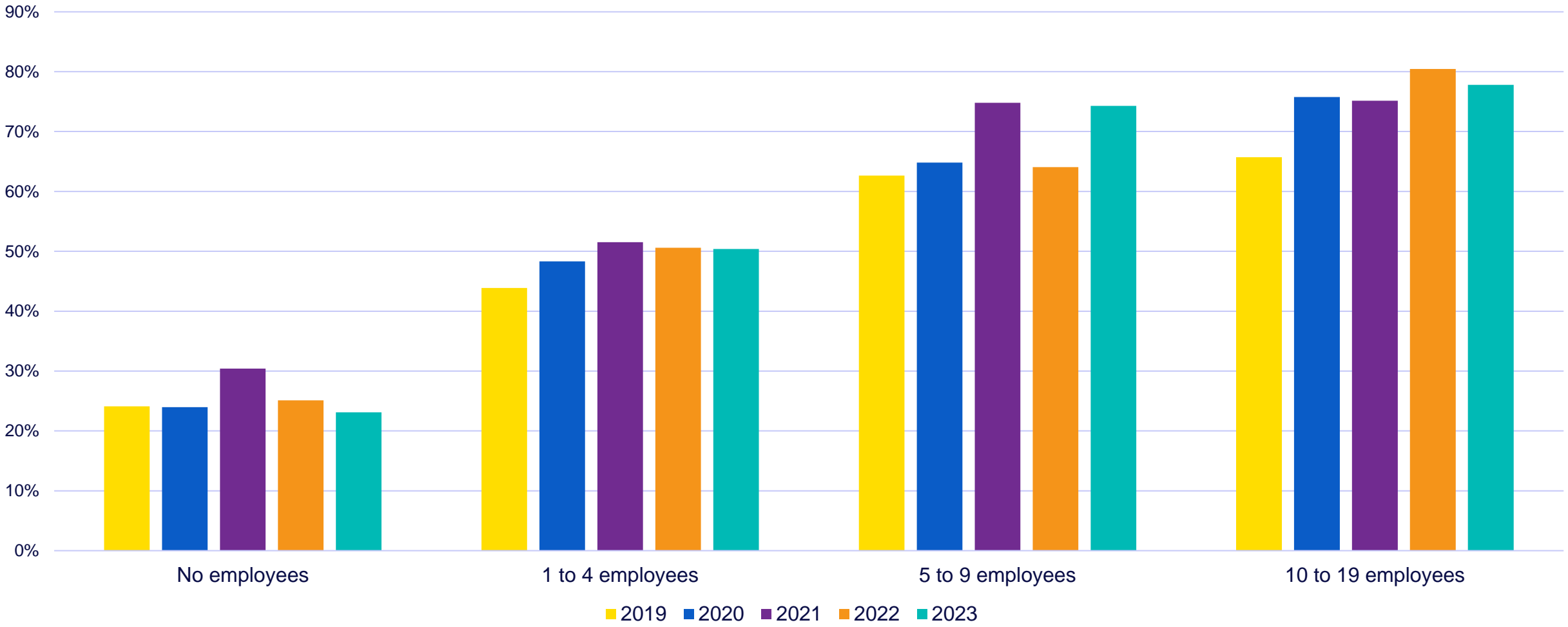
Small businesses established between 5 and 20 years remain more likely to have required external finance in the past 12 months

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



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

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



Top-five industries that required external finance in 2023

- Larger and more capital-intensive industries were more likely to require external financing for their business operations



Manufacturing – 78%



Mining – 77%



Banking, finance or insurance – 73%



Agriculture, forestry and fishing & Utilities – 70%



Property and construction – 70%

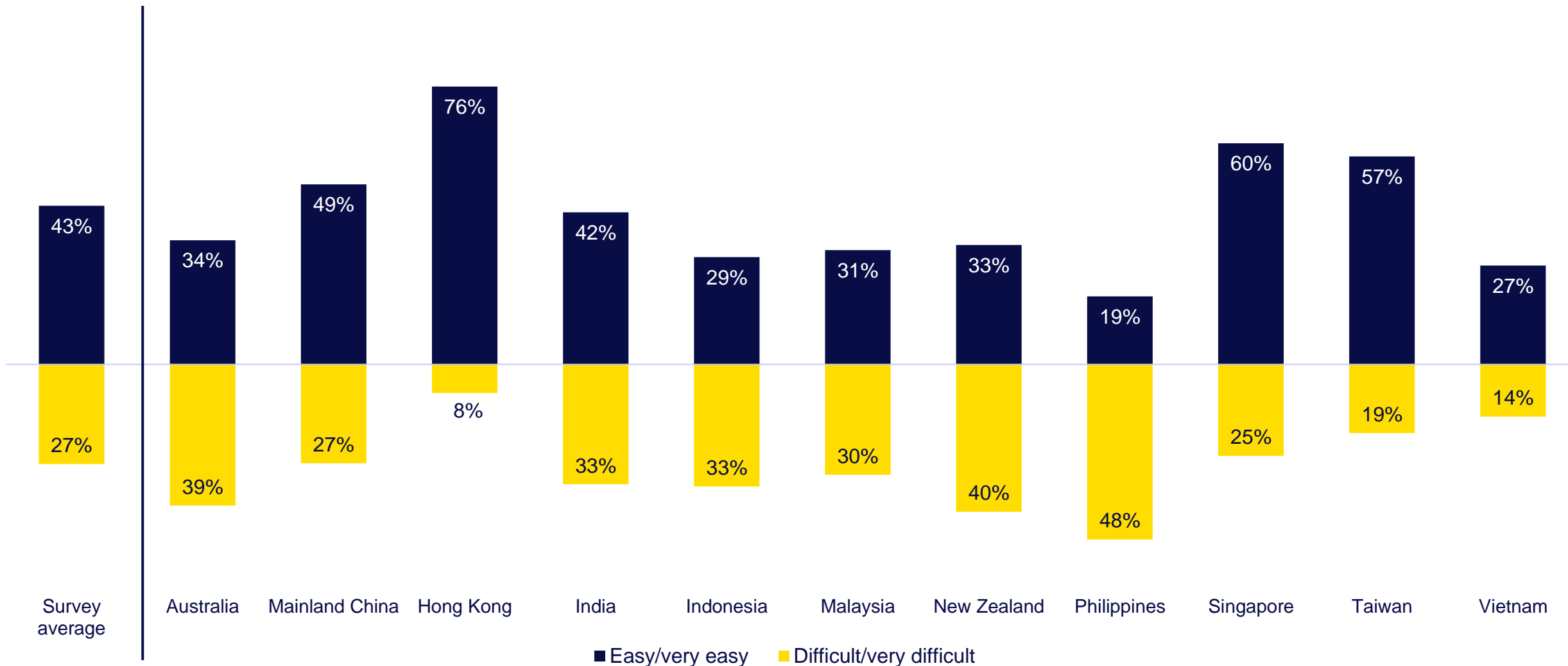
EASE OR DIFFICULTY IN ACCESSING FINANCE IN 2023

Ease or difficulty accessing finance in 2023

- Seven markets found it more easy than difficult to access finance last year, while four were more likely to find it difficult to access finance than easy.
- Financing conditions became significantly easier for Mainland Chinese and Taiwanese small businesses last year.
- Financing conditions became more difficult in Australia, India, Philippines and Singapore in 2023.
- Younger businesses were less likely to report easy access to finance, even though they are often high growth businesses. Such businesses often lack the trading history and security that older businesses have, increasing the risk of providing them finance. Micro businesses were also less likely to experience easier financing conditions last year.
- Business that sourced their finance from crowd-sourced funding reported the easiest financing conditions. Government grant/funds were also an easy source of finance.
- Financing from banks was less easy in 2023 than 2022. This could be due to higher interest rates and stricter financing conditions post-COVID.

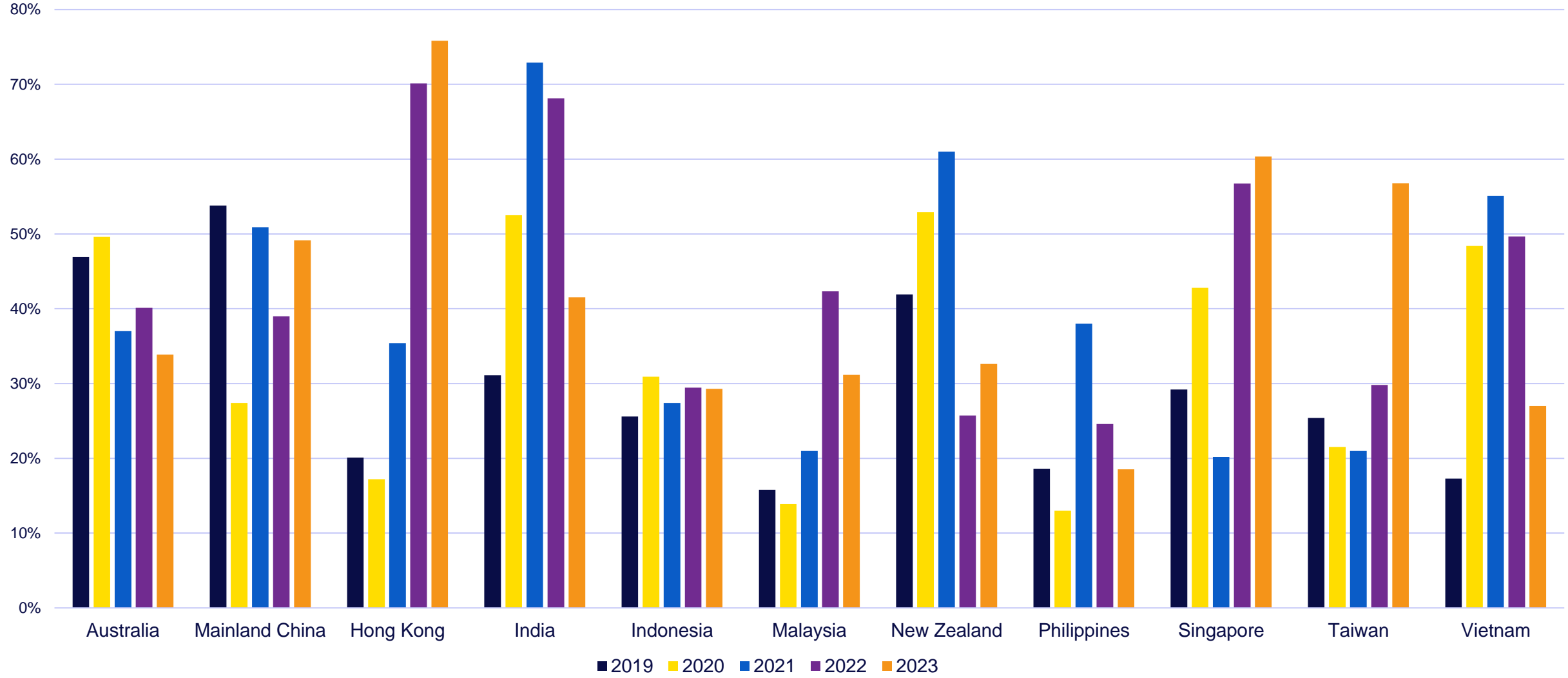
Hong Kong small businesses were the most likely to find easy financing conditions, while Philippine small businesses were the most likely to experience difficulty accessing finance

Small business experience in accessing finance in 2023 – by market



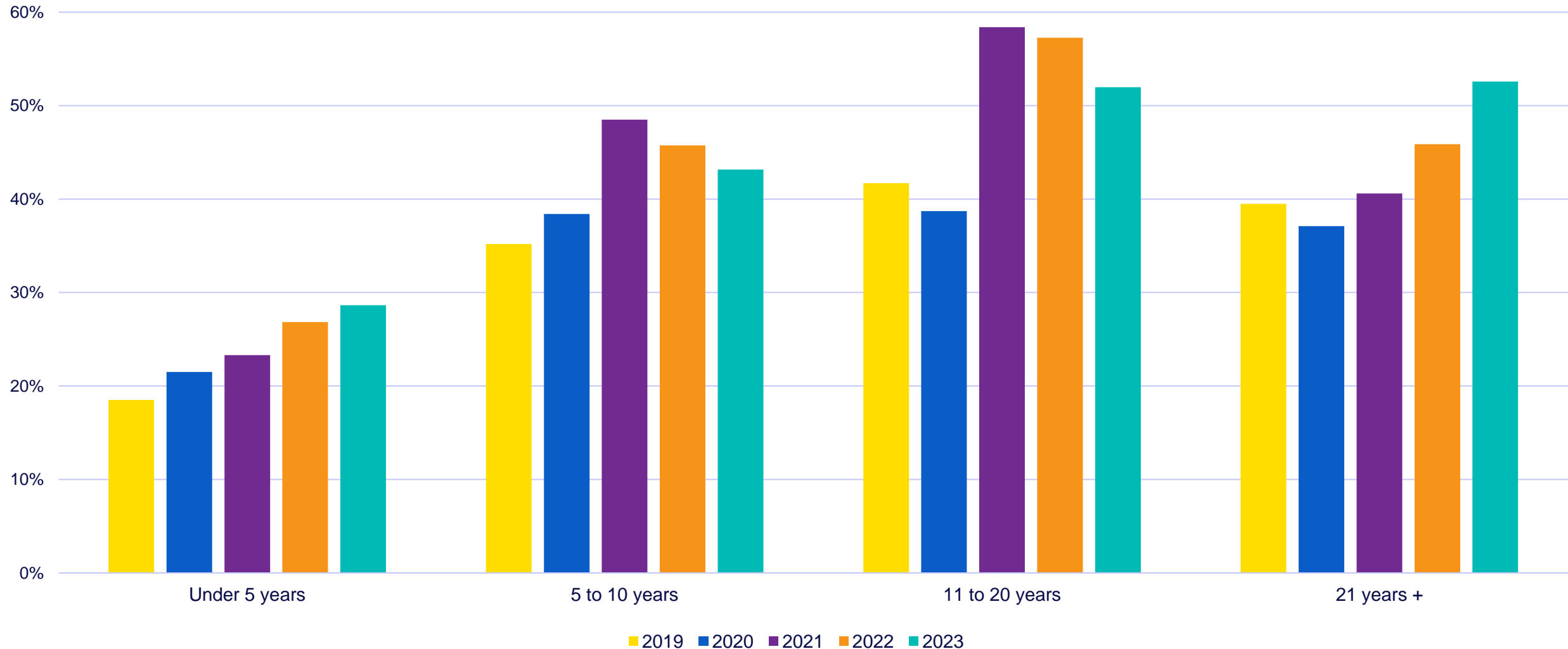
Financing conditions became significantly easier for mainland Chinese and Taiwanese small businesses and much less easy for Indian and Vietnamese small businesses

Percentage that experienced easy or very easy financing conditions in the past 12 months – by market and year



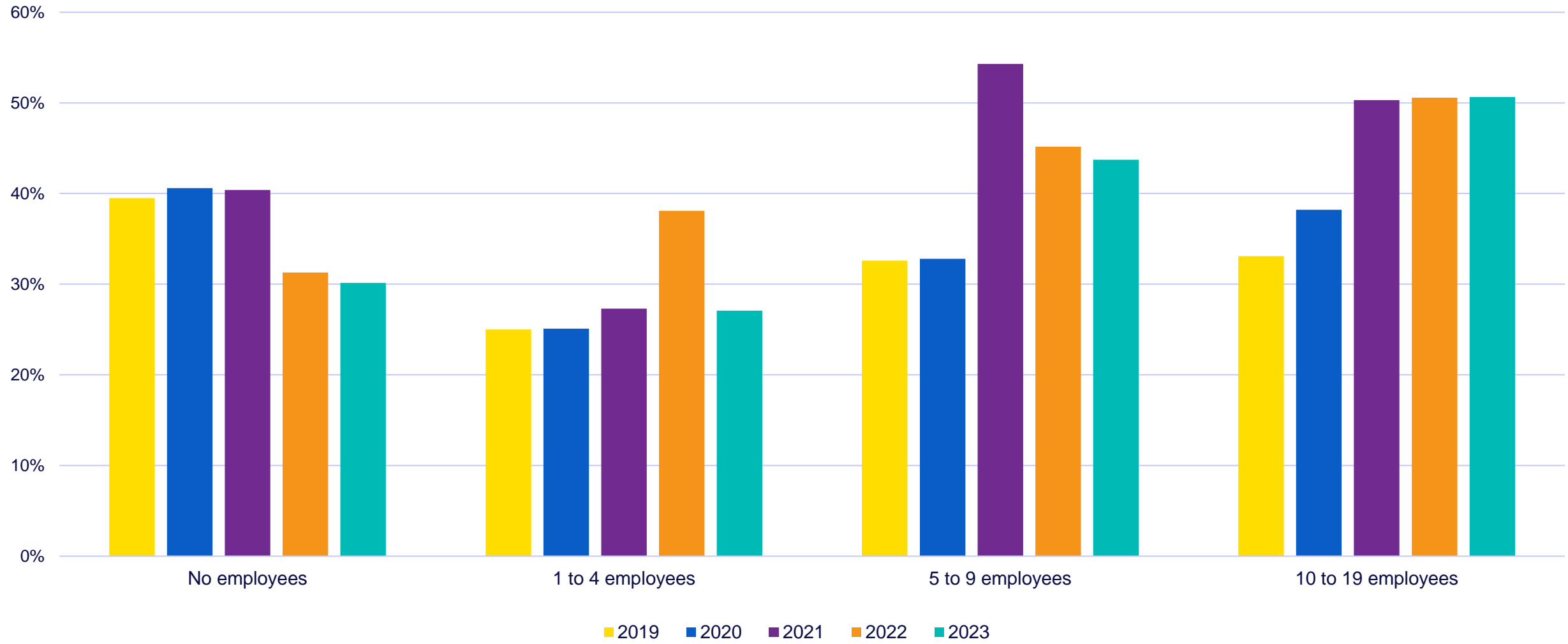
Older businesses are more likely to experience easy financing conditions

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



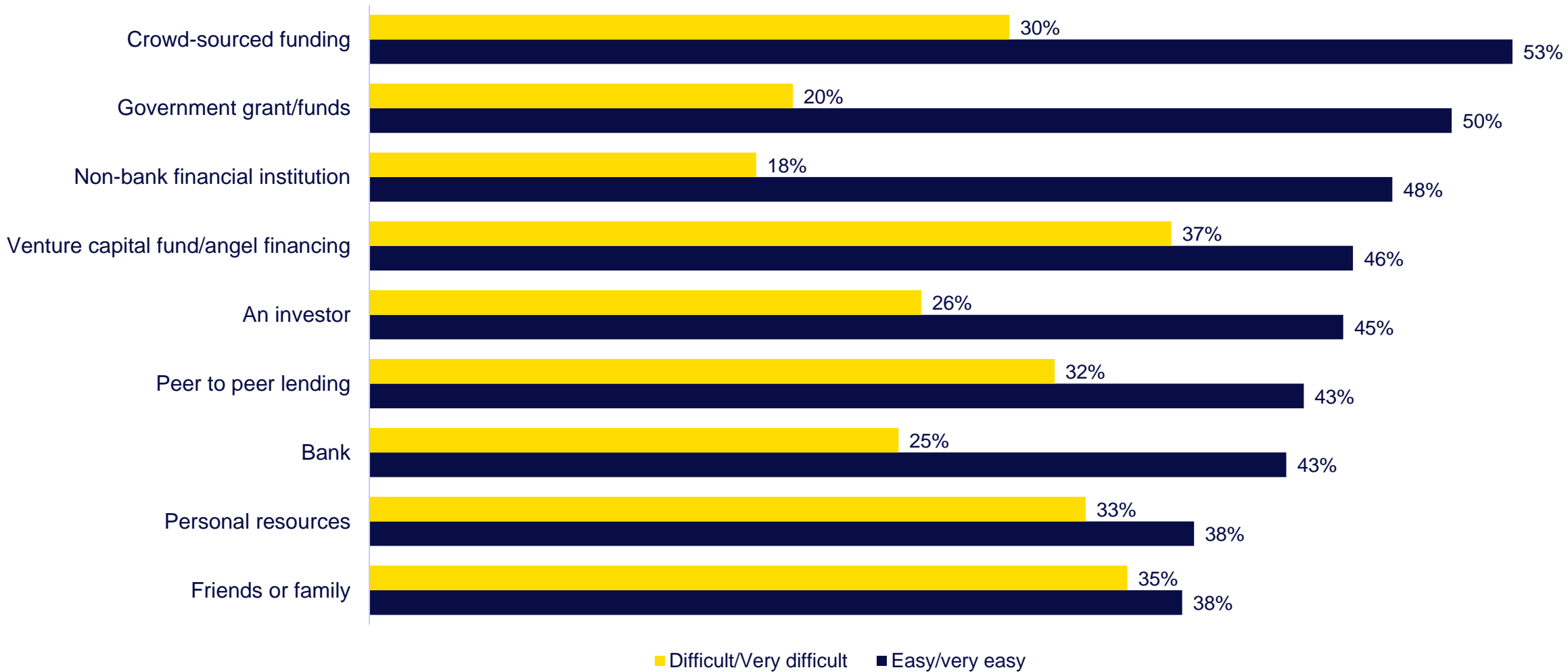
Small business with more employees are more likely to experience easier financing conditions

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



Crowd-sourced funding and government grants were the easiest source of finance, while venture capital fund/angel financing were the most difficult source of finance

Ease or difficulty of accessing finance – by source



Top-five industries that experienced easy access to finance in 2023

1. Public administration and safety – 52%
2. Information, media and telecommunications – 51%
3. Professional, Scientific And Technical Services – 50%
4. Wholesale trade – 48%
5. Health care and social assistance – 48%

Top-five industries that had trouble accessing finance in 2023

1. Education and training – 38%
2. Transport and warehousing – 36%
3. Accommodation And Food Services – 32%
4. Retail trade – 32%
5. Agriculture, forestry and fishing – 32%

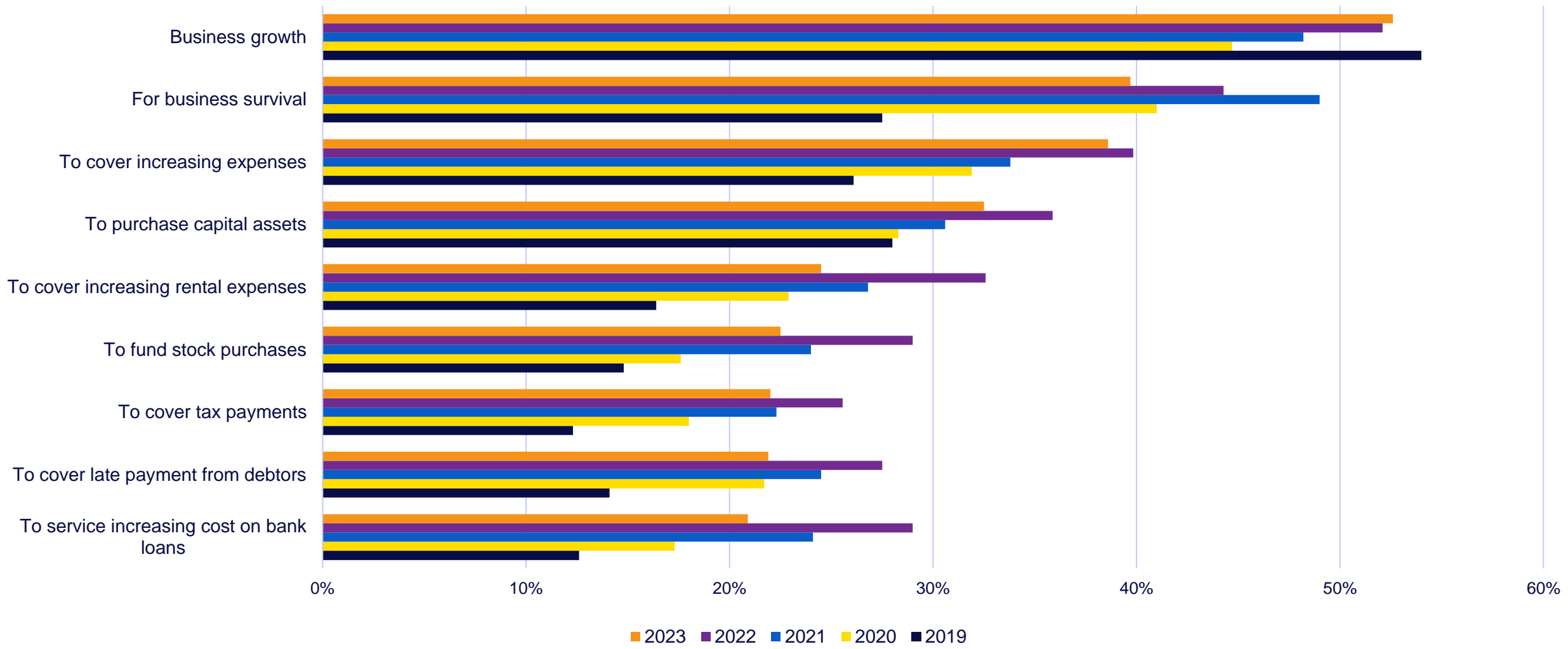
REASONS FOR SEEKING FINANCE IN 2023

Why small business required finance in 2023

- Reflecting a recovery from the pandemic, more small businesses sought finance for growth in 2023 and less used it for business survival. During the pandemic, there was a large increase in the number of businesses accessing external finance for survival.
- Except for Singapore, small businesses were more likely to source finance for growth than survival last year.
- Reflecting that businesses owned or managed by younger respondents and younger businesses are more likely to have grown in 2023, they were slightly more likely to have sourced external finance for growth.
- Larger small businesses were the most inclined to seek external finance for business survival; possibly due to the rising staff costs.

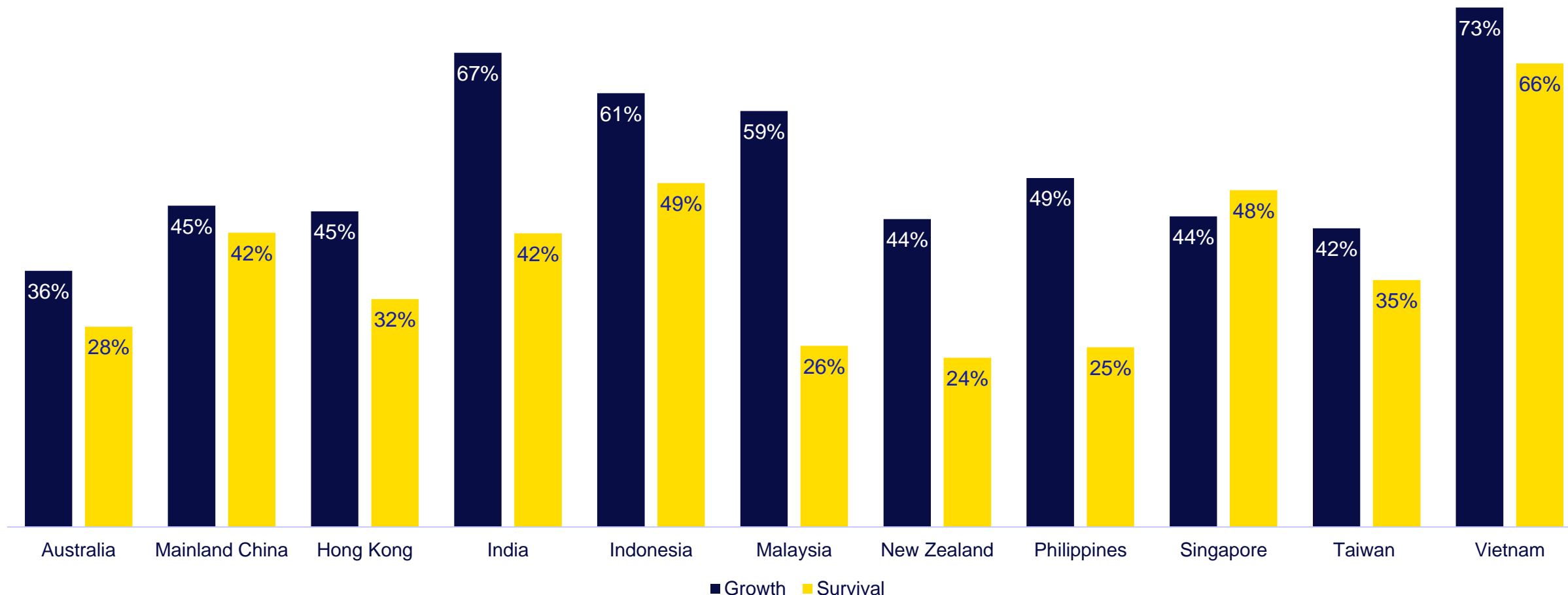
Small businesses were more focused on accessing finance for growth in 2023 and less focused on using it for business survival as was the case during the pandemic

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



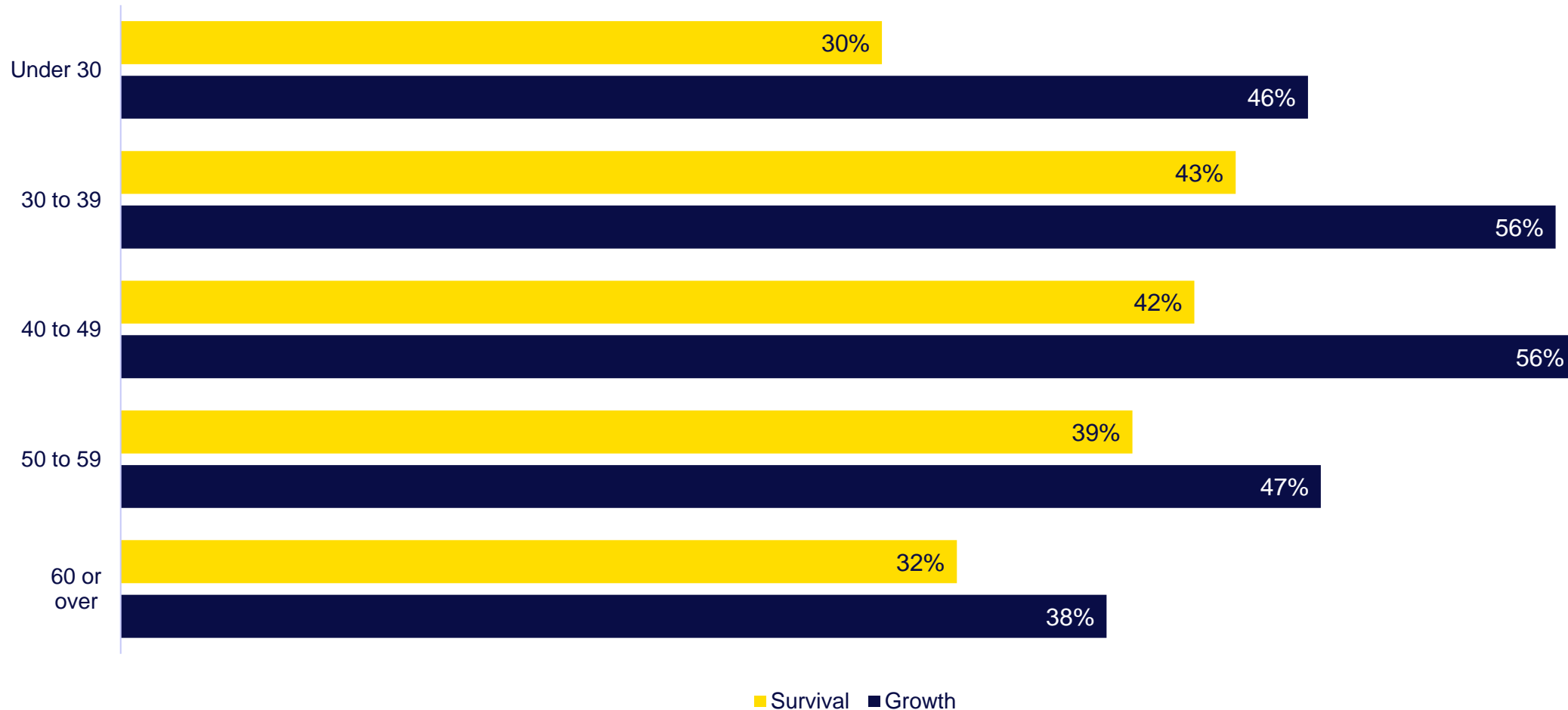
Except for Singapore, small businesses were more likely to source finance for growth than survival last year

Whether seeking finance for growth or survival in 2023 – by market



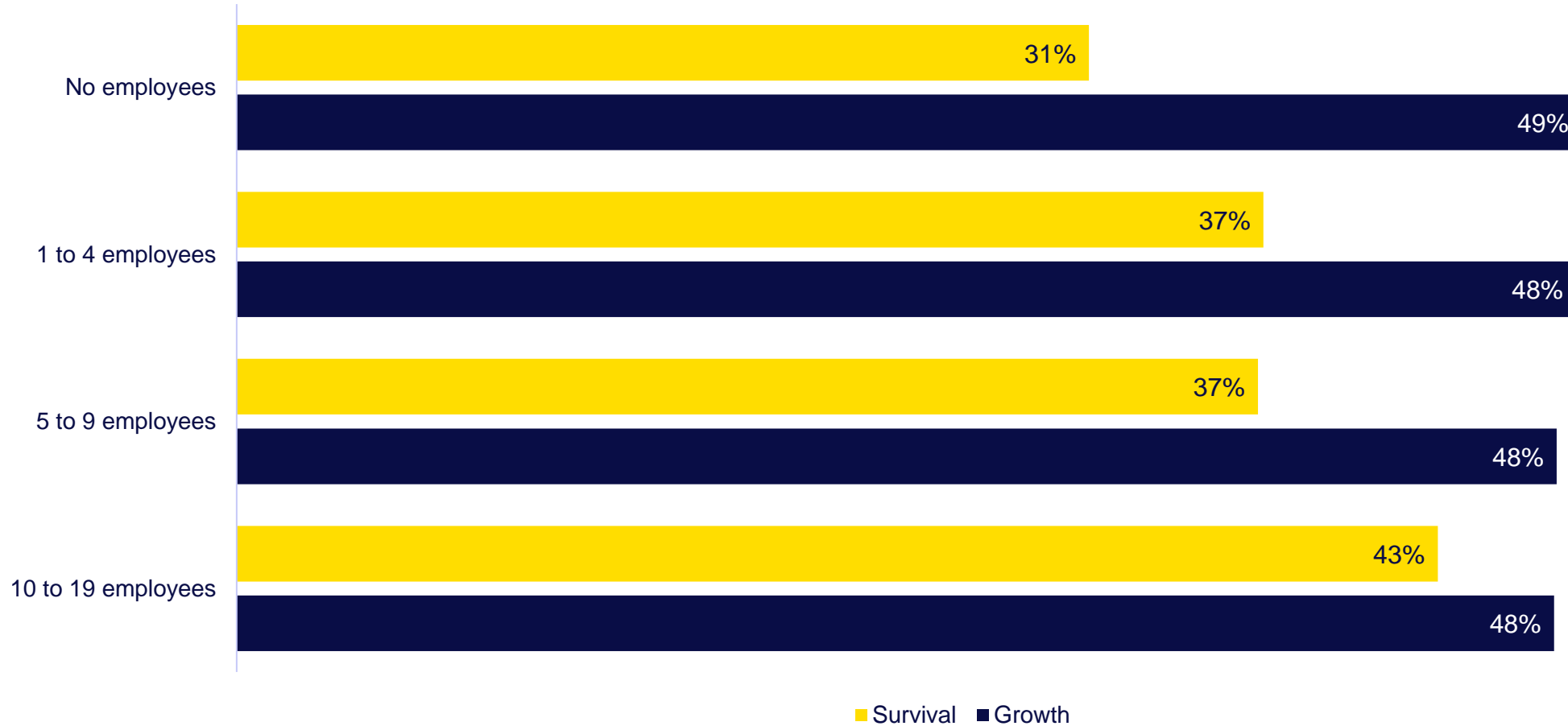
Respondents aged between 30 to 50 are more likely to have sought finance for growth last year

Businesses that sought external finance for growth and survival in 2023 - by age of respondent



Small business with more employees were more likely to source finance for survival in 2023

Businesses that sought external finance for growth and survival in 2023 - by number of employees



Reasons for seeking external finance in 2023 – by industry

Top-five industries that required finance in 2023 for business growth

1. Banking, finance or insurance – 62%
2. Information, media and telecommunications – 62%
3. Retail trade – 57%
4. Arts and recreation services – 56%
5. Accommodation and food services – 53%

Top-five industries that required finance in 2023 for business survival

1. Utilities – 53%
2. Public administration and safety – 48%
3. Property and construction – 47%
4. Education and training – 45%
5. Transport and warehousing – 43%

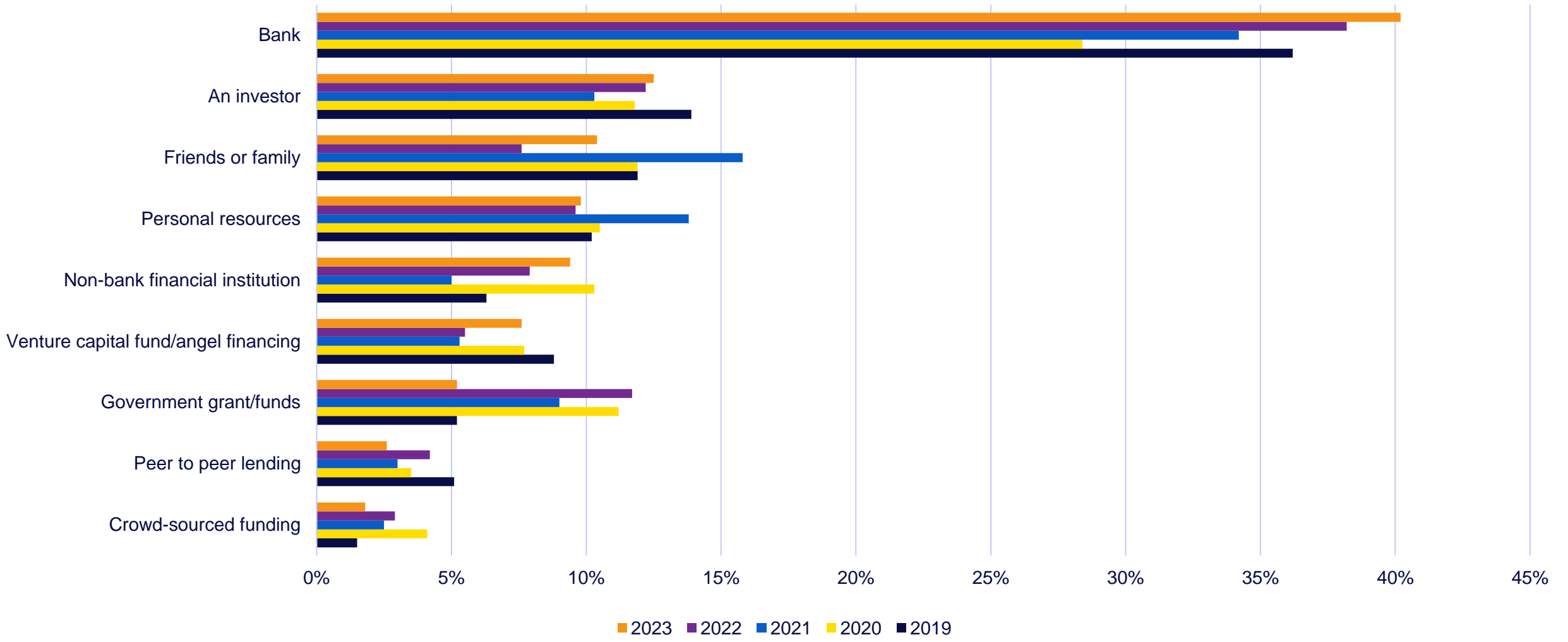
SOURCES OF FINANCE IN 2023

Where small business sourced their finance in 2023

- Banks grew as the most popular source of external finance for the region's small businesses in 2023, regardless of the age of business, age of respondent or business size..
- The popularity of government grants/funds as a source of finance declined in 2023. This is most likely due to governments reducing small business assistance post-pandemic.
- Micro businesses (less than five employees) are more likely to source finance from family and friends and their own personal resources than larger small businesses.
- Vietnam's small businesses are by far the most likely to name banks as their main source of funding.

The popularity of banks as the major source of finance grew in 2023, while the popularity of government grants/funds declined

Major source of external finance in the past 12 months – by year



Top three sources of external finance in 2023 by market

	Most popular	Second most popular	Third most popular
Survey average	Bank (40%)	An investor (13%)	Friends or family (10%)
Australia	Bank (42%)	Personal resources (16%)	Friends or family (9%) Government grant/funds (9%)
Mainland China	Bank (37%)	Non-bank financial institution (21%)	Venture capital fund/angel financing (16%)
Hong Kong	Bank (35%)	An investor (26%)	Venture capital fund/angel financing (12%)
India	Bank (40%)	Personal resources (18%)	Friends or family (15%)
Indonesia	Bank (39%)	Personal resources (14%) An investor (14%)	Friends or family (12%)
Malaysia	Bank (46%)	Personal resources (13%) An investor (13%)	Government grant/funds (8%)
New Zealand	Bank (48%)	Government grant/funds (14%)	Non-bank financial institution (10%)
Philippines	Bank (25%)	Friends or family (20%) Personal resources (20%)	An investor (14%)
Singapore	Bank (27%)	An investor (16%)	Friends or family (13%)
Taiwan	Bank (38%)	An investor (17%)	Government grant/funds (12%) Venture capital fund/angel financing (12%)
Vietnam	Bank (69%)	Friends or family (10%)	An investor (6%)

Top three sources of external finance in 2023 – by business size

	Most popular	Second most popular	Third most popular
No employees	Bank (27%)	Friends of family (26%)	Personal resources (21%)
1 to 4 employees	Bank (35%)	Friends of family (19%)	Personal resources (16%)
5 to 9 employees	Bank (38%)	Non-bank financial institution (13%) An investor (13%)	Venture capital fund/angel financing (11%)
10 to 19 employees	Bank (45%)	Investor (15%)	Non-bank financial institution (8%)

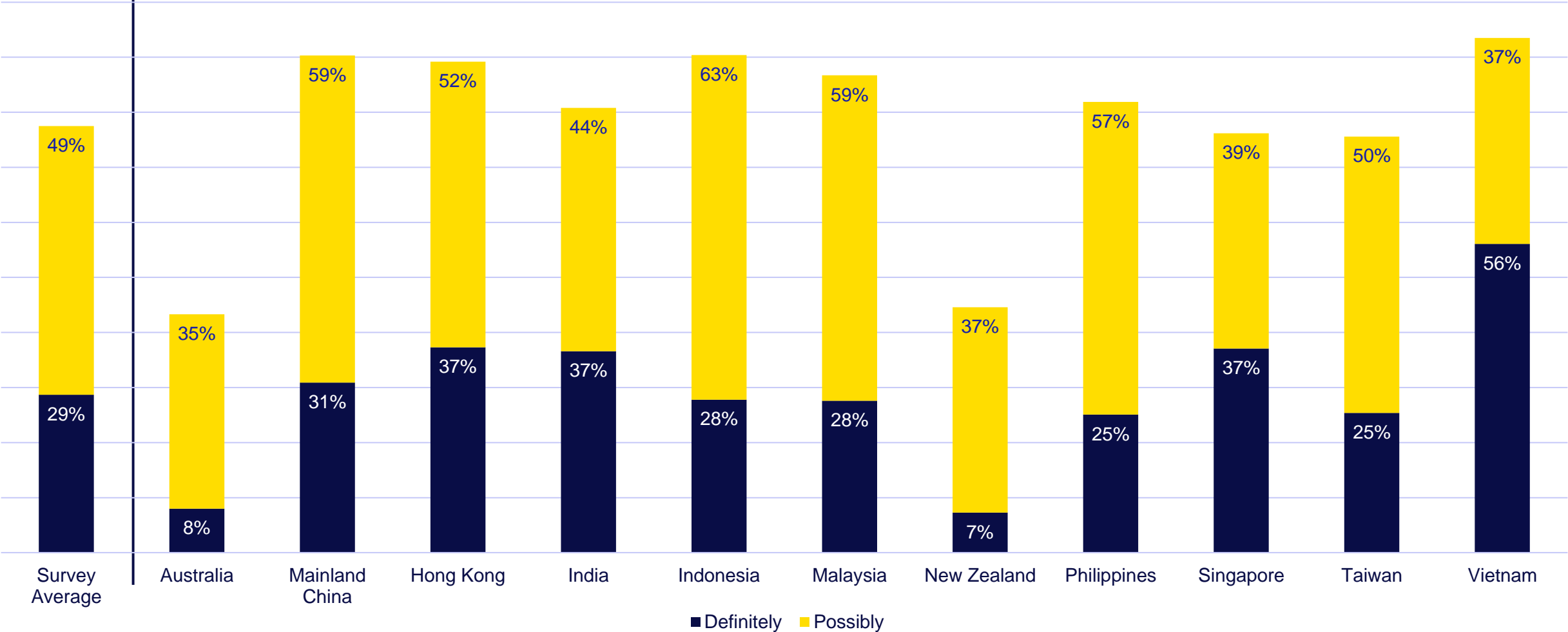
ACCESSING FINANCE IN 2024

Small business expectations for accessing finance in 2024

- Most small businesses expect to access finance in 2024, and to use that finance to support business growth.
- Small businesses are more likely to expect easy than difficult financing conditions in 2024.
- Not surprisingly, high-growth markets are more likely to expect to access finance in 2024.
- Financing conditions in Hong Kong, Singapore and Taiwan are expected to remain easy, reflecting positive business expectations.
- Hong Kong has the highest percentage of small businesses expecting easy access to finance, while New Zealand small businesses are the most likely to expect difficult financing conditions.
- Growth is the key reason small businesses expect to seek finance this year. Business survival and covering increasing expenses are also key reasons for expecting to seek finance this year.

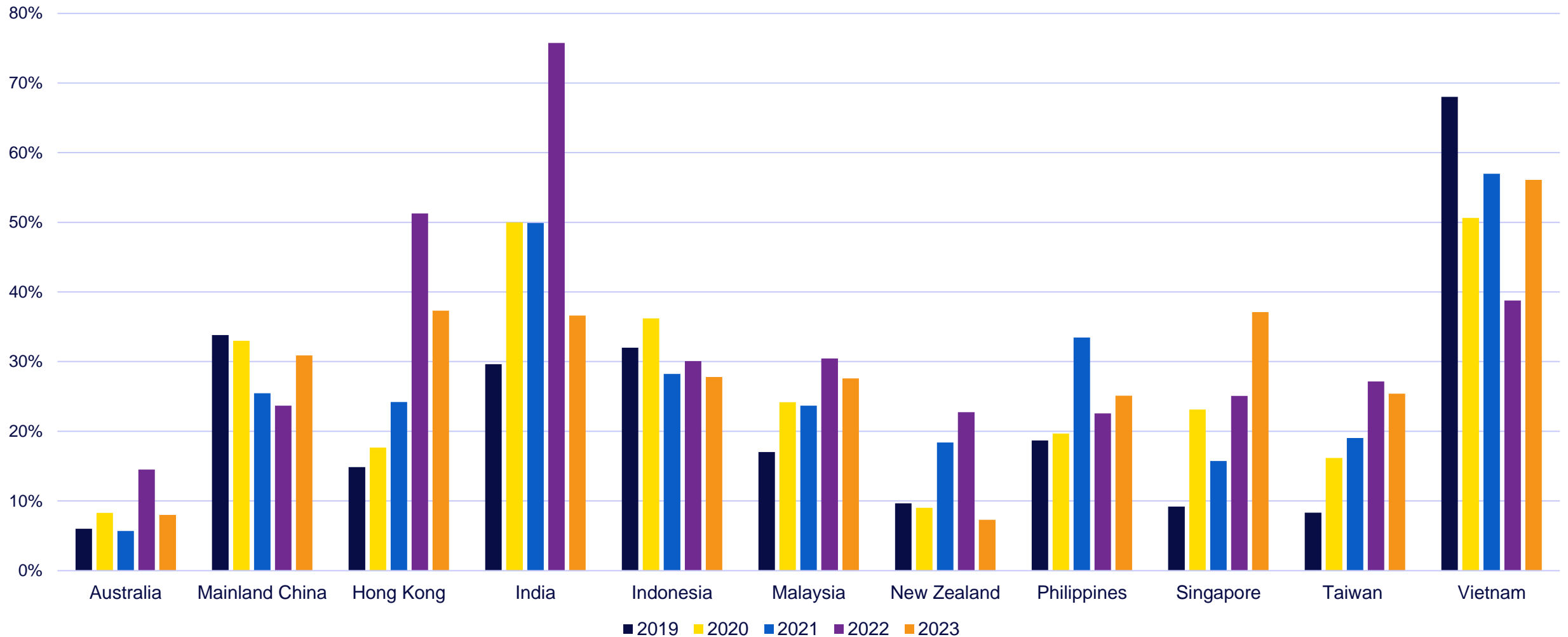
Australian and New Zealand small businesses have a relatively low expected demand for finance this year, reflecting the lower growth expectations in those markets

Percentage of businesses that expect to require external finance in 2024 - by market



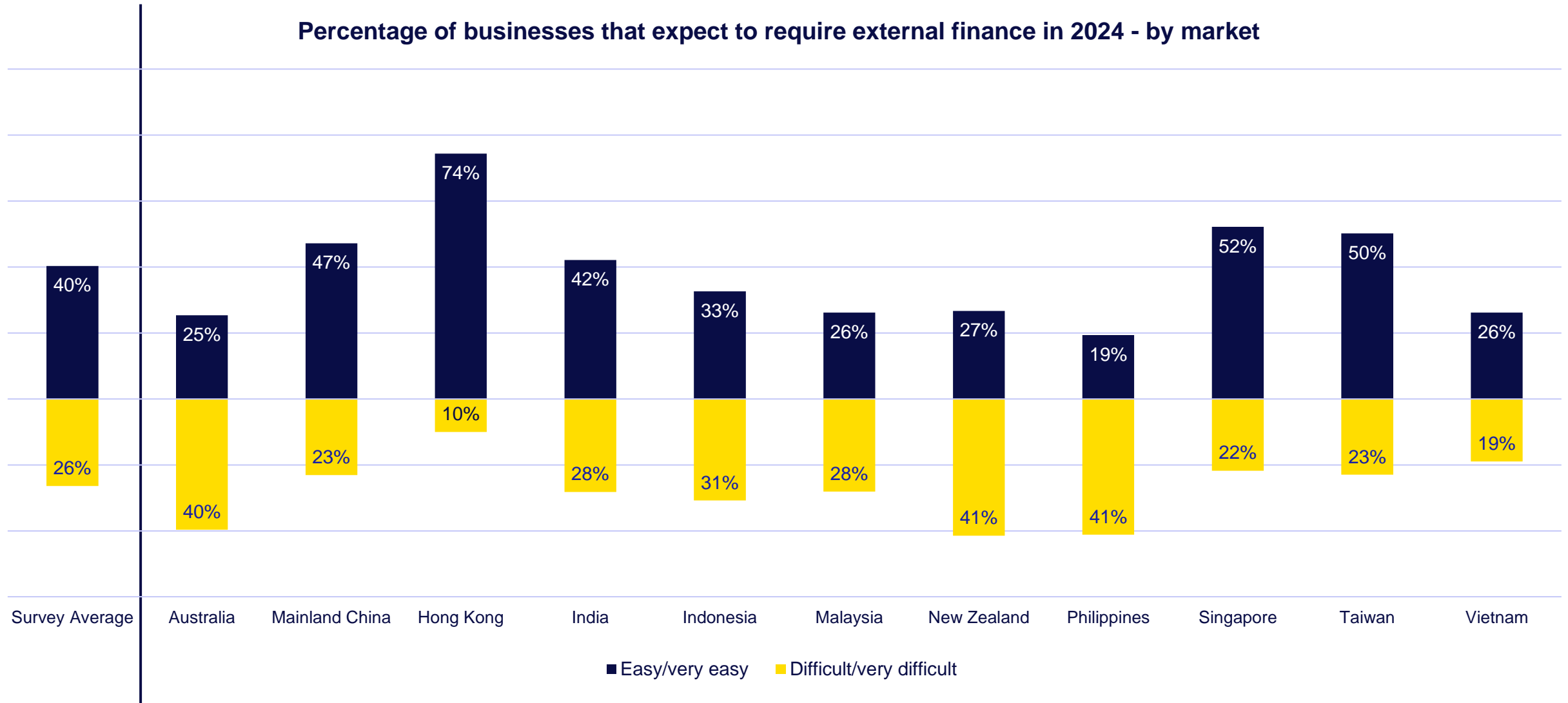
Vietnamese small businesses are the most likely to say they will require finance this year. This reflects positive economic conditions and expected easy financing conditions in that market

Percentage of businesses that will require external finance in the next 12 months - by market and over time



Financing conditions in Hong Kong, Singapore and Taiwan are expected to remain easy, reflecting positive business expectations

Percentage of businesses that expect to require external finance in 2024 - by market



Top three anticipated reasons for seeking external finance in 2024 – by market

	Most anticipated reason	Second most anticipated reason	Third most anticipated reason
Survey average	Business growth (57%)	Business survival (38%)	Cover increasing expenses (34%)
Australia	Business growth (53%)	Business survival (30%)	Cover increasing expenses (29%)
Mainland China	Business growth (52%)	Business survival (38%)	Cover increasing expenses (35%)
Hong Kong	Cover increasing expenses (42%)	Business growth (39%)	Cover increasing rental expenses (37%)
India	Business growth (67%)	Cover increasing expenses (41%)	To fund stock purchases (40%)
Indonesia	Business growth (67%)	Business survival (47%)	Purchase capital assets (31%)
Malaysia	Business growth (62%)	Cover increasing expenses (42%)	Purchase capital assets (39%)
New Zealand	Business growth (42%)	Cover increasing expenses (37%)	Business survival (26%)
Philippines	Business growth (62%)	Business survival (31%) Cover increasing expenses (31%)	Purchase capital assets (24%)
Singapore	Business growth (47%)	Cover increasing expenses (44%)	Business survival (39%)
Taiwan	Business growth (43%)	Business survival (35%)	Purchase capital assets (27%)
Vietnam	Business growth (79%)	Business survival (60%)	Purchase capital assets (24%)

Reasons for seeking external finance in 2024 – by industry

Top-five industries seeking finance in 2024 for business growth

1. Retail trade – 66%
2. Professional, scientific and technical services – 65%
3. Arts and recreation services – 61%
4. Rental, hiring and real estate services – 60%
5. Information, media and telecommunications – 59%

Top-five industries seeking finance in 2024 for business survival

1. Utilities – 52%
2. Information, media and telecommunications – 46%
3. Transport and warehousing – 45%
4. Property and construction – 44%
5. Public administration and safety – 43%

Sources of business advice

Where small business got their advice from in 2023

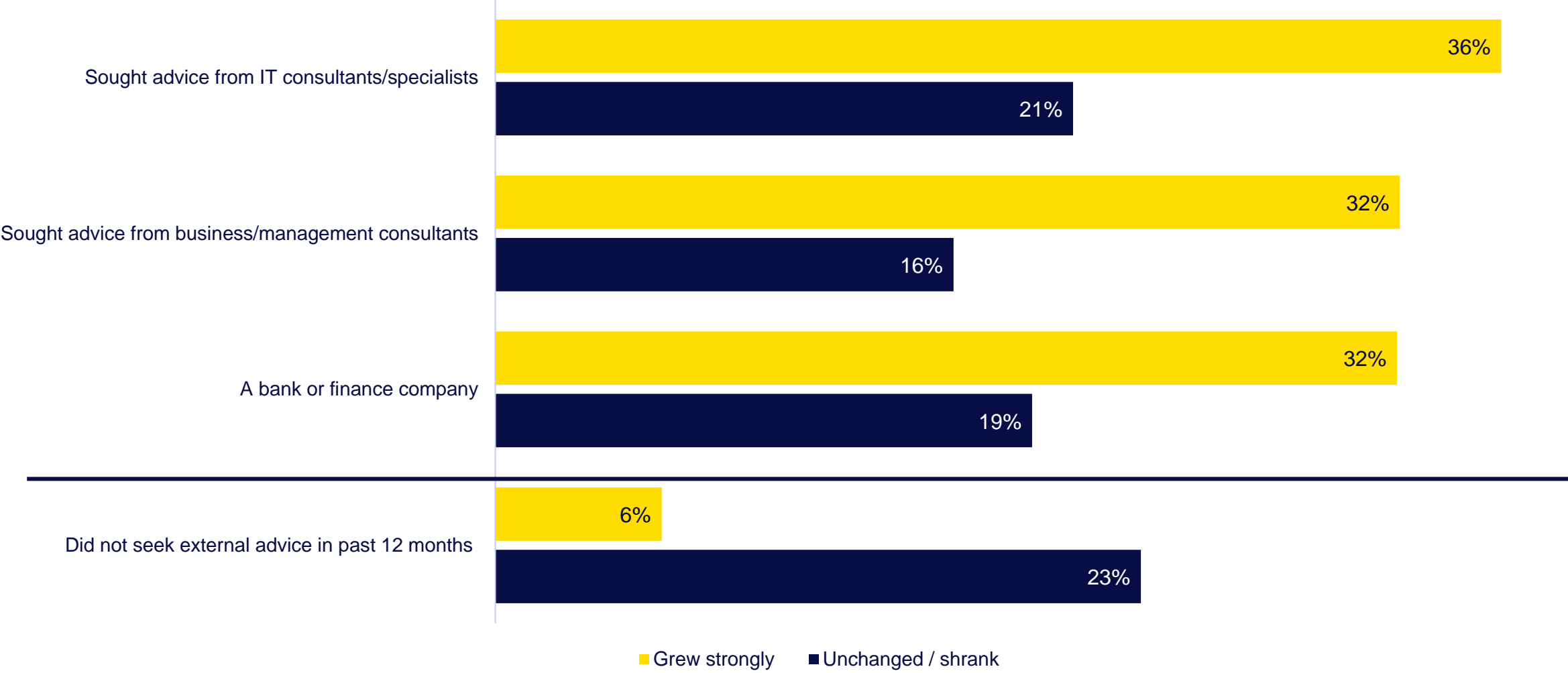
- The top source of advice for small businesses in 2023 was friends and family. With businesses becoming increasingly reliant on technology and having to comply with a more complex regulatory environment, they need external professional advice to keep up with rapid changes.
- High growth small business are more likely to have sought advice from IT consultants and business consultants than those that did not grow. Given the strong link between technology and growth, and improved business strategy and management and growth, this result is not surprising.
- Nearly all high growth businesses sought advice in 2023, however the same can't be said for those that were unchanged or shrank.
- Australian small businesses were the most likely to not seek advice. This helps explain why small businesses from that market continue to underperform on key drivers of growth including digital uptake, improving business management and innovation.
- Older respondents and micro businesses were less likely to seek advice. This may also help to explain why such businesses underperform on key drivers of growth. We encourage older respondents to begin engaging professionals to help them prepare for exiting their business.
- Governments remain one of the least used sources of business advice.

Most popular sources of business advice in 2023 – by market

	Most popular	Second most popular	Third most popular	Did not seek advice
Survey average	Friends and family (28%)	Business partner or mentor (27%)	IT consultants/specialists (26%)	14%
Australia	Accountants (42%)	Friends and family (22%)	IT consultants/specialists (17%)	28%
Mainland China	IT consultants/specialists (34%)	Business/management consultants (30%) A bank or finance company (30%)	Marketing consultants (26%)	18%
Hong Kong	IT consultants/specialists (35%)	Business partner or mentor (35%)	A bank or finance company (34%)	7%
India	Friends and family (38%)	Accountants (34%)	Business partner or mentor (34%)	8%
Indonesia	Friends and family (40%)	Business partner or mentor (35%)	Business/management consultants (22%)	11%
Malaysia	Friends and family (33%)	Business partner or mentor (33%)	A bank or finance company (31%)	9%
New Zealand	Accountants (41%)	Friends and family (30%)	A bank or finance company (18%)	22%
Philippines	Friends and family (49%)	Business partner or mentor (35%)	Business or industry associations (23%)	9%
Singapore	Business partner or mentor (31%)	Business/management consultants (26%)	A bank or finance company (26%)	15%
Taiwan	IT consultants/specialists (25%)	A bank or finance company (24%)	Friends and family (23%)	17%
Vietnam	A bank or finance company (45%)	Friends and family (33%)	Business/management consultants (32%)	5%

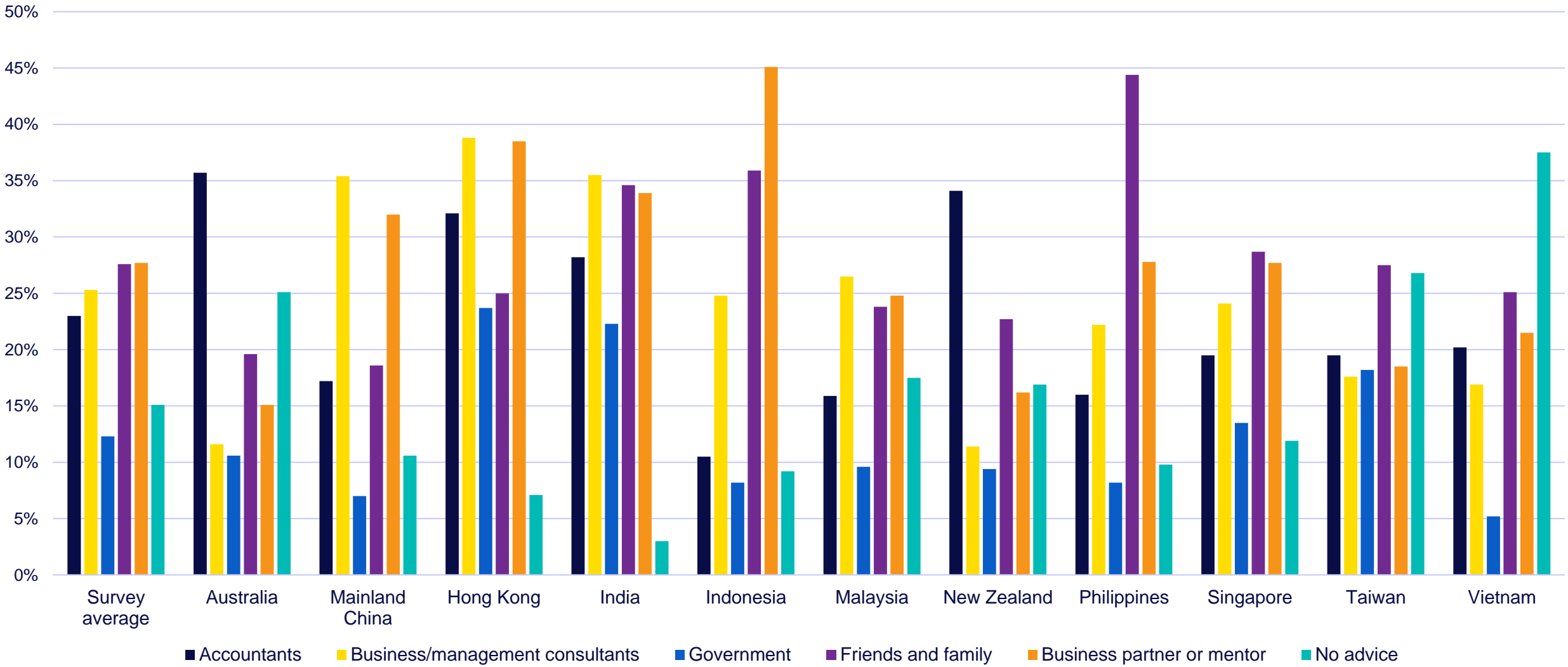
High-growth businesses are more likely to seek professional advice

Major sources of advice for high-growth businesses in 2023 compared to those that did not grow



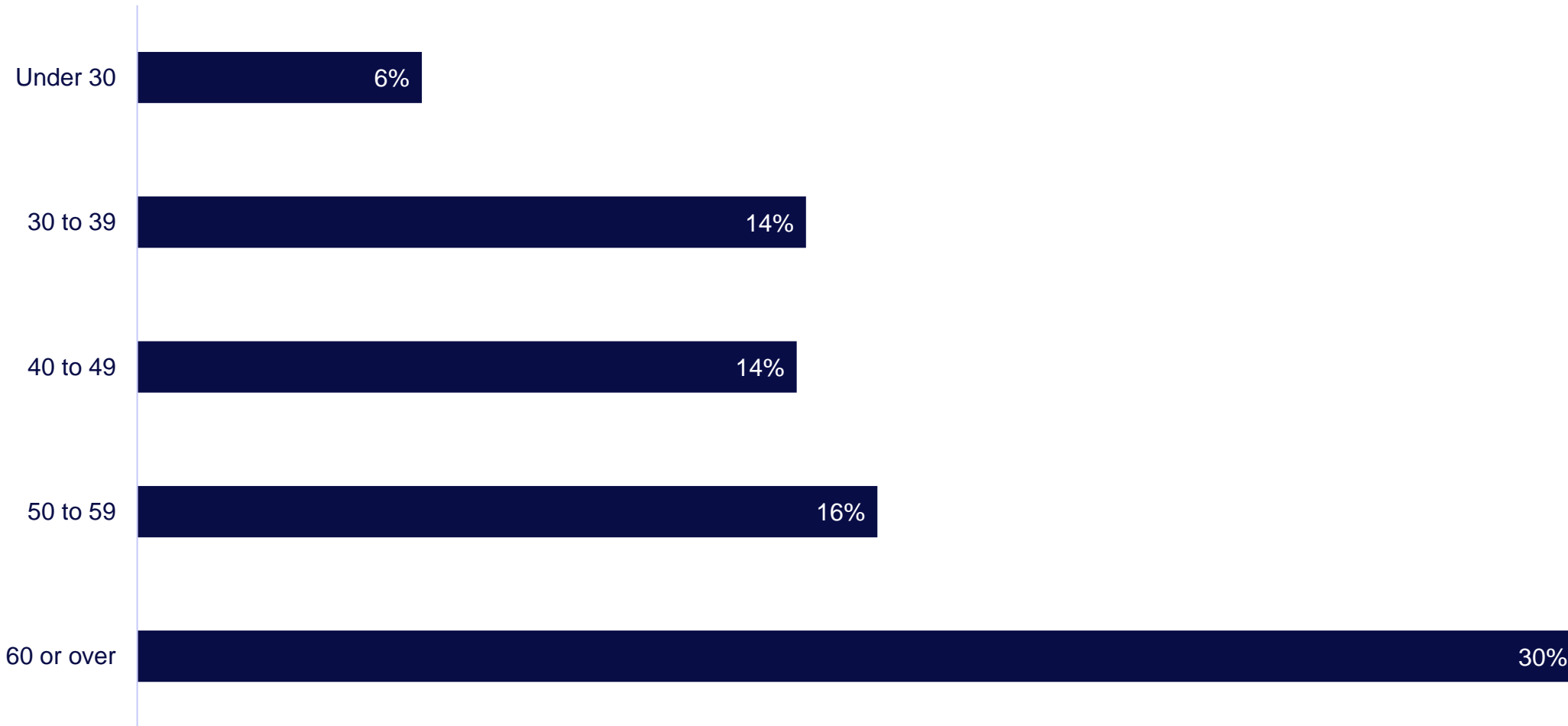
Small businesses in developing economies are more likely to rely on family and friends for advice

Sources of business advice - market



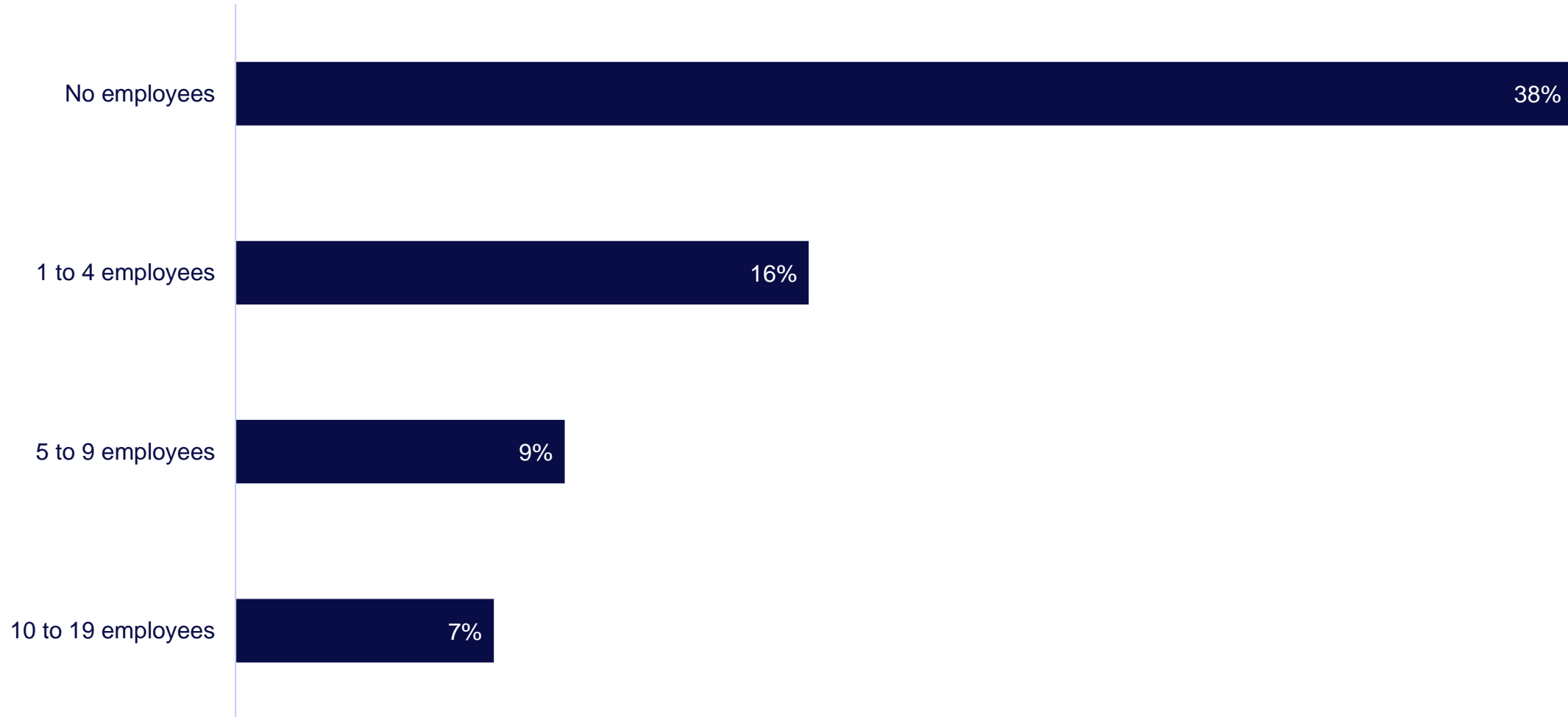
Older respondents are more likely to not seek advice. This may partly explain why their businesses underperform compared to businesses run by younger people.

Businesses that didn't seek advice in 2023 - by age of respondent



Businesses with no employees are less likely to reach out for help

Businesses that didn't seek advice in 2023 - by size of business



Motivations to start a business and risk appetite

Motivations to start a business and risk appetite

- Business owners were most likely to choose being their own boss as their primary motivation for starting their business. This was the same result regardless of location or whether their business was growing or not. Work-life balance was also an important motivator.
- The issue that concerned business owners the most when they started their business was the possibility of irregular income and cash flow problems. Uncertainty around whether the business will succeed and finding and keeping customers were also important concerns.
- High growth small business owners are most likely to describe themselves as strategic risk takers. That is, they prefer to identify risks, develop comprehensive risk strategies and have back up plans.
- Owners of businesses that aren't growing are most likely to describe themselves as risk averse. That is, they prefer to be cautious, carefully analyse issues, not pursue risky opportunities and seek stability.
- Small business owners from developed economies are more risk averse than those from developing economies.
- Older business owners, older businesses and micro businesses are more likely to describe themselves as risk averse.

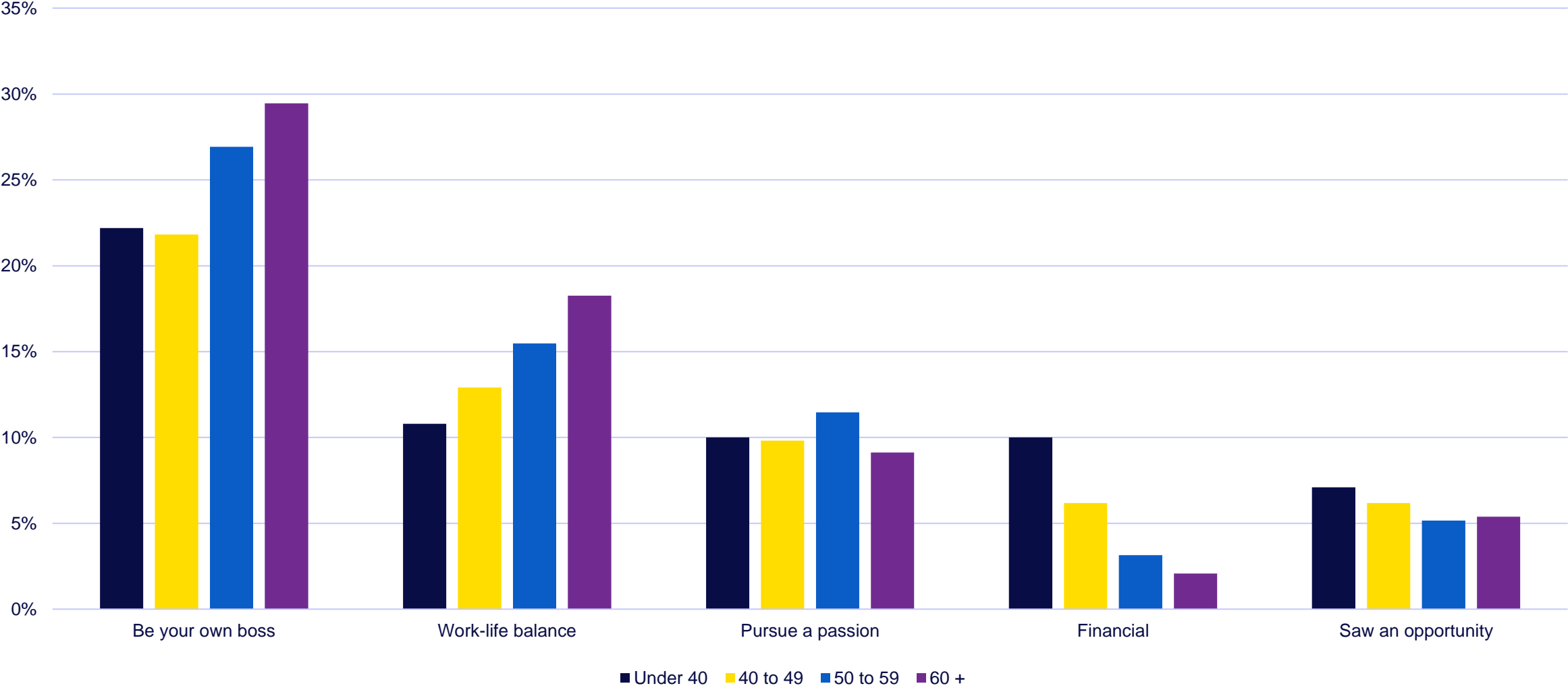
Small business owners are most likely to nominate 'being your own boss' as the primary reason they started their business, followed by work/life balance

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 (24%)	Work-life balance (13%)	Pursue a passion or personal interest (10%)
High growth businesses	Be your own boss / independence (16%)	Work-life balance (13%)	Financial (12%)
Businesses that were unchanged or shrank in 2023	Be your own boss / independence (26%)	Work-life balance (14%)	Pursue a passion or personal interest (10%)
Developed economies	Be your own boss / independence (24%)	Work-life balance (16%)	Pursue a passion or personal interest (11%)
Developing economies	Be your own boss / independence (24%)	Financial (11%)	Work-life balance (10%)

Primary motivations for starting a business don't vary too much by owner's age

Primary motivation for starting a business by age of business owner



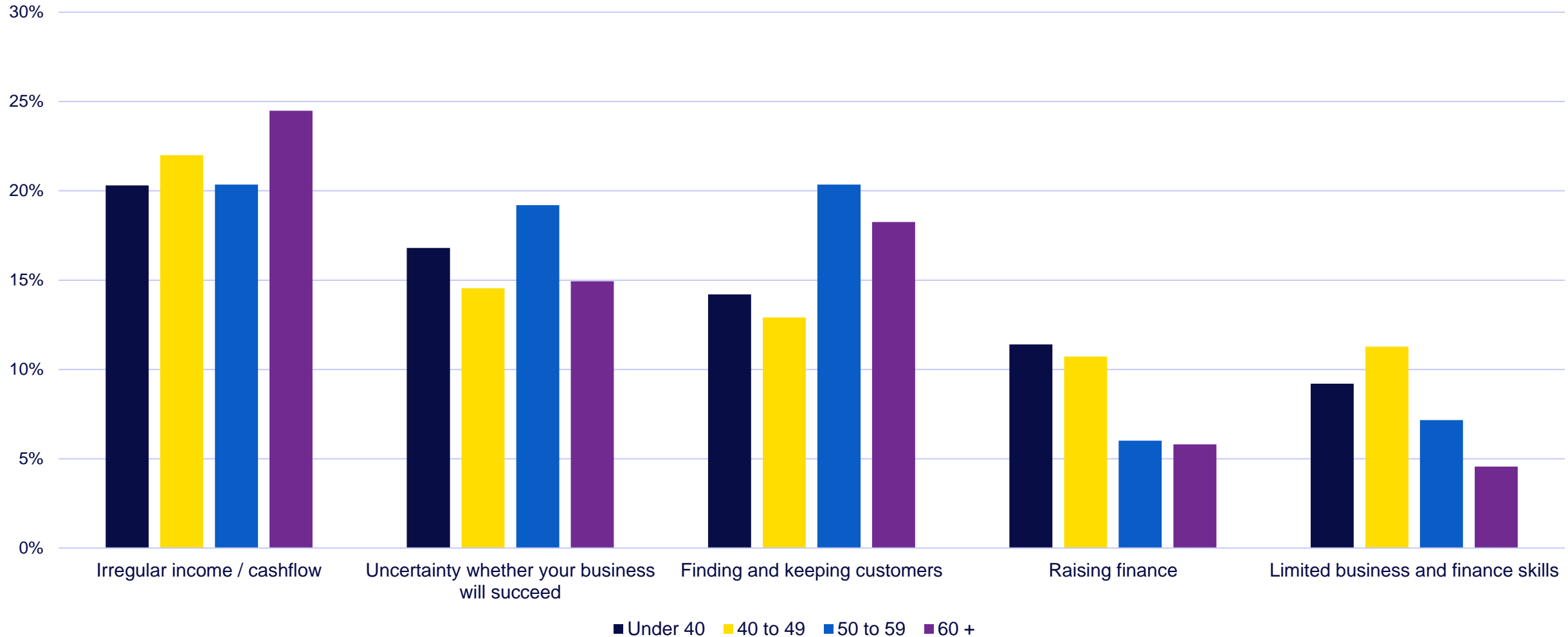
Small business owners were most concerned about irregular income and cash flow when they started their business. Concerns over regulation was not a major issue

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 (21%)	Uncertainty whether your business will succeed (16%)	Finding and keeping customers (15%)	Keeping up with regulation / regulatory hurdles to starting a business (5%)
High growth businesses	Irregular income / cash flow (16%)	Uncertainty whether your business will succeed (14%)	Finding and keeping customers / Limited business and finance skills (12%)	Keeping up with regulation / regulatory hurdles to starting a business (6%)
Businesses that were unchanged or shrank in 2023	Irregular income / cash flow (23%)	Finding and keeping customers (18%)	Uncertainty whether your business will succeed (16%)	Keeping up with regulation / regulatory hurdles to starting a business (6%)
Developed economies	Irregular income / cash flow (26%)	Uncertainty whether your business will succeed (16%)	Finding and keeping customers (14%)	Keeping up with regulation / regulatory hurdles to starting a business (5%)
Developing economies	Irregular income / cash flow (17%)	Uncertainty whether your business will succeed (17%)	Finding and keeping customers (16%)	Keeping up with regulation / regulatory hurdles to starting a business (4%)

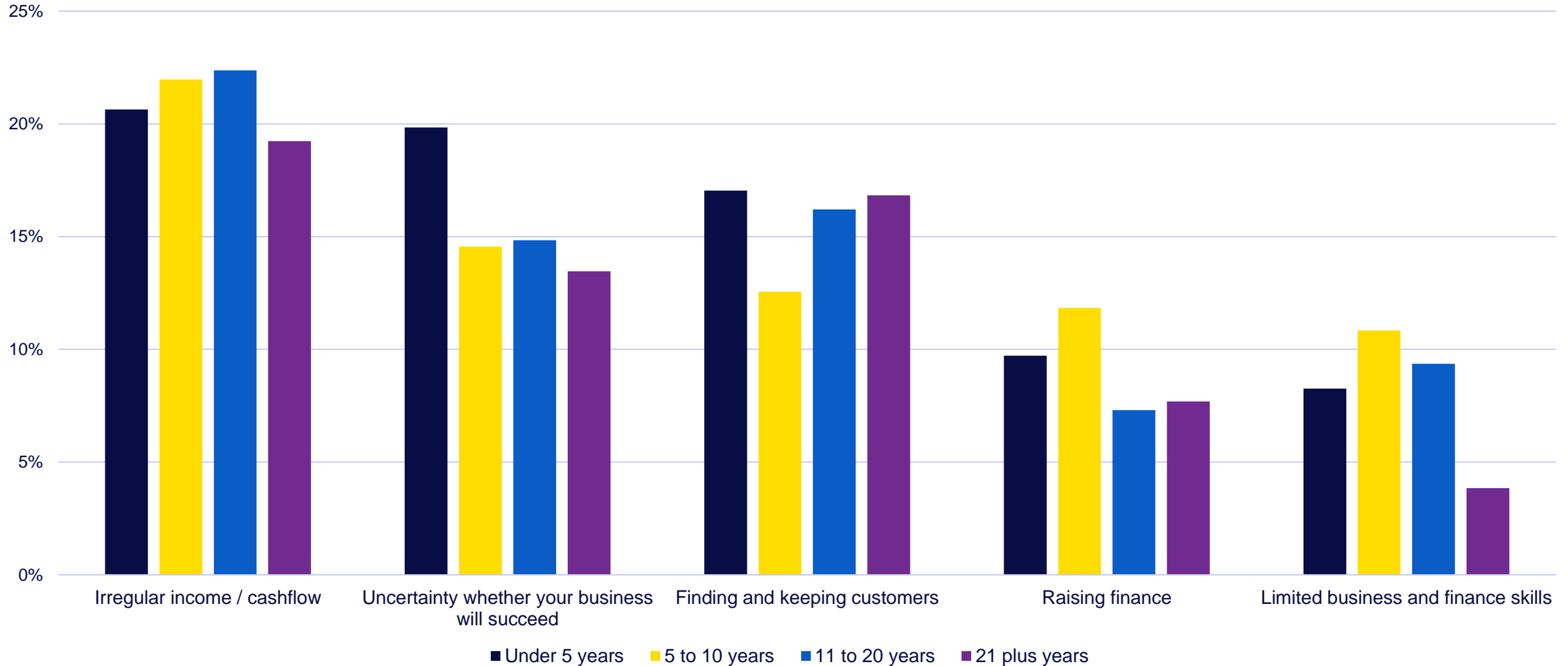
Primary concern when business owner first started their business doesn't vary too much by owner's age

Primary concern when you first started your business – by age of business owner



Primary concern when business owner first started their business doesn't vary too much by age of business

Primary concern when you first started your business – by age of business



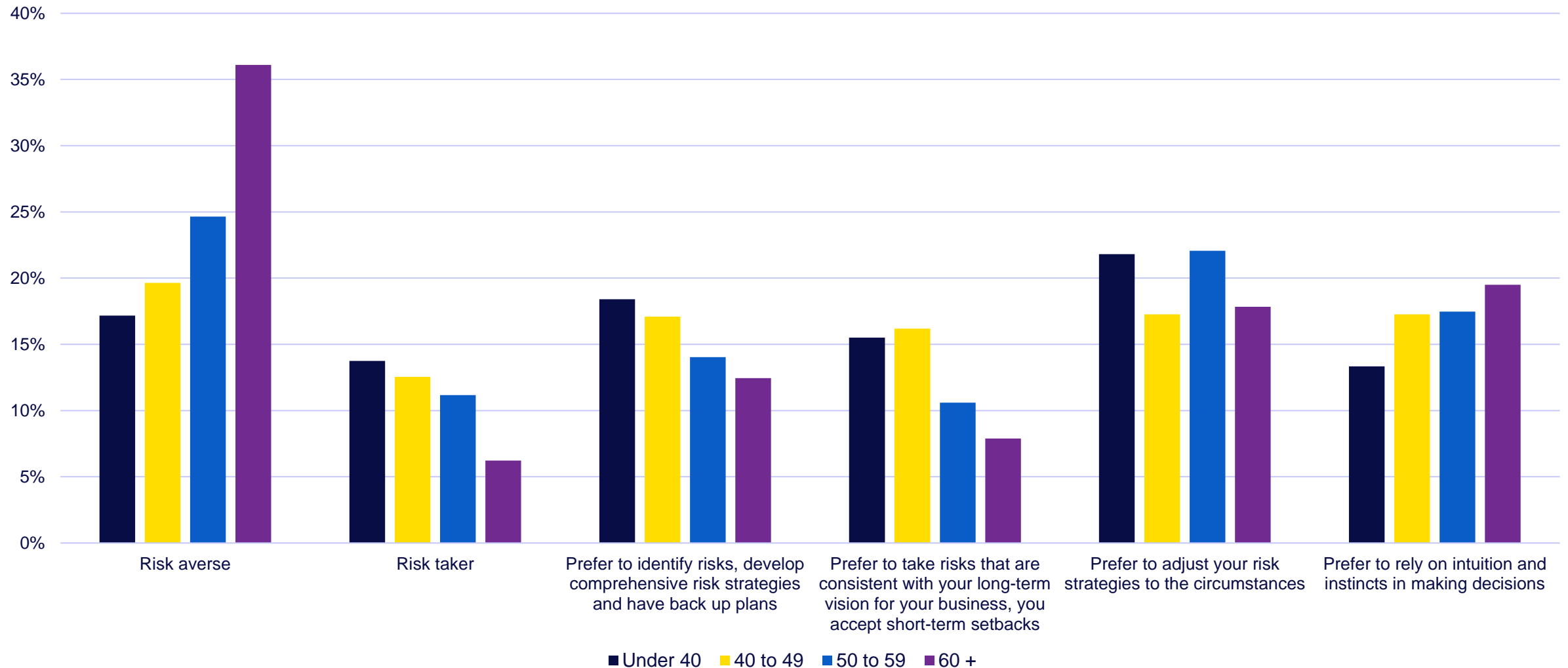
Small business owners from developed economies are more risk averse than those from developing economies

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 (21%)	Prefer to adjust your risk strategies to the circumstances (20%)	Prefer to identify risks, develop comprehensive risk strategies and have back up plans (17%)
High growth businesses	Prefer to identify risks, develop comprehensive risk strategies and have back up plans (23%)	Risk taker (18%)	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 (17%)
Businesses that were unchanged or shrank in 2023	Risk averse (26%)	Prefer to adjust your risk strategies to the circumstances (21%)	Prefer to rely on intuition and instincts in making decisions – 19%
Developed economies	Risk averse (25%)	Prefer to adjust your risk strategies to the circumstances (22%)	Prefer to rely on intuition and instincts in making decisions (18%)
Developing economies	Prefer to adjust your risk strategies to the circumstances (19%)	Prefer to identify risks, develop comprehensive risk strategies and have back up plans (18%)	Risk averse (17%)

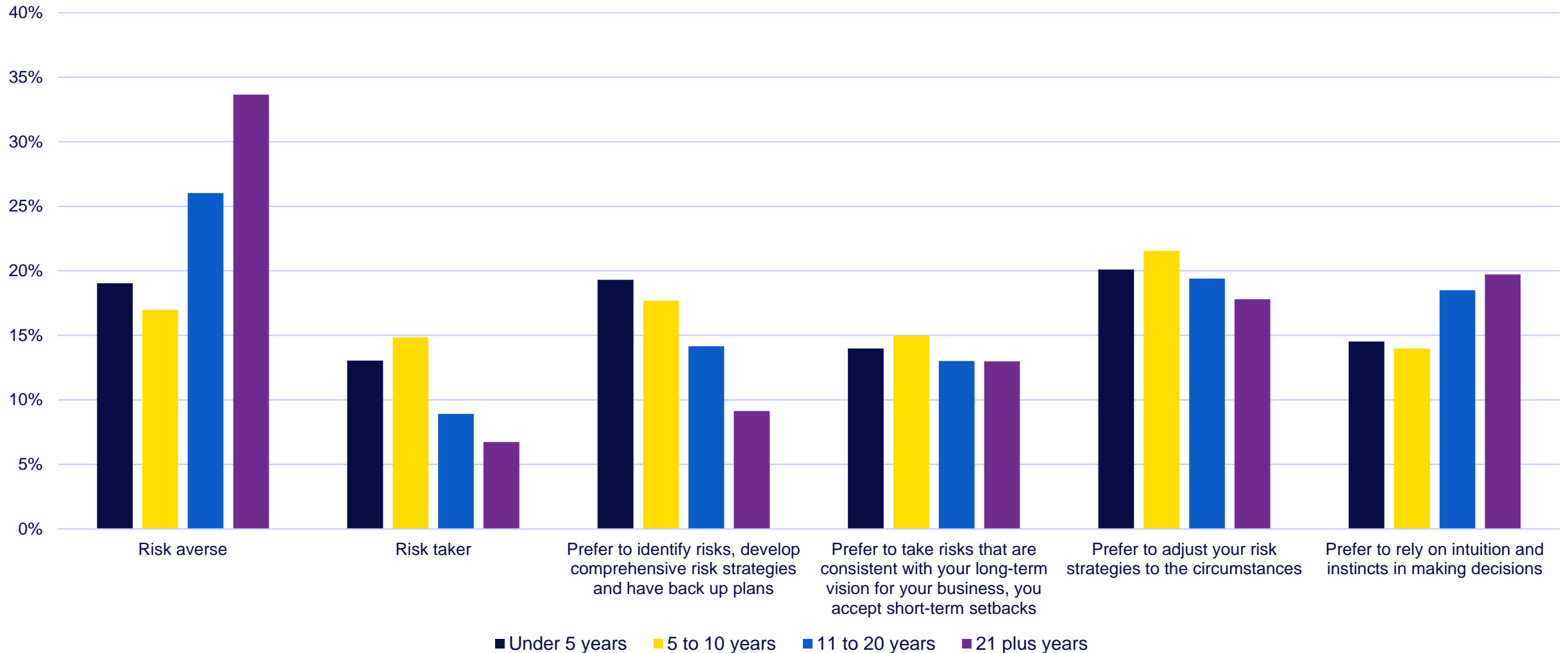
Older small business owners are more likely to be risk averse

Risk profile of small businesses by age of business owner



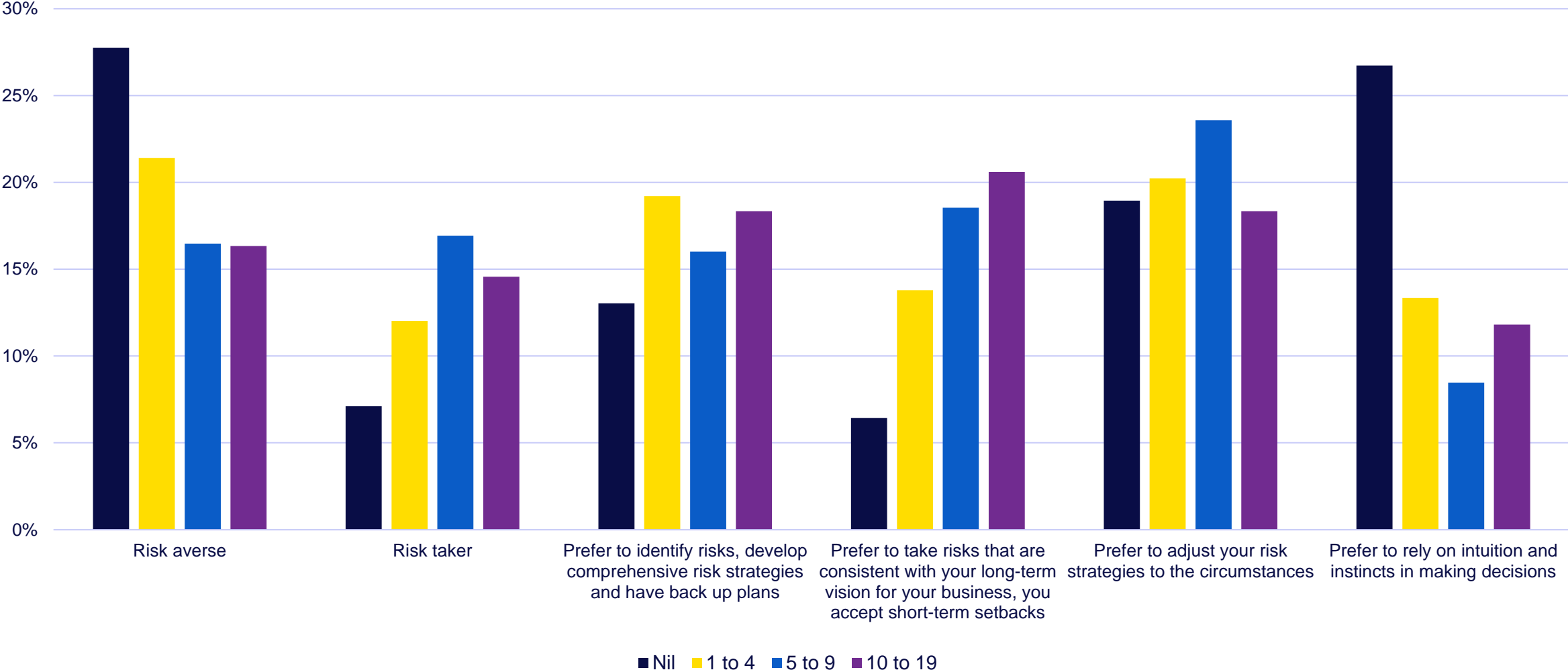
Older small businesses are more likely to be risk averse

Risk profile of small businesses by age of business



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

Risk profile of small businesses by number of employees



Environmental, social and governance and small business

Where small business focused their ESG efforts in 2023

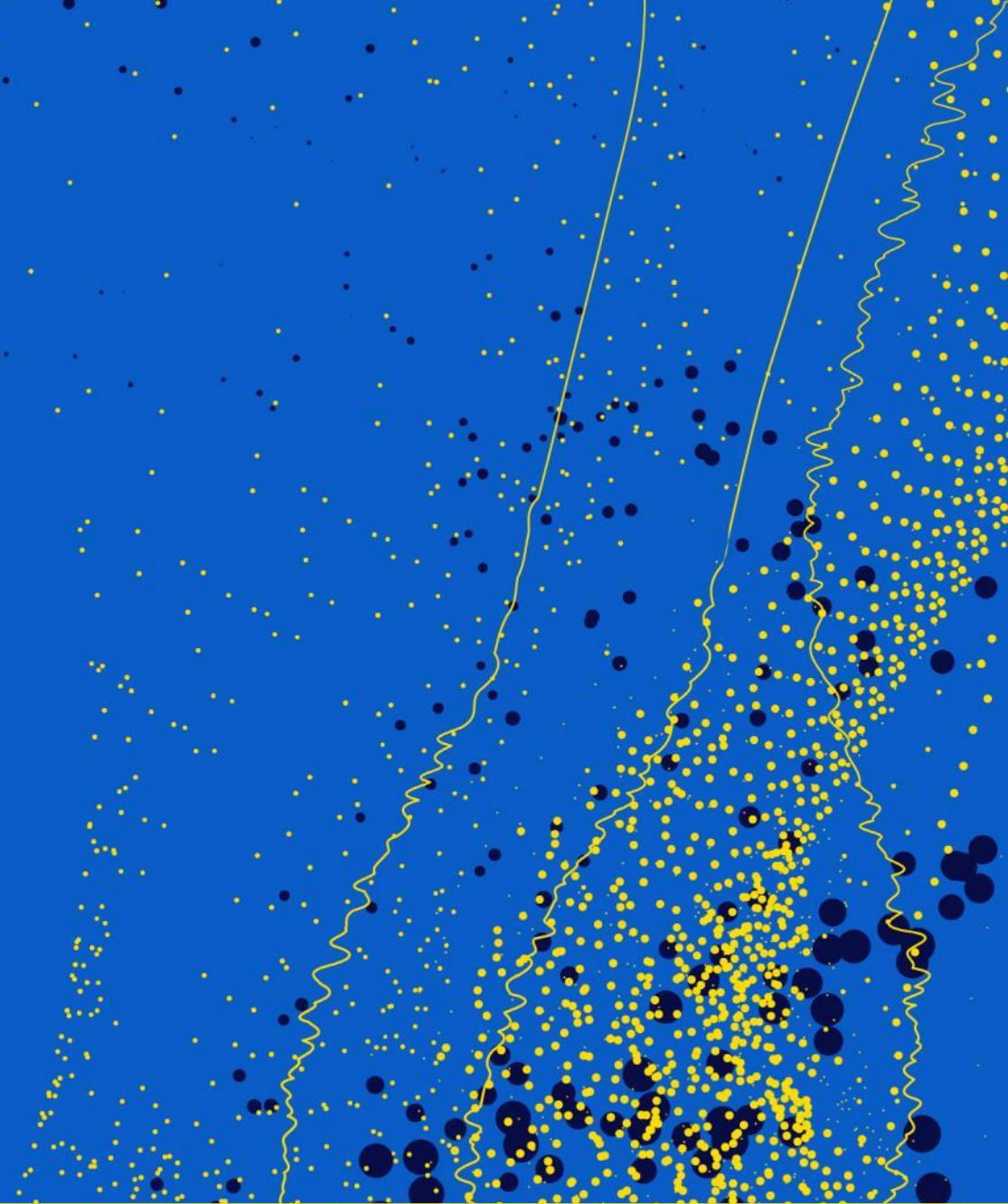
- Most small businesses devoted time and resources to a range of activities linked to environmental, social and governance (ESG) practices in 2023.
- The most common activity linked to ESG that was undertaken was “staff health and safety policies”. Given many markets impose legal obligations on employers to provide a safe workplace, this result is not surprising.
- Supply chain sustainability was also a popular activity that small businesses across the region undertook in 2023. This could be driven by concerns over supply chain risks that emerged during COVID. It could also be driven by concerns over whether their suppliers are meeting their ESG obligations/requirements.
- Business diversity and inclusion policies were also popular among the region’s small businesses. This could in part be driven by legal obligations and also a desire to provide a workplace that is attractive to good staff.

Top three ESG practices in 2023 – by market

- Staff health and safety policy is the most popular ESG practice. This is probably due to the legal obligations most governments impose on employers to protect employees.
- It is encouraging to see small businesses in markets such as Australia, Hong Kong, Philippines and Singapore explore more advanced ESG practices.

	Most popular	Second most popular	Third most popular
Survey average	Staff health and safety policy (31%)	Supply chain sustainability (26%)	Business diversity and inclusion policy (24%)
Australia	Staff health and safety policy (17%)	Ethics and compliance policy (12%)	Energy and water use monitoring (12%) Supply chain sustainability (12%)
Mainland China	Staff health and safety policy (32%)	Adoption of green and sustainable finance opportunities (32%)	Business diversity and inclusion policy (31%)
Hong Kong	Staff health and safety policy (31%)	Supply chain sustainability (30%)	Renewable energy investment (29%) Adoption of green and sustainable finance opportunities (29%)
India	Staff health and safety policy (42%)	Supply chain sustainability (32%)	Business diversity and inclusion policy (30%)
Indonesia	Staff health and safety policy (30%)	Business diversity and inclusion policy (28%)	Adoption of green and sustainable finance opportunities (28%)
Malaysia	Staff health and safety policy (32%)	Supply chain sustainability (29%)	Business diversity and inclusion policy (27%)
New Zealand	Staff health and safety policy (22%)	Supply chain sustainability (13%)	Ethics and compliance policy (11%)
Philippines	Staff health and safety policy (41%)	Supply chain sustainability (38%)	Energy and water use monitoring (27%)
Singapore	Staff health and safety policy (27%)	Supply chain sustainability (26%)	Environmental management system (EMS) adoption (25%)
Taiwan	Staff health and safety policy (28%)	Business diversity and inclusion policy (25%)	Supply chain sustainability (23%)
Vietnam	Business diversity and inclusion policy (34%)	Staff health and safety policy (33%)	Community and volunteering programs (32%)

Demographics and their influence on small business performance

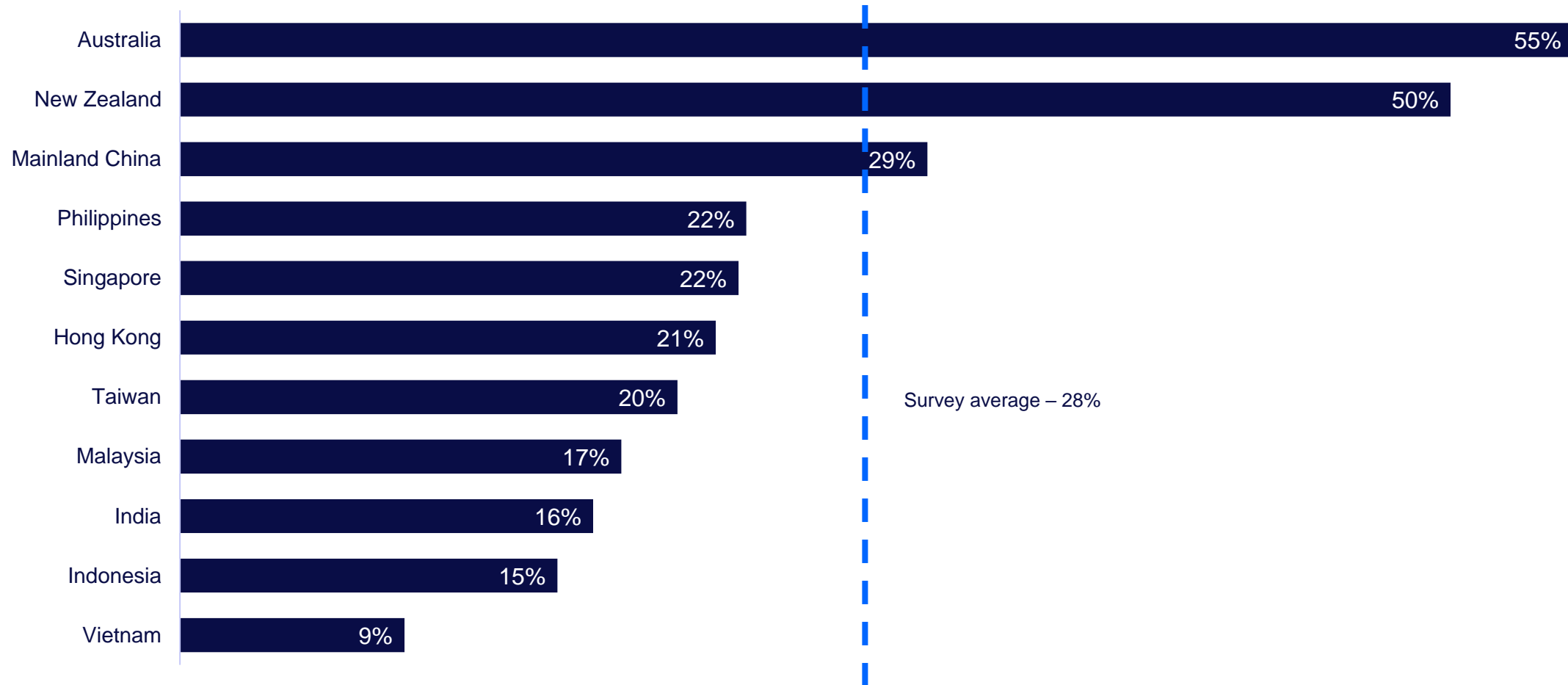


Small business demographics and their influence on business performance

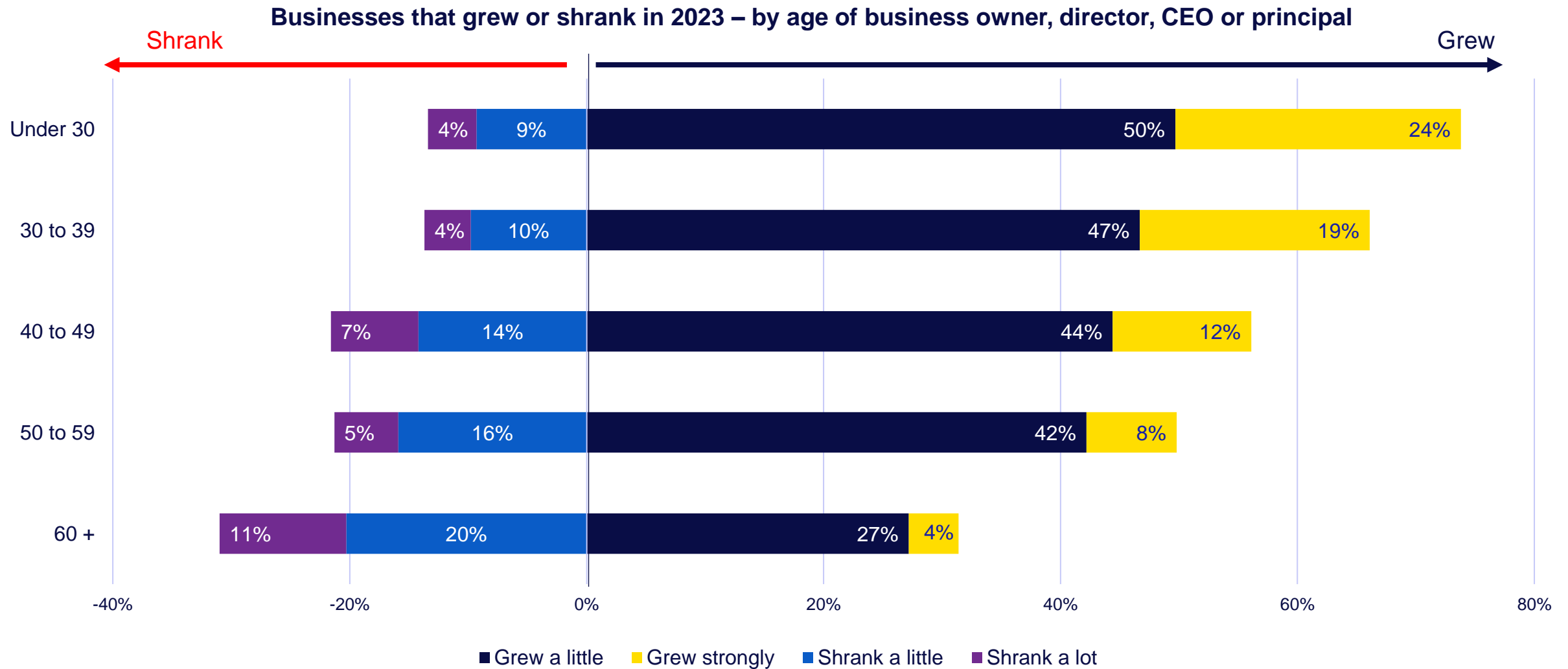
- Younger business owners are significantly more likely to report their business grew last year.
- High-growth markets such as Hong Kong, Mainland China and Indonesia are more likely to have younger respondents, younger businesses and small businesses with more employees.
- Older business owners are more likely to report their business shrank in 2023.
- Australian and New Zealand small business owners are significantly more likely to be aged 50 or over than the other markets surveyed.
- New Zealand and Australia are again the markets most likely to have small businesses established for over 20 years.
- Policymakers from lower growth markets such as Australia and New Zealand should consider how to attract more younger people to start their own businesses or buy an existing business.

Australian and New Zealand small business owners are significantly more likely to be aged 50 and over

Percentage of business owners, directors, CEOs and principals aged 50 and over – by market

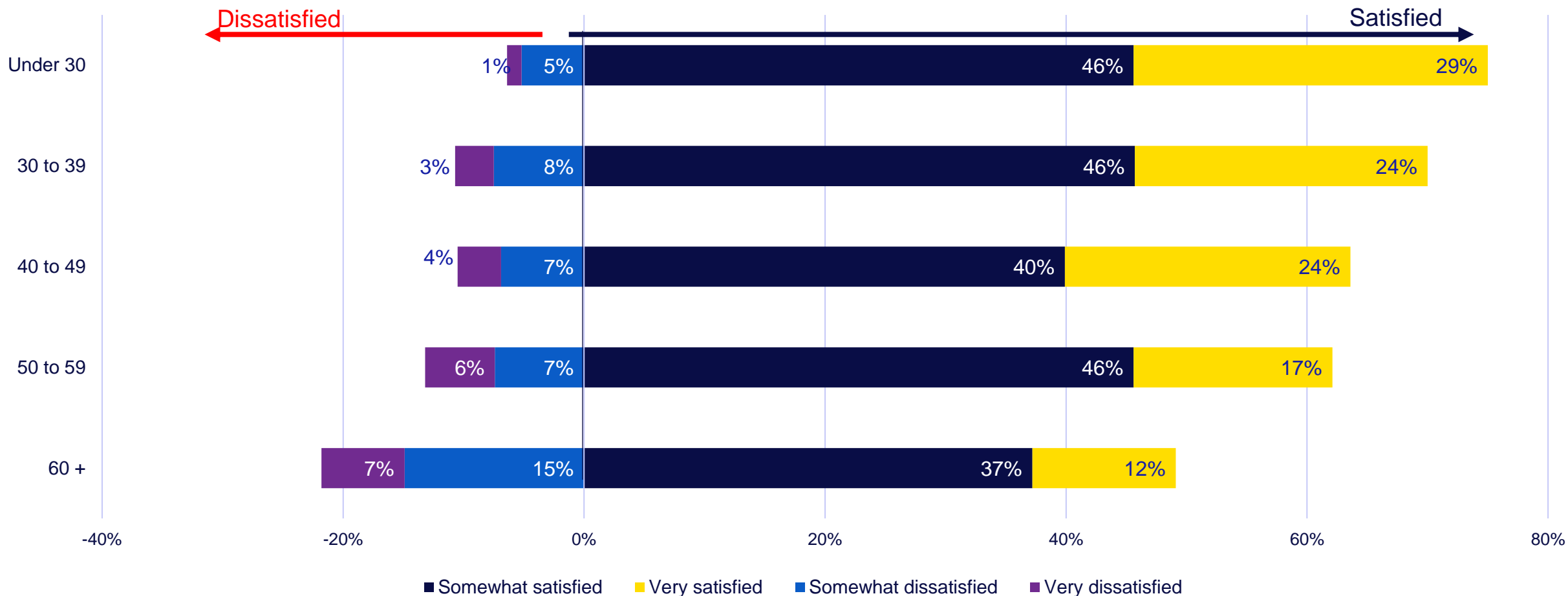


Younger business owners are significantly more likely to report their business grew last year, while older business owners are more likely to report their business shrank

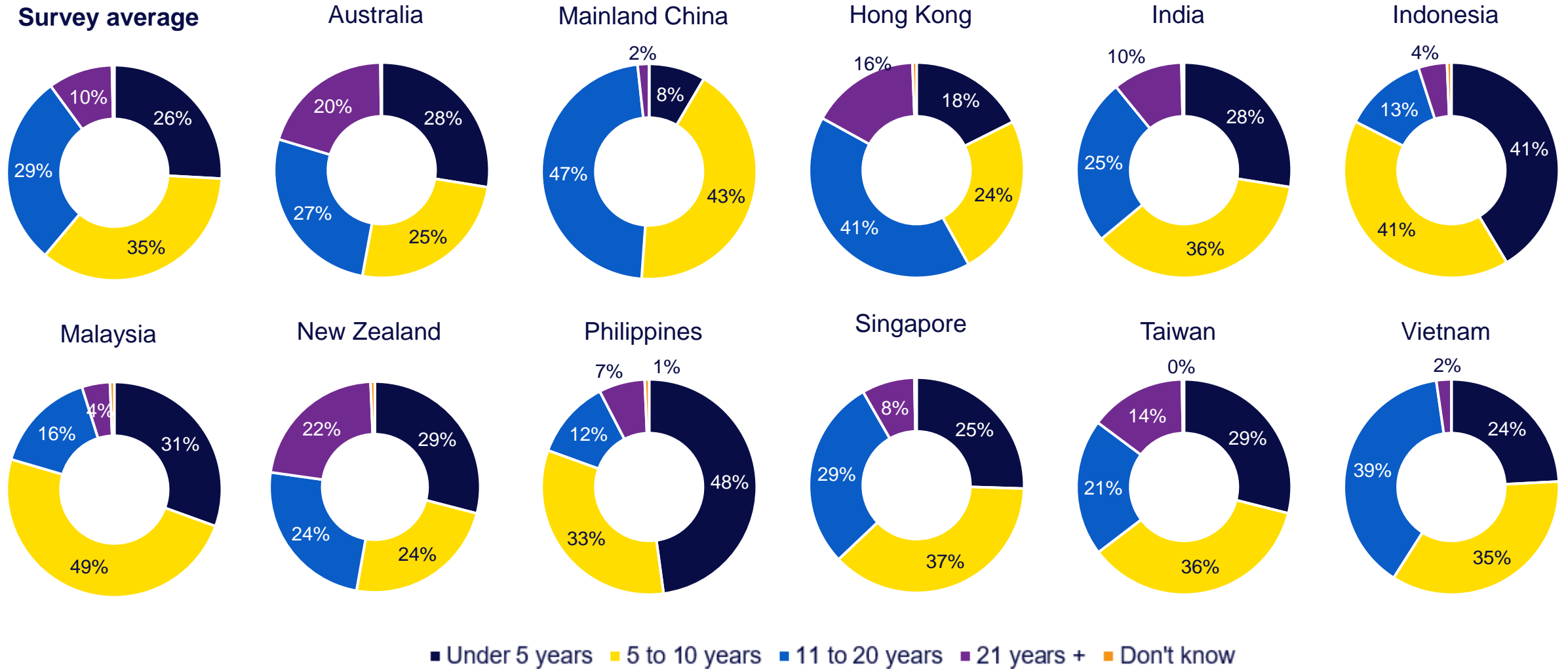


Younger business owners are more likely to be satisfied with the financial return they are getting on their business

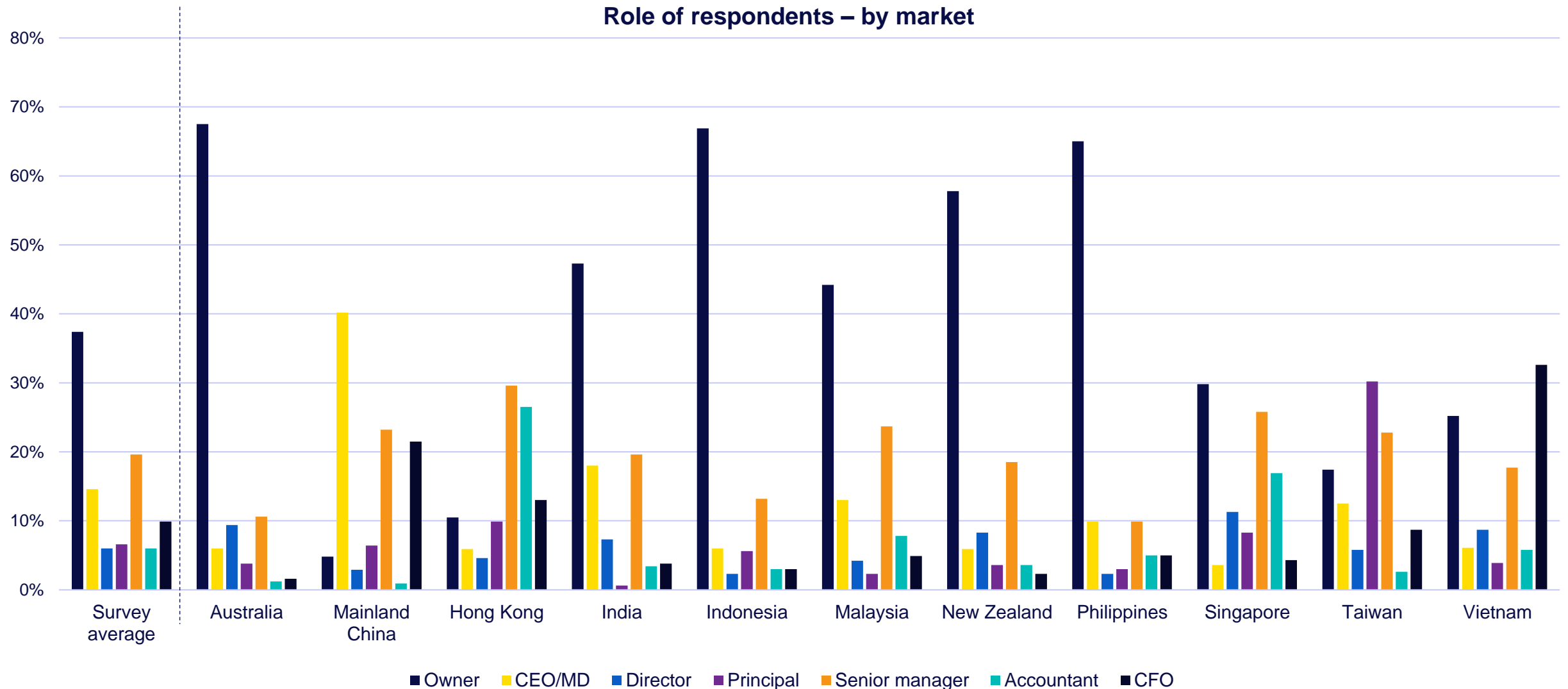
Business owners, directors, CEOs or principals that were satisfied with their financial return from their business – by age



New Zealand and Australia are for the 10th consecutive years, the markets most likely to have small businesses established for over 20 years



Respondents from Australia, Indonesia, New Zealand and the Philippines are significantly more likely to be the business owner



Other results

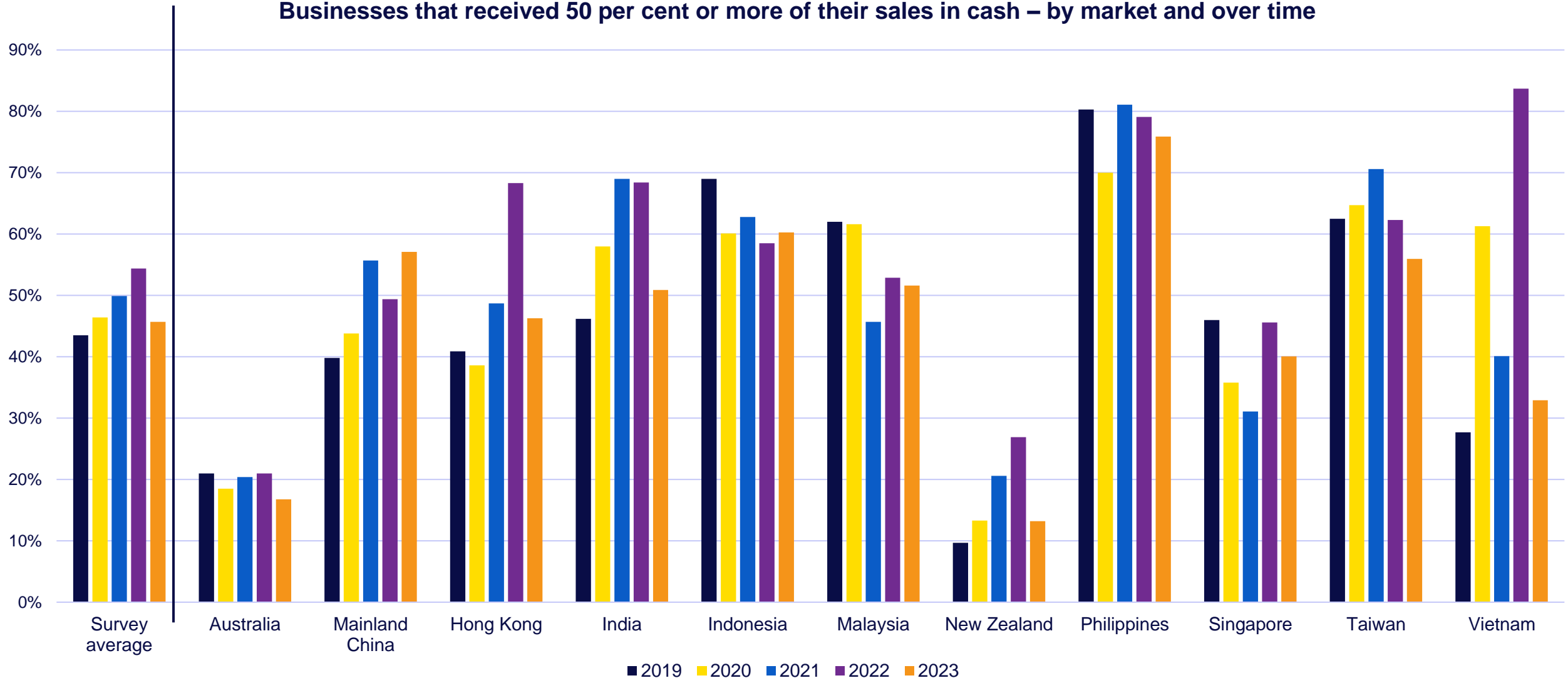
IMPORTANCE OF CASH SALES FOR SMALL BUSINESS

The importance of cash sales to small businesses

- While the survey results show the value of online sales and new payment technologies to small business, cash sales remains very important to many businesses. This is not the case in Australia and New Zealand, where the reliance on cash sales is very low.
- 2023 saw a decrease in the percentage of small businesses that received more than 50 per cent of their sales in cash. Mainland China and Indonesia bucked that trend.
- The results indicate that while many small businesses, particularly in developing markets have been quick to adopt digital payment technologies, there is still significant room for improvement as cash can be more expensive to handle and creates risks.
- While older respondents, older businesses and micro businesses are much less likely to rely on new payment technologies, this doesn't mean they take cash instead. They are the age group least likely to receive 50 per cent or more of their sales in cash.

For most markets, the reliance on cash sales decreased last year

Businesses that received 50 per cent or more of their sales in cash – by market and over time



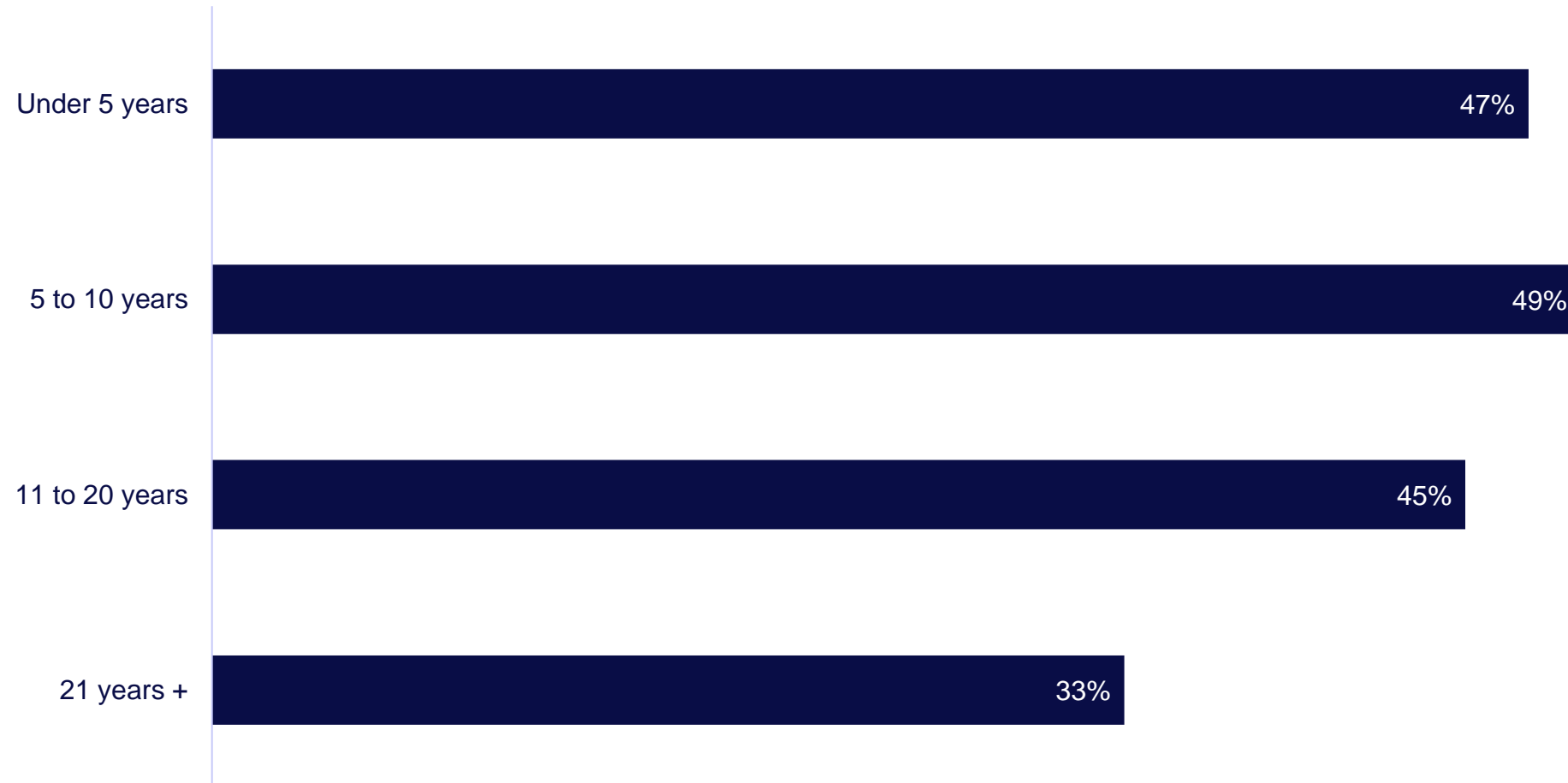
Older respondents are far less likely to rely heavily on cash sales

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



Older businesses are less reliant on cash sales than younger business

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



Businesses with no employees are less reliant on cash sales than businesses with more employees

Businesses that received 50 per cent or more of their sales in cash – by number of employees



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

- The industries that were more likely to receive sales in cash are industries that are not likely to be online but instead have a physical presence.



Public administration and safety – 60%



Agriculture, Forestry And Fishing – 57%



Utilities – 54%



Health care and social assistance – 53%



Rental, hiring and real estate services – 53%

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