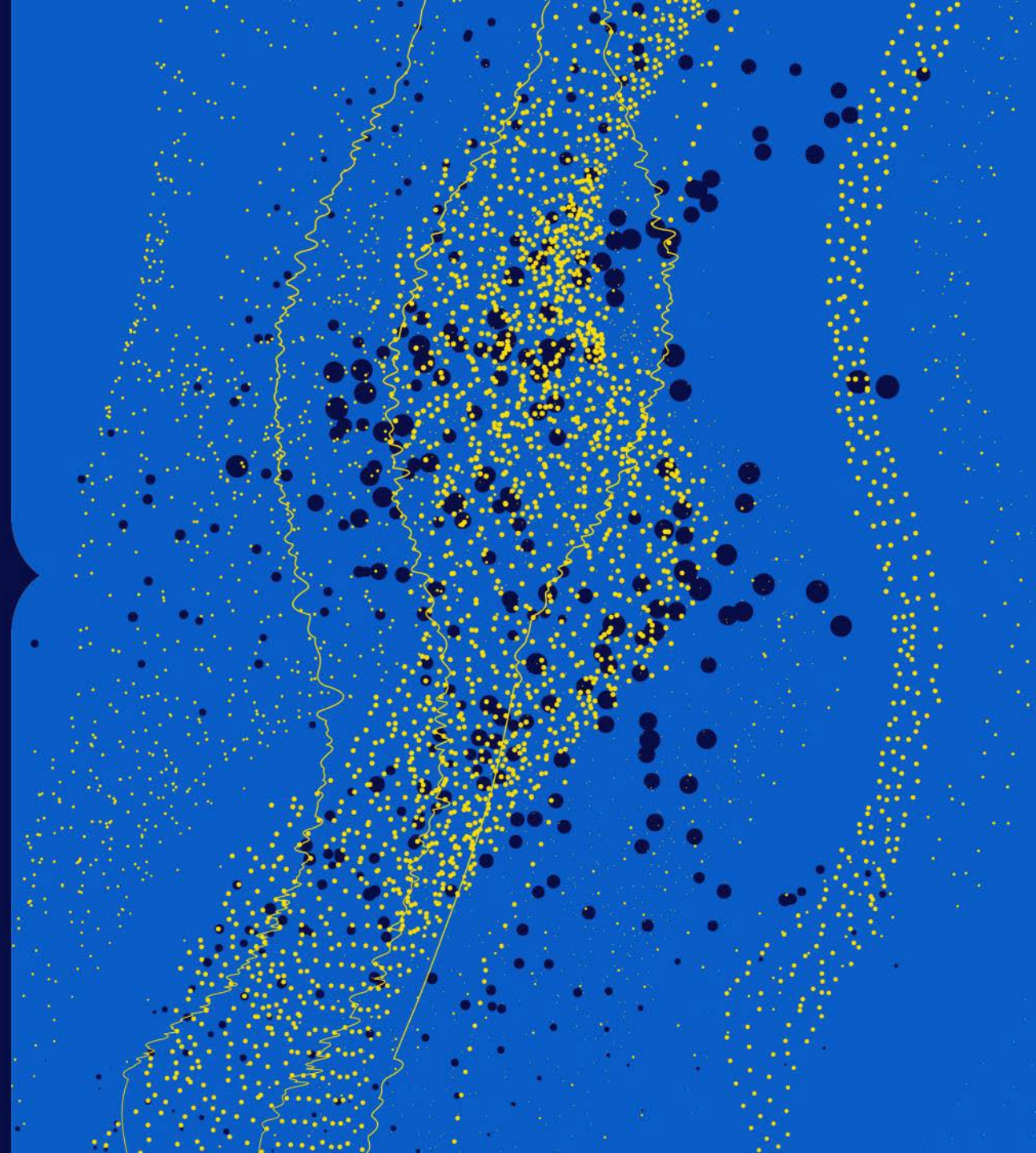


CPA Australia Hong Kong Economic and Business Sentiment Survey 2026

December 2025



ISBN

978-1-922690-64-7

LEGAL NOTICE

The reproduction, adaptation, communication or sale of these materials ('the Materials') is strictly prohibited unless expressly permitted under Division 3 of the Copyright Act 1968 (Cth). For permission to reproduce any part of these materials, please contact the CPA Australia Legal Business Unit - legal@cpaaustralia.com.au.

COPYRIGHT NOTICE

© CPA Australia Ltd (ABN 64 008 392 452) ("CPA Australia"), 2025. All rights reserved.

DISCLAIMER

CPA Australia does not warrant or make representations as to the accuracy, completeness, suitability or fitness for purpose of the Materials and accepts no responsibility for any acts or omissions made in reliance of the Materials. These Materials have been produced for reference purposes only and are not intended, in part or full, to constitute legal or professional advice. Users should seek their own independent advice prior to relying on or entering into any commitment based on the Materials. To the extent permitted by the applicable laws in your jurisdiction, CPA Australia, its employees, agents and consultants exclude all liability for any loss, damage, claim, proceeding and or expense including but not limited to legal costs, indirect special or consequential loss or damage, arising from or relating to acts or omissions made in reliance and/or use of the Materials. Where any law prohibits the exclusion of such liability, CPA Australia limits its liability to the resupply of the Materials.

Contents

<u>About this survey</u>	4
<u>Executive Summary</u>	5
<u>Economic Sentiment</u>	6
<u>Business Sentiment</u>	16
<u>Business Strategy</u>	24
<u>Human Resource Trends</u>	29
<u>Survey Demographics</u>	37
<u>Recommendations</u>	40

About this survey

- The survey was conducted from 22 October to 21 November 2025.
- 296 responses were received from accounting and finance professionals in Hong Kong.
- Respondents came from a variety of industries, with financial services and insurance (25 per cent), CPA professional services (20 per cent) and other professional services (8 per cent), comprising the largest share.
- 45 per cent of respondents came from companies with fewer than 100 employees, 32 per cent from companies with between 100 to 1000 employees, and 23 per cent from companies with over 1000 employees.
- 32 per cent of respondents hold executive positions (including c-suite, non-executive director, sole proprietor or other senior level), and 26 per cent are manager grade.
- The survey collected data on two main areas: economic sentiment and business sentiment. Economic sentiment included forecasts on GDP growth, property prices, and IPO volume, while business sentiment covered projections on company revenue, strategies, headcounts and personal salary.

Executive summary

Overall, accounting and finance professionals in Hong Kong maintain an optimistic outlook for the city's economic prospects. Over 60 per cent expect economic growth in the coming year, partly driven by the robust capital market. 66 per cent anticipate an increase in funds raised through IPOs, building on an already high baseline from this year.

Despite this optimism, the outlook for property prices remains subdued. Confidence in residential property is mixed, while the majority foresee declines in retail, office, and industrial sectors.

When it comes to Hong Kong's international competitiveness, over 40 per cent rate it as "fairly high" or "extremely high," with the city's tax system and robust capital market cited as its most significant strengths.

The primary challenges identified for Hong Kong next year are the high cost of living and a weakening global economy. Economic growth in the Chinese Mainland is seen as both a key driver and a challenge, underscoring Hong Kong's deep economic ties with the Mainland.

Business sentiment in Hong Kong has softened, with only 39 per cent expecting revenue growth in 2026, down from 51 per cent last year. Increasing competition, weak customer demand, and rising operating costs are the main challenges driving this cautious outlook.

Cost management is the top strategic priority for over 40 per cent of companies, the highest result in three years, alongside a strong focus on AI investment and adoption. This shift towards automation appears to reduce emphasis on talent attraction and retention as AI reshapes workforce needs.

Nearly half of companies expect headcount to remain unchanged in 2026, with only 26 per cent anticipating increases, a sharp decline from 58 per cent last year.

While most report negative impacts of trade tensions, some have experienced benefits, and others are relocating or restructuring operations and exploring new markets.

ECONOMIC SENTIMENT



Optimistic economic outlook for 2026

- Accounting and finance professionals have a generally optimistic outlook for Hong Kong's economy in 2026, with over 60 per cent forecasting the local economy to grow.
- 66 per cent anticipate an increase in funds raised through IPOs in the SAR next year, despite this year's already high baseline.
- However, the outlook for property prices remains subdued across retail, office, and industrial sectors while outlook for residential sector is mixed
- More than 40 per cent rated Hong Kong's international competitiveness as "fairly high" or "extremely high".
- The city's tax system was identified as the most significant advantage, followed by a robust capital market.
- The primary challenge expected for Hong Kong's economy next year is high cost of living and weakening global economy. Economic growth in the Chinese Mainland is cited as both as a key driver and a critical challenge for Hong Kong's economy, highlighting the city's economic outlook is closely tied to Chinese Mainland conditions.

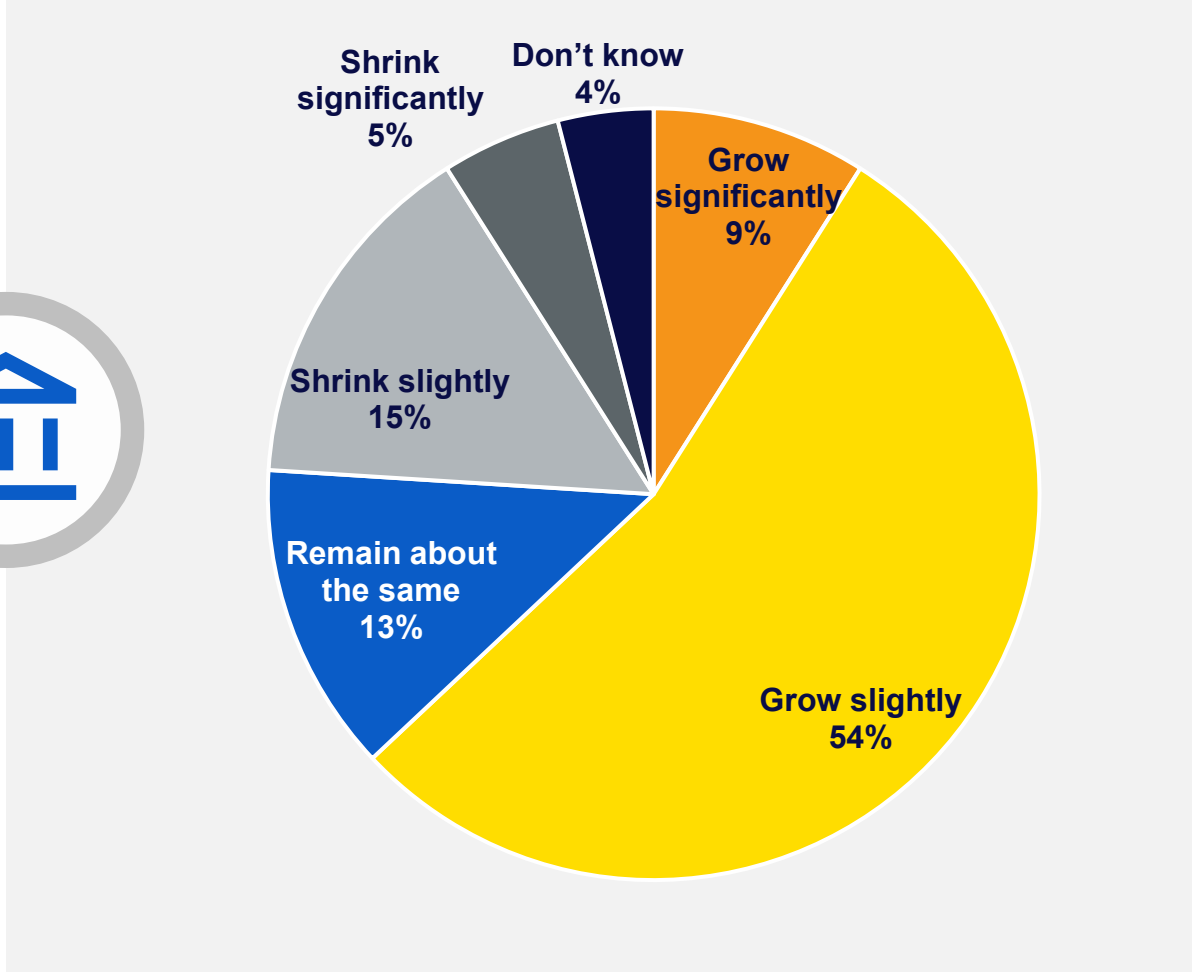
In your opinion, Hong Kong's GDP in 2026 will...?

63%

expect Hong Kong's GDP to **grow**

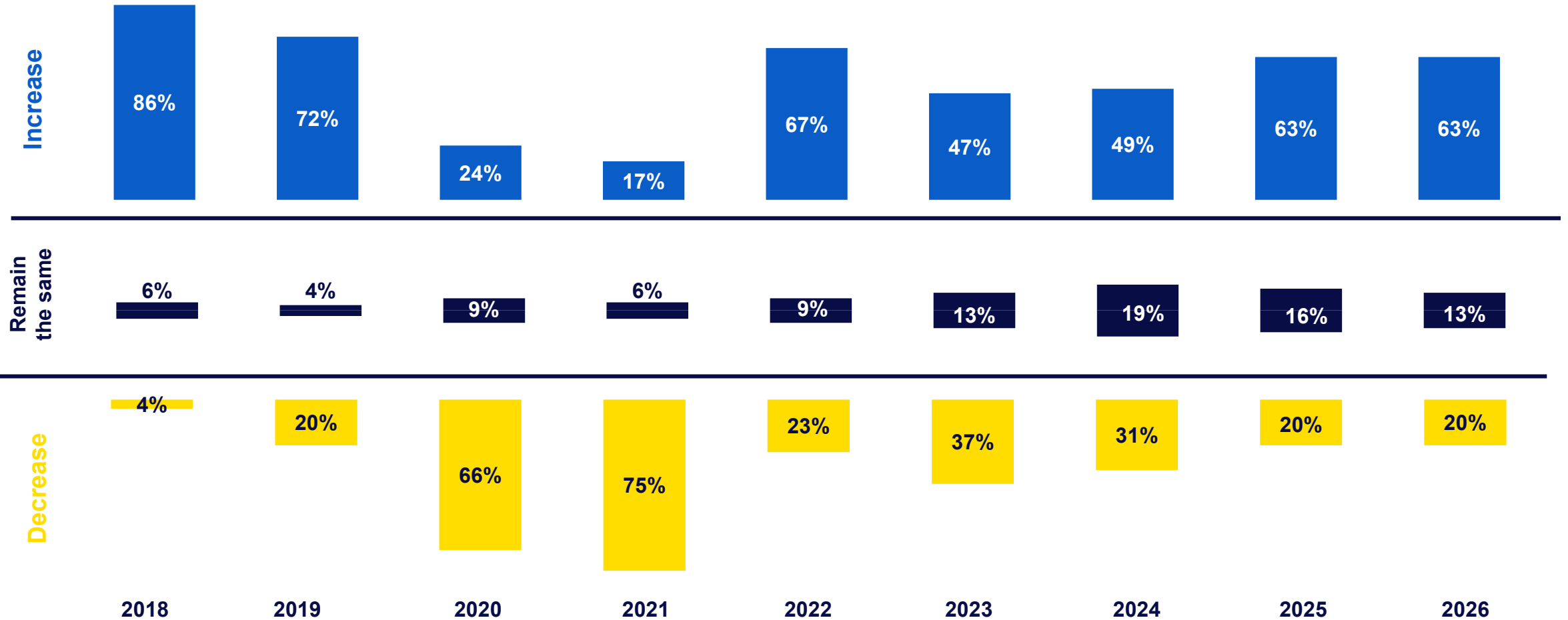
13%

expect Hong Kong's GDP to **remain the same**



Note: Grow significantly (3% or more), Grow slightly (0.1%-2.9%), Remain about the same (shrink 0.1% to grow 0.1%), Shrink slightly (0.1-2.9%), Shrink significantly (3% or more)

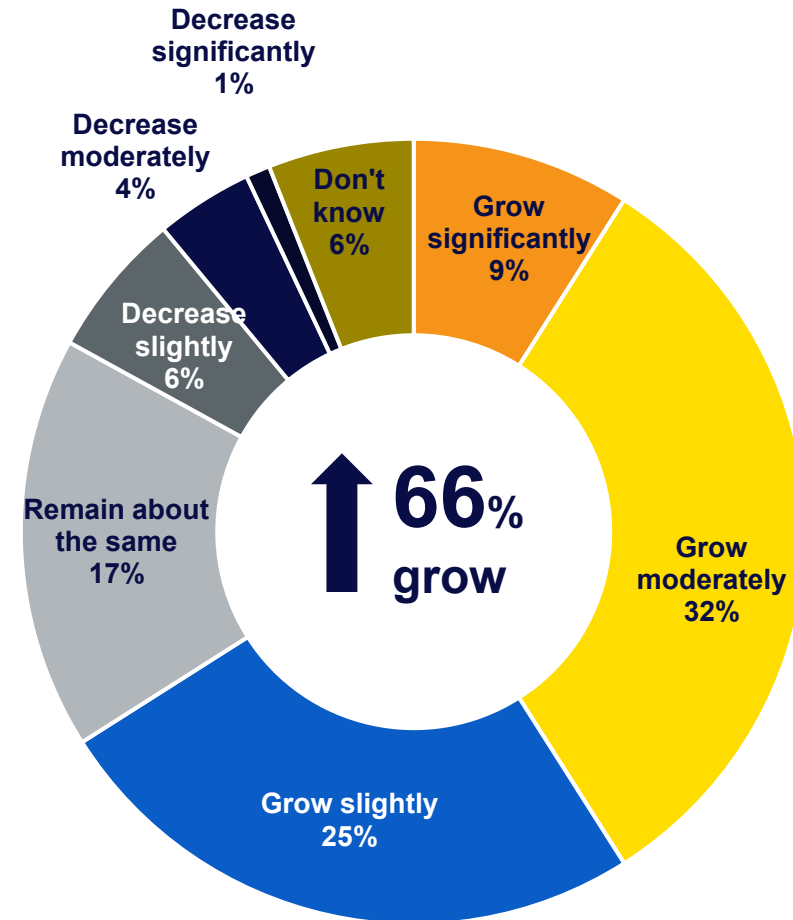
Projections for Hong Kong's GDP in the next 12 months



Note Respondents who selected 'Don't know' are not shown.

Outlook for Hong Kong's IPO market is optimistic

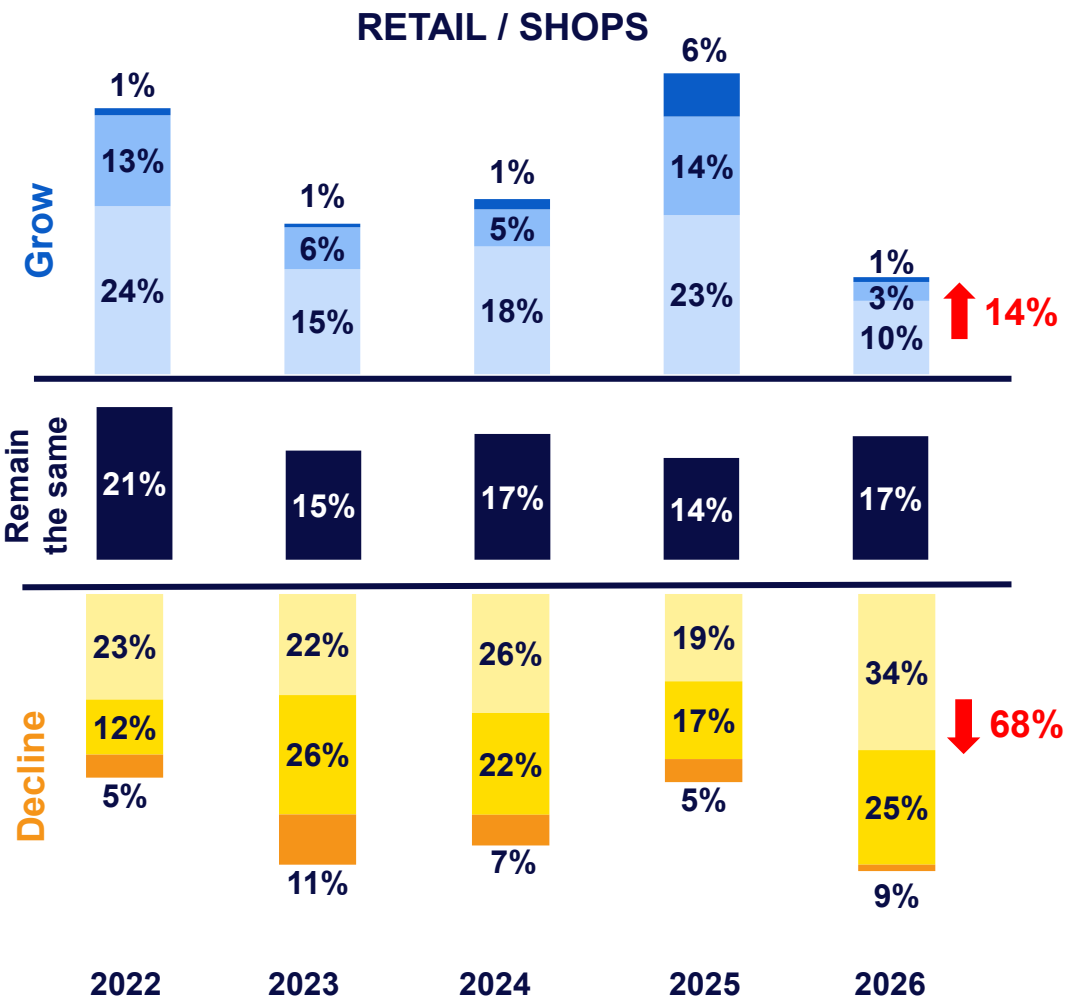
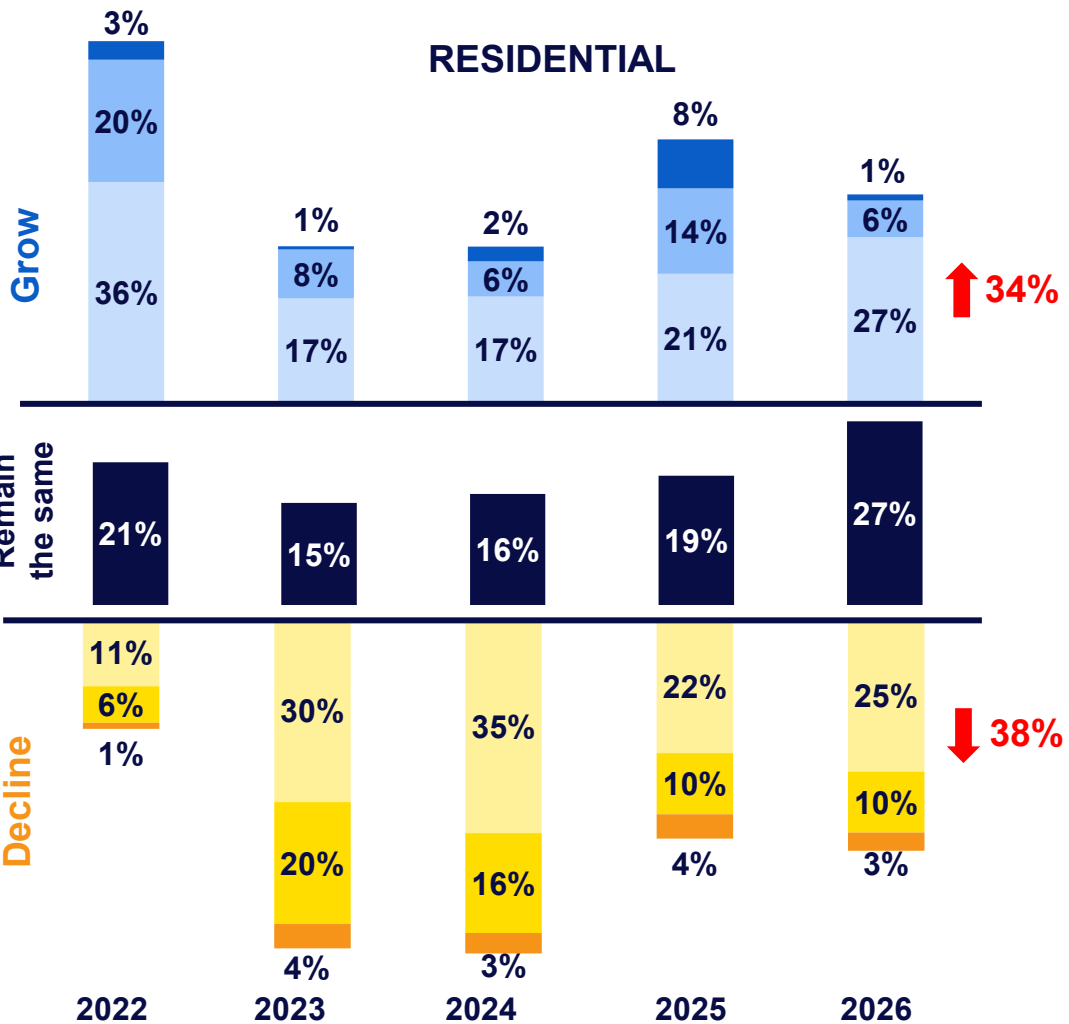
Hong Kong is poised to claim the top spot in global IPO rankings by the end of 2025. Despite the already high base this year, 66 per cent forecast that the total funds raised through IPOs in Hong Kong will continue to grow in 2026.



Note: Grow significantly (30% or more), Grow moderately (10%-30%), Grow slightly (less than 10%), Remain about the same, Shrink slightly (less than 10%), Shrink moderately (10-30%) Shrink significantly (30% or more)

Question: Compared to 2025, by what percentage do you believe the value of total funds raised through Initial Public Offerings (IPOs) in Hong Kong will change in 2026?

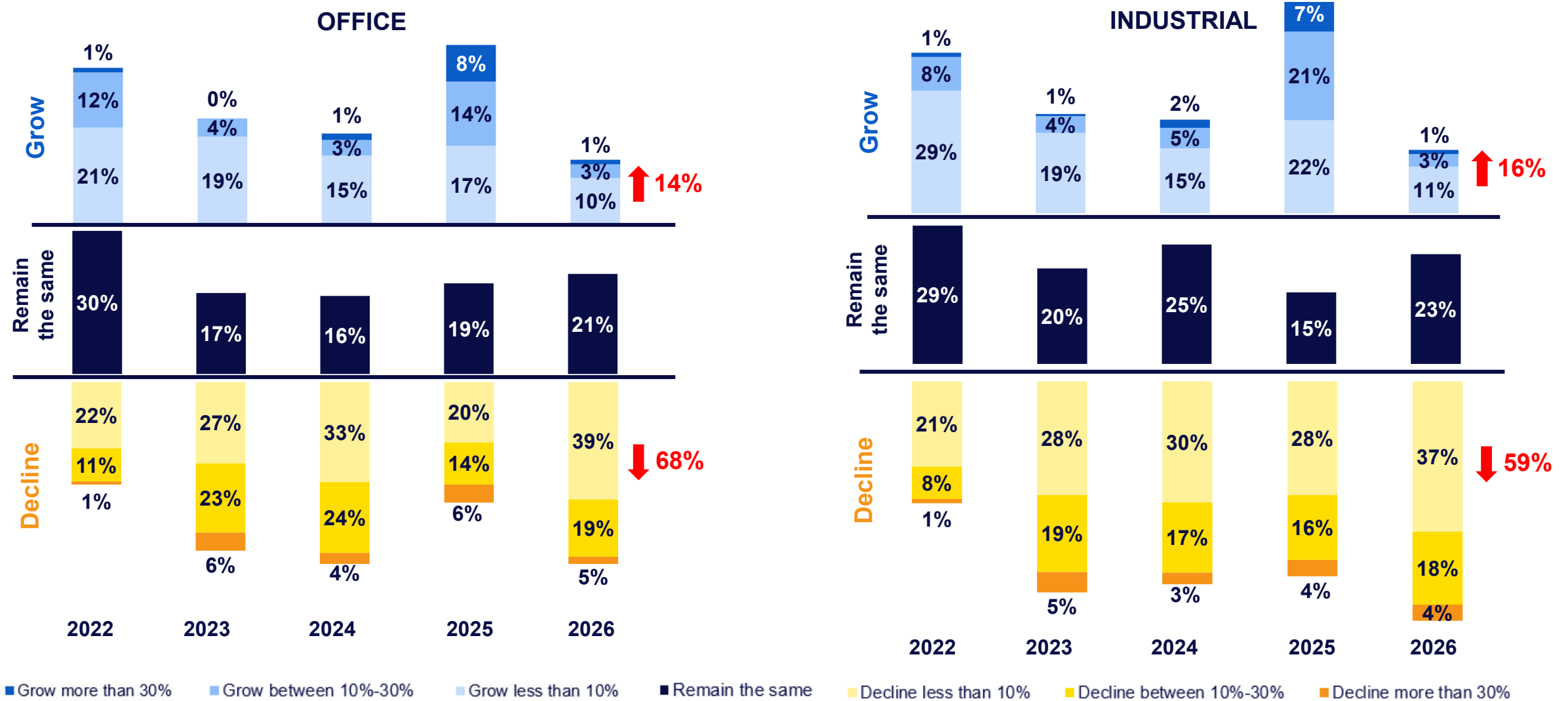
Outlook for property prices remains subdued across retail, office, and industrial sectors while outlook for residential sector is mixed



■ Grow more than 30%
 ■ Grow between 10%-30%
 ■ Grow less than 10%
 ■ Remain the same
 ■ Decline less than 10%
 ■ Decline between 10%-30%
 ■ Decline more than 30%

Question: Compared to today, by what percentage do you believe Hong Kong's property prices will change by the end of 2026?
 Note: Respondents who selected 'Don't know' are not shown.

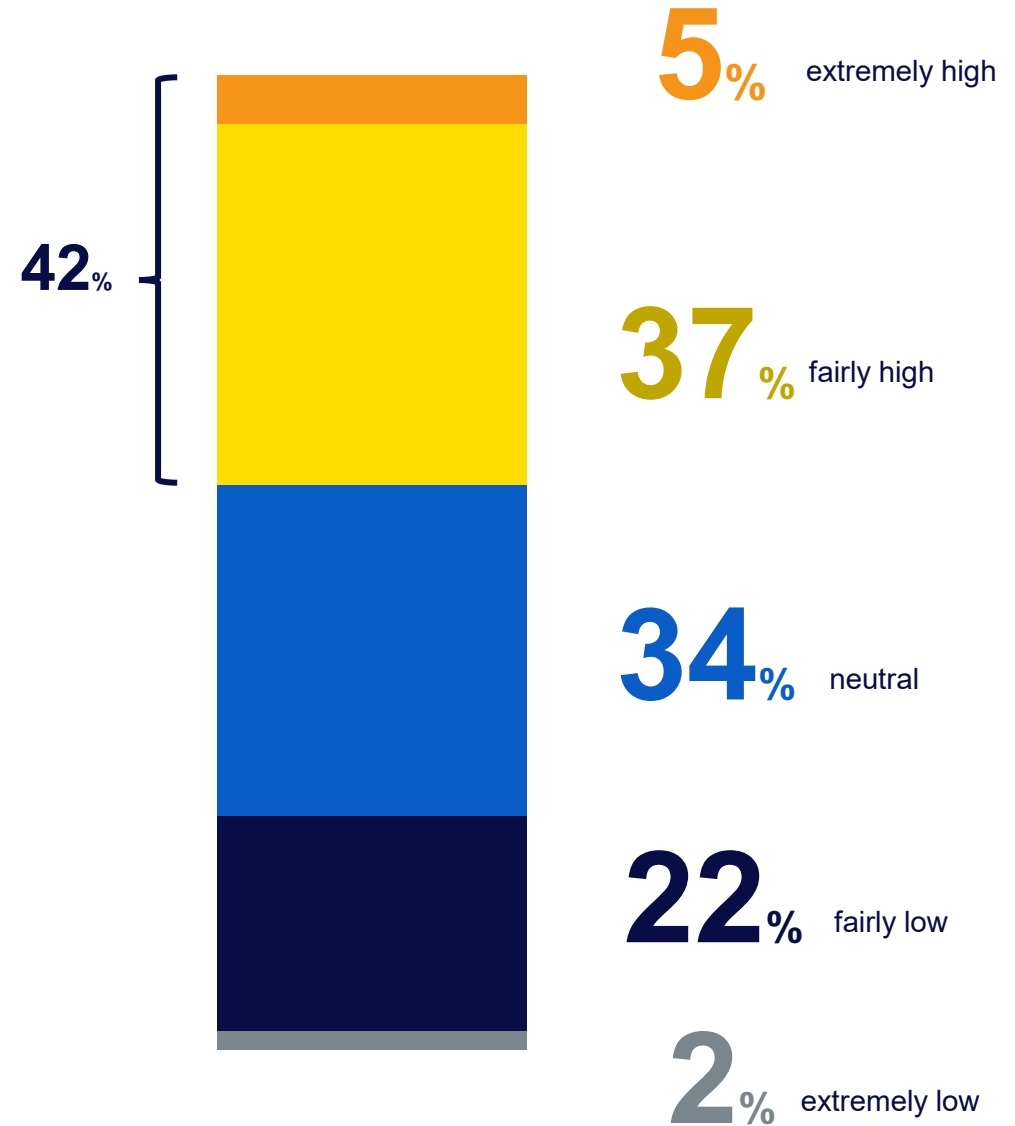
Outlook for property prices remains subdued across retail, office, and industrial sectors while outlook for residential sector is mixed



Question: Compared to today, by what percentage do you believe Hong Kong's property prices will change by the end of 2026?

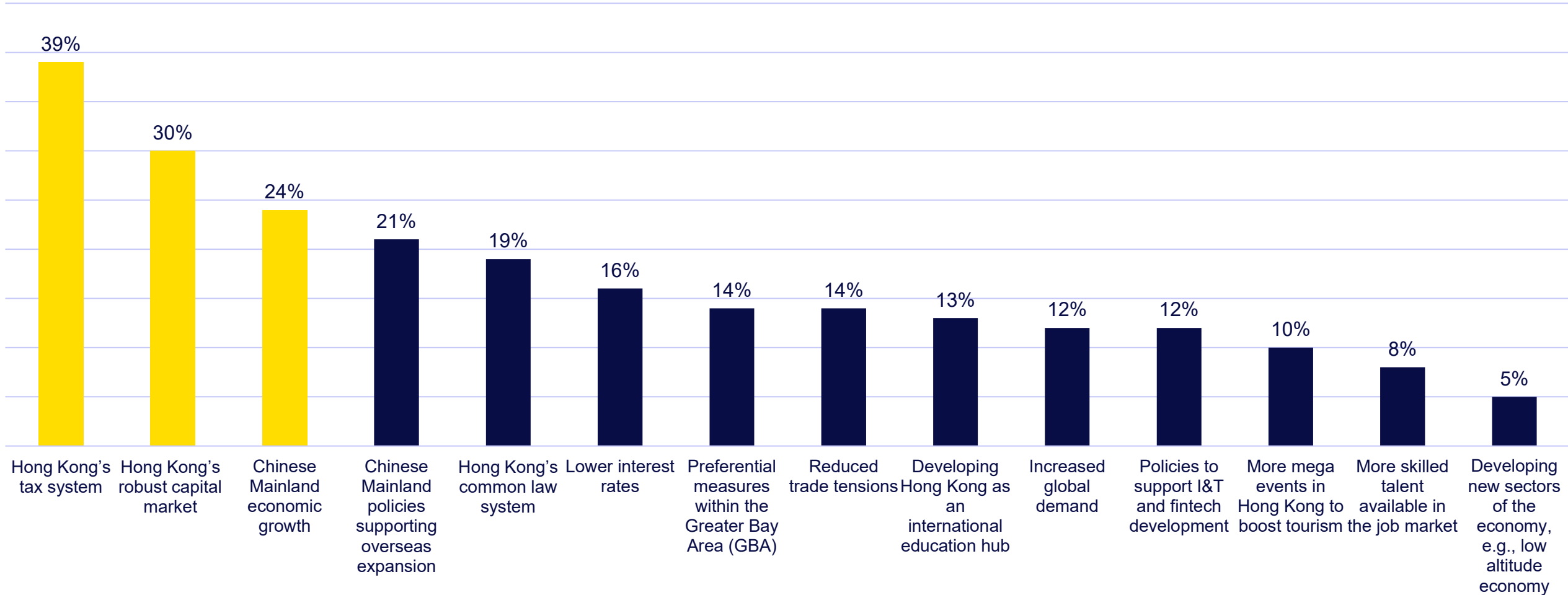
Note: Respondents who selected 'Don't know' are not shown.

Respondents are most likely to rate Hong Kong's international competitiveness as high



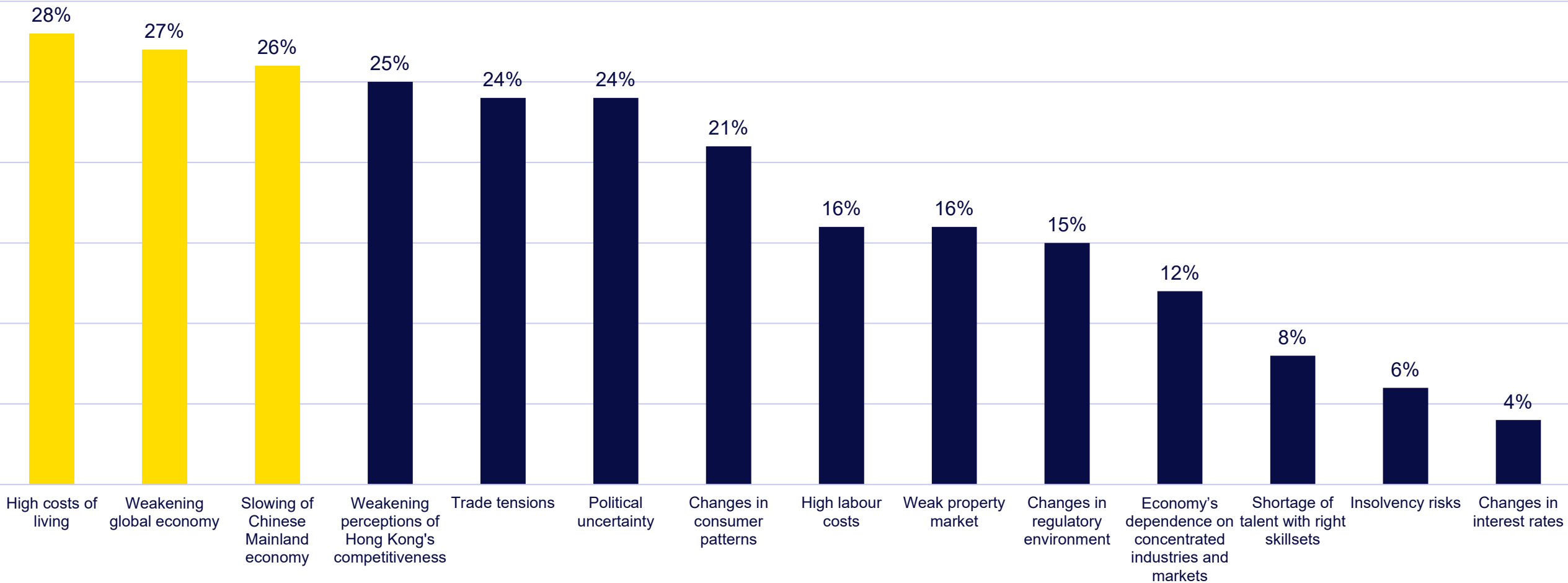
Hong Kong's tax system rated as the largest positive contributor to the city's economic and business environment in 2026

What are the largest positive drivers for Hong Kong's economy and business environment in 2026?



High cost of living and weakening global economy seen as the biggest challenges for Hong Kong's economy and business in 2026

What are the biggest challenges for Hong Kong's economy and business environment in 2026?



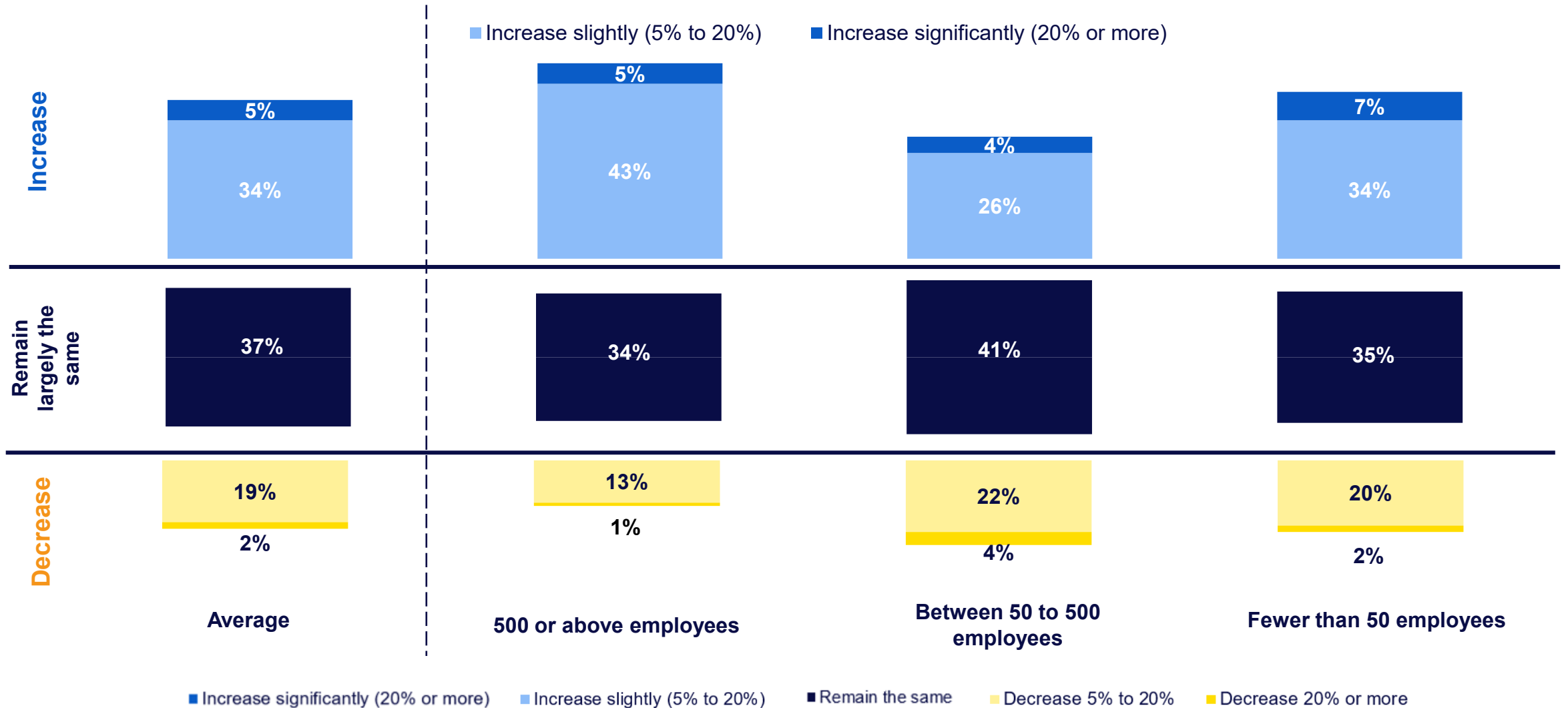
BUSINESS SENTIMENT



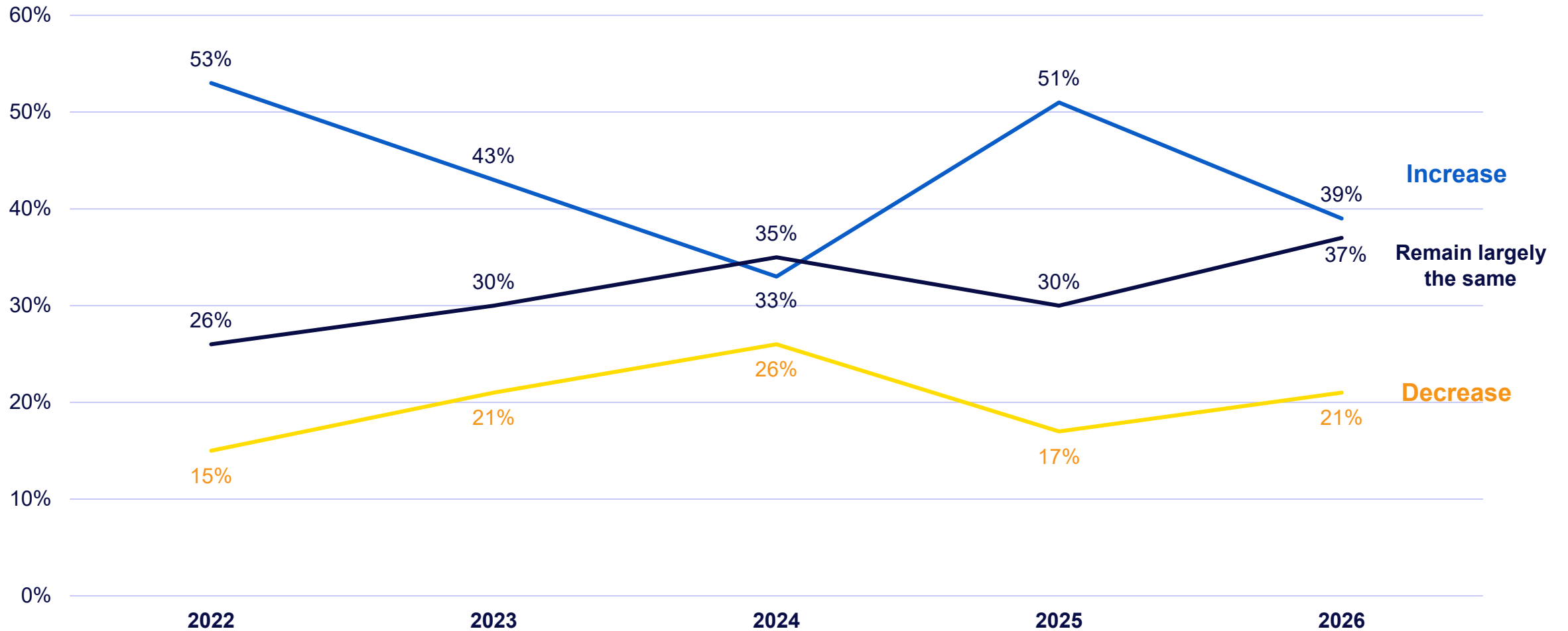
Business sentiment softens amid increasing challenges

- Hong Kong's business sentiment has softened among accounting and finance professionals, with 39 per cent expecting an increase in their company's revenue in the next 12 months, down from 51 per cent last year.
- Companies are facing a more challenging and complex business environment, with intensifying competition cited as the top business challenge for 2026. Additionally, weak customer demand and rising operating costs further contribute to the softer business sentiment.
- Small businesses see AI as one of their key challenges. Such companies often lack the resources and expertise to adapt quickly to rapidly evolving technologies like AI, making them more vulnerable to being left behind.
- In line with the cautious sentiment, businesses are taking a more conservative approach to expansion, with the proportion planning to grow within Hong Kong doubling this year. For expansion outside Hong Kong, the Chinese Mainland remains to be the most popular destination for Hong Kong businesses.

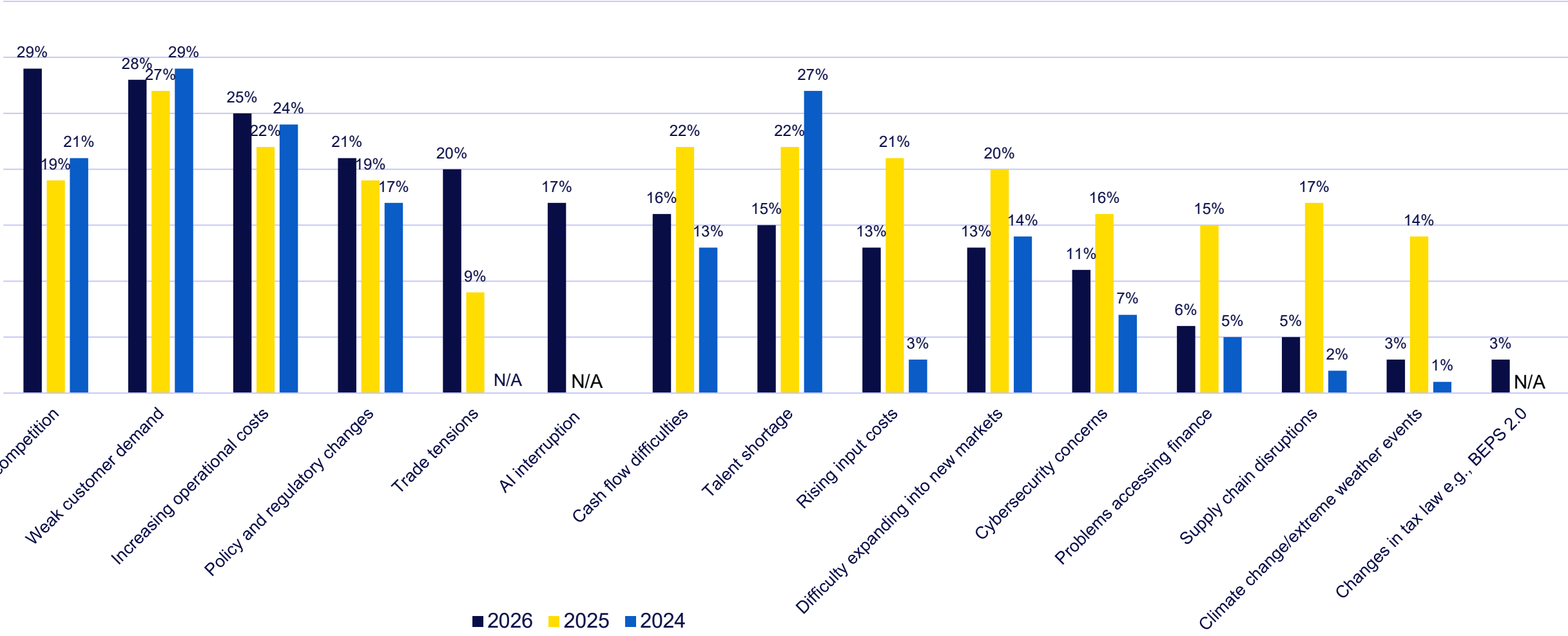
Compared to 2025, do you expect your company's revenue in 2026 will...?



Compared to 2025, do you expect your company's revenue in 2026 will...?



Businesses are facing an increasingly challenging environment, with fierce competition and weakening customer demand



Note: Option "trade tensions" was framed as "geopolitical tensions" in 2025

Key business challenges for 2026 – by business size

500 or above employees

 **30%** Increasing operational costs

 **29%** Increasing competition

 **23%** Policy and regulatory changes

Between 50 to 500 employees

 **31%** Increasing competition

 **26%** Increasing operational costs

 **26%** Weak customer demand

Fewer than 50 employees

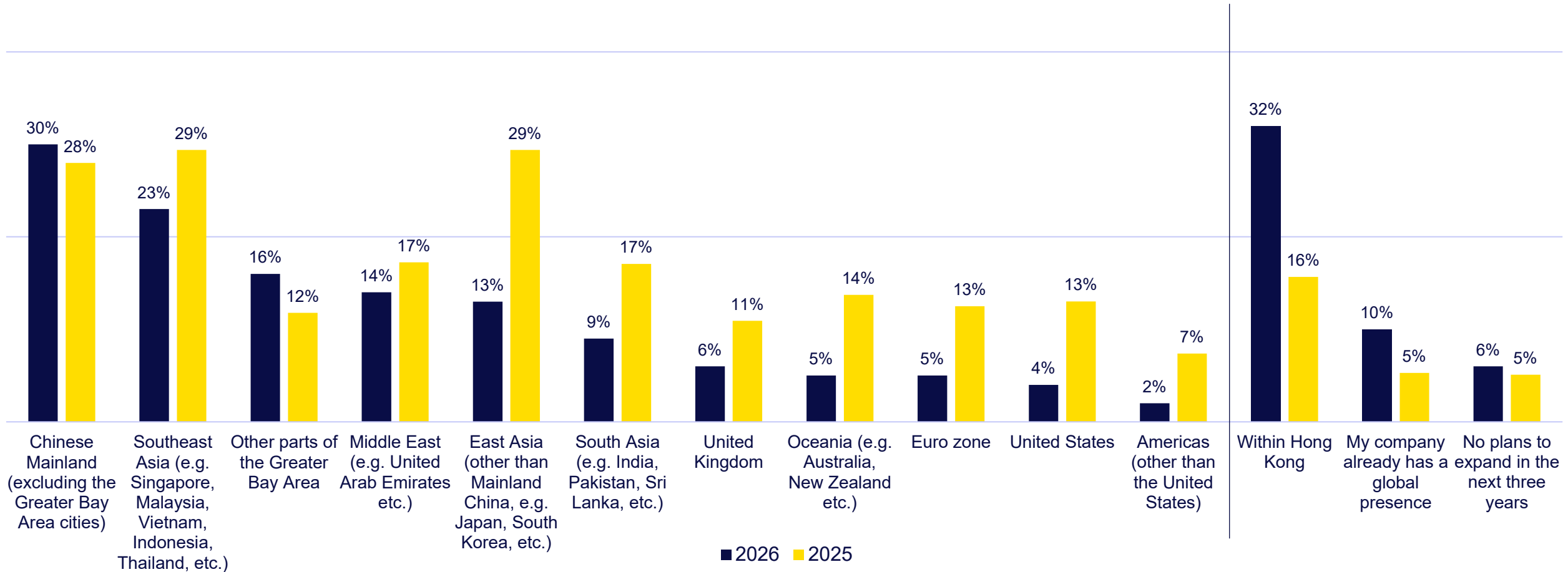
 **37%** Weak customer demand

 **25%** Increasing competition

 **21%** AI interruption

Reflecting a more challenging international business environment, firms are now twice as likely to anticipate expansion in Hong Kong in 2026 compared with 2025

Most likely expansion destination over the next three years



Expansion destination – by business size

500 or above employees



Chinese Mainland
(including Greater Bay
Area Mainland cities)

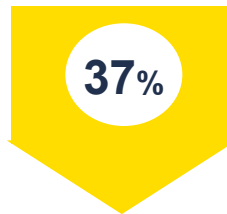


Within Hong Kong



Southeast Asia (e.g.
Singapore, Malaysia,
Vietnam, Indonesia,
Thailand, etc.)

Between 50 to 500 employees



Chinese Mainland
(including Greater Bay
Area Mainland cities)

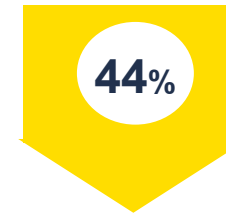


Within Hong Kong



Southeast Asia (e.g.
Singapore, Malaysia,
Vietnam, Indonesia,
Thailand, etc.)

Fewer than 50 employees



Chinese Mainland
(including Greater Bay
Area Mainland cities)



Within Hong Kong



Southeast Asia (e.g.
Singapore, Malaysia,
Vietnam, Indonesia,
Thailand, etc.)

BUSINESS STRATEGY

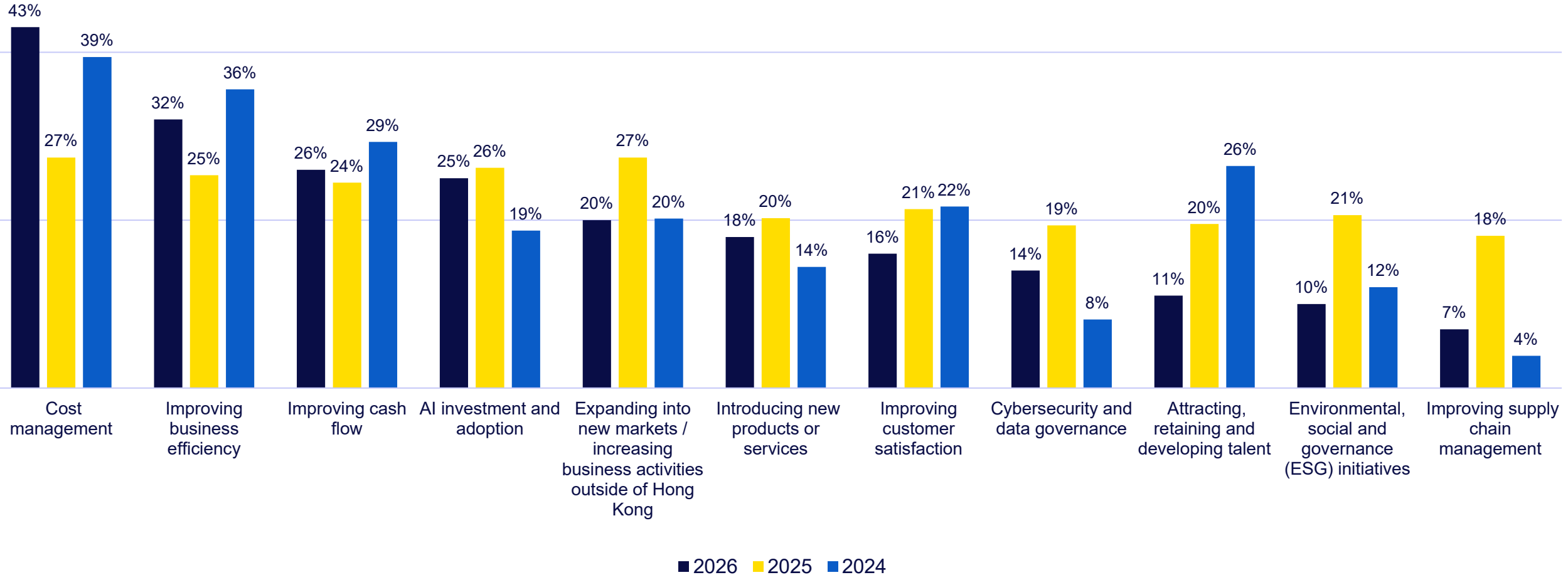


Cost management as the key strategic focus

- Over 40 per cent of companies cited cost management as a key strategic focus for 2026, marking a three-year high.
- There is also a strong focus on AI investment and adoption, which may partly explain the significantly reduced emphasis on attracting and retaining talent, as AI-driven automation may reduce the need for certain roles.
- When it comes to trade tensions, the majority have experienced some negative impact, while others report no effect. Surprisingly, 15 per cent say their businesses benefited from it.
- To mitigate negative impacts brought by trade tensions, businesses have adopted a variety of strategies, with the top approaches being relocation or restructuring of operations, and some expanding sales into new markets.
- In terms of government policies, policies on enhancing Hong Kong's financial connectivity with the Chinese Mainland and other markets, as well as China's 'Going-Out' strategy, will be key to help Hong Kong businesses thrive.

Cost management continues to be the top strategic priority

Company's top strategic focus for 2026

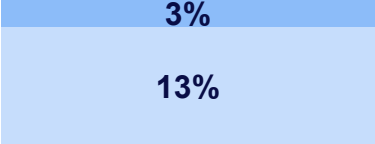


Note: option "AI investment and adoption" is framed as "Innovation and technology including digital transformation" in 2024 and 2025.

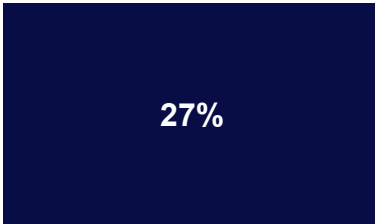
Majority of businesses have been negatively impacted by trade tensions

How have trade tensions affected your company's performance in 2025?

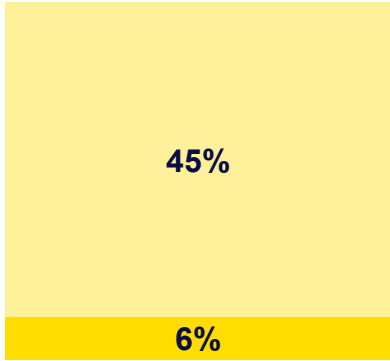
positive impact



No impact

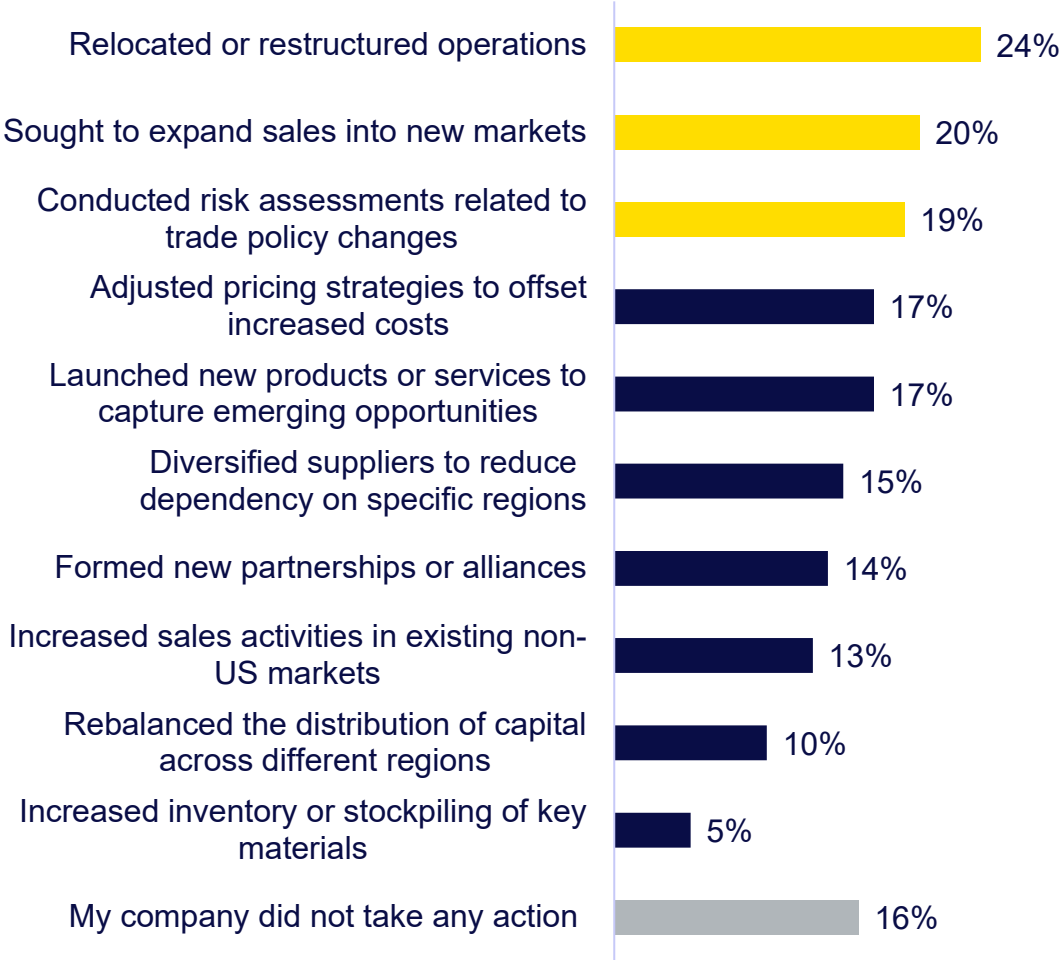


Negative impact



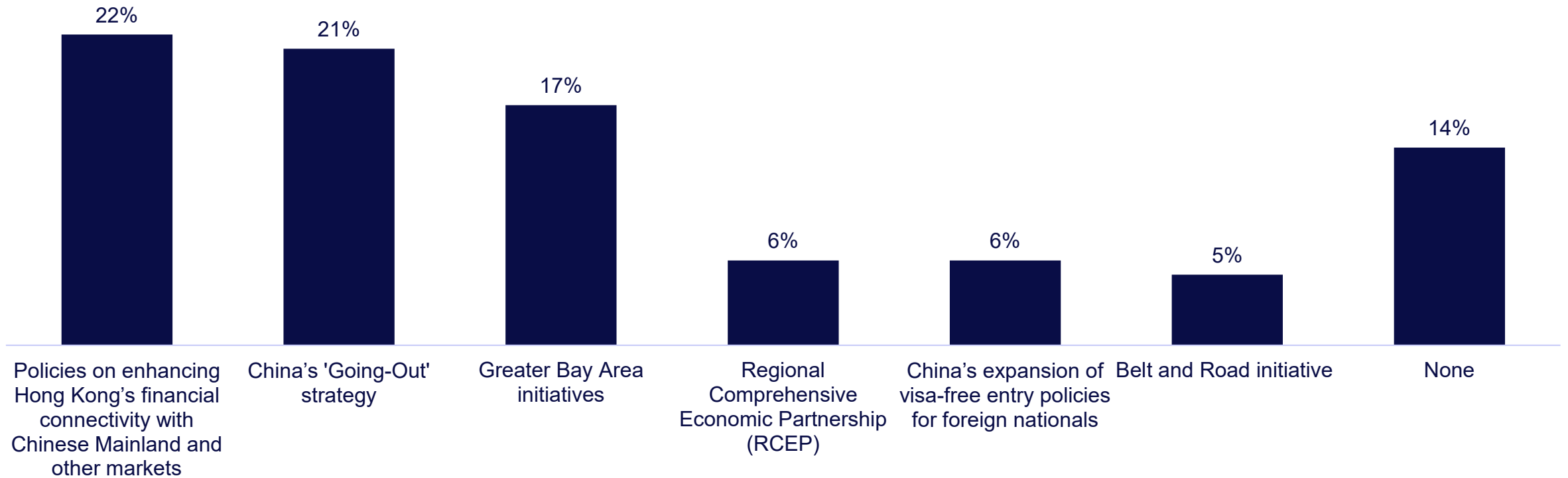
■ Significantly positive impact ■ Somewhat positive impact ■ No impact ■ Somewhat negative impact ■ Significantly negative impact

Main actions taken in response to trade tensions



Hong Kong businesses are most likely to thrive on policies enhancing Hong Kong's financial connectivity with the Chinese Mainland and other markets, as well as China's 'Going-Out' strategy

Government policies or initiatives aimed at strengthening Hong Kong's regional connectivity that would most benefit your organisation's growth



HUMAN RESOURCE TRENDS



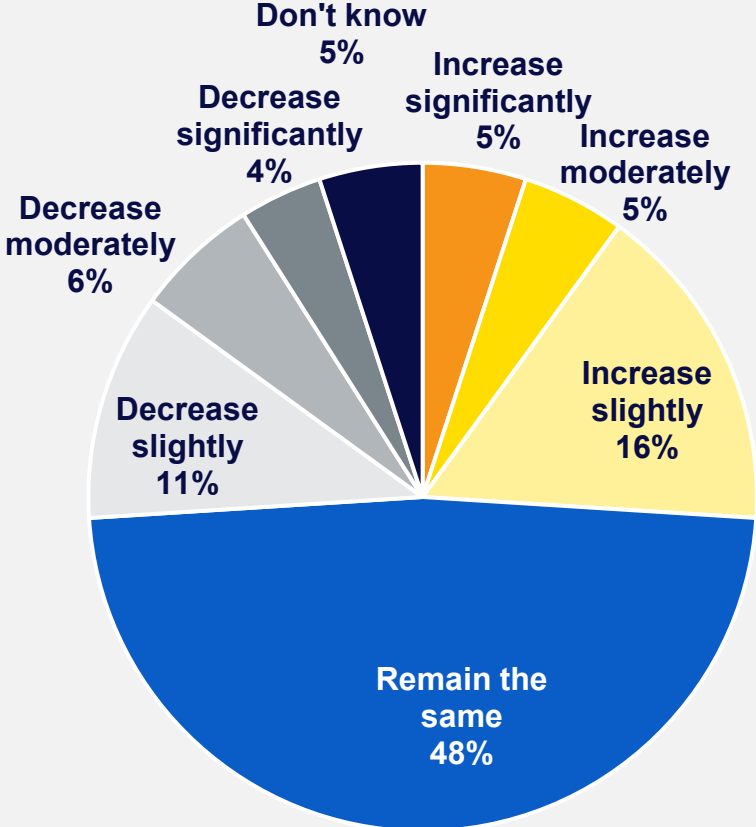
Most businesses anticipate their headcount in 2026 to remain unchanged

- Amid softening business sentiment, rising competition, weakening customer demand and growing AI adoption, nearly half of companies expect their headcount to remain the same in 2026.
- Only 26 per cent foresee an increase in staff, marking a sharp decline from 58 per cent last year and the lowest level in five years.
- On the other hand, it is found that mid to large-sized companies are more inclined to reduce headcount compared to smaller businesses in 2026.
- Although headcount growth is expected to slow, 57 per cent of respondents expect their salaries to rise in 2026.

Compared to 2025, do you expect your company's headcount in 2026 will...?

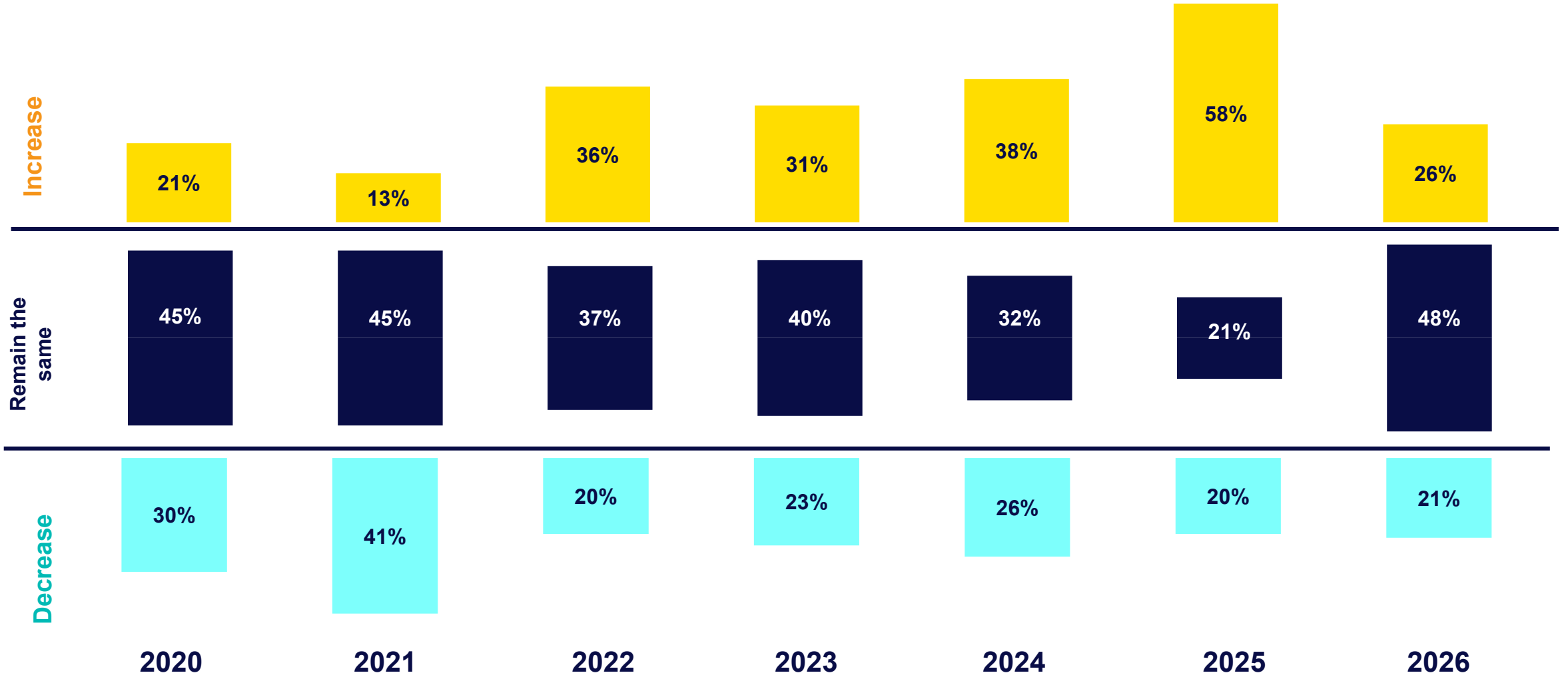
48%

expect their company's headcount to **remain the same**



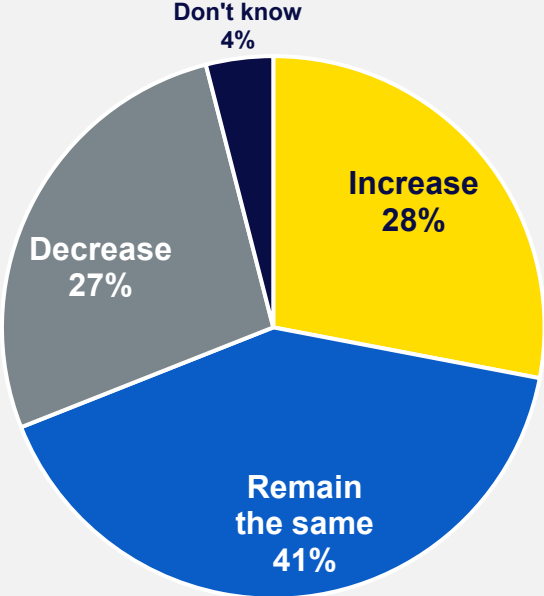
Note: Increase significantly (10% or more), Increase moderately (between 5 to 10%), Increase slightly (less than 5%), Decrease slightly (less than 5%), Decrease moderately (between 5 to 10%), Decrease significantly (5% or more)

Compared to 2025, do you expect your company's headcount in 2026 will...?

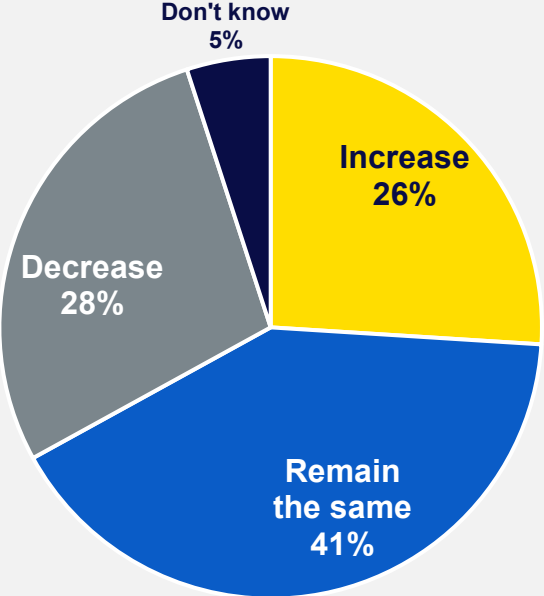


Change in headcount in 2026 – by business size

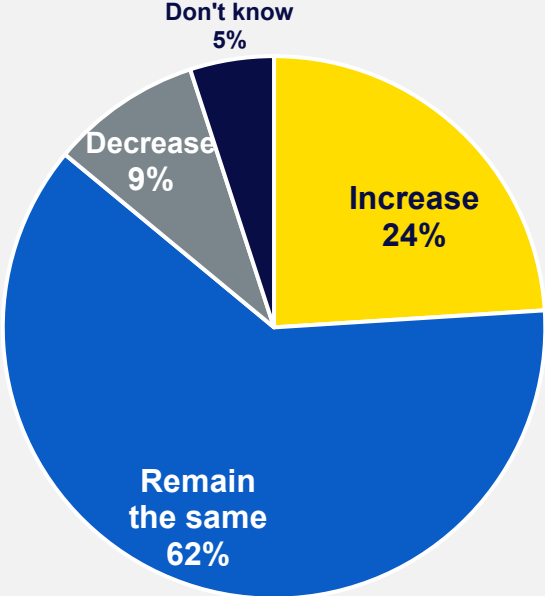
500 or above employees



Between 50 to 500 employees



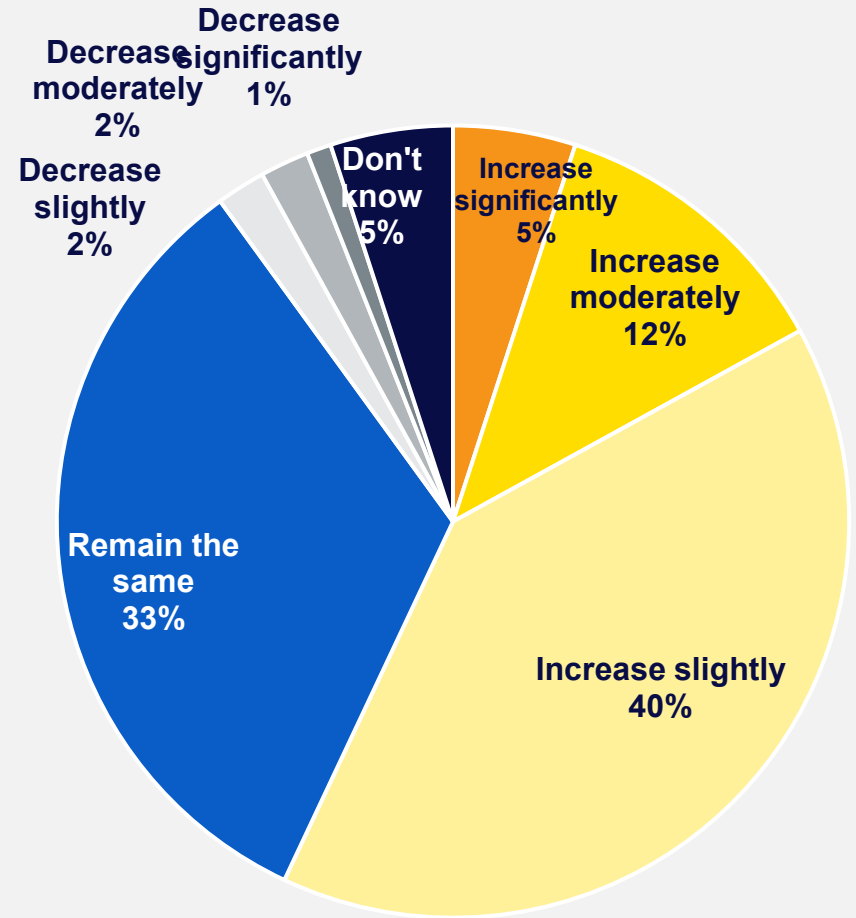
Fewer than 50 employees



Compared to 2025, do you expect your salary in 2026 will...?

57%

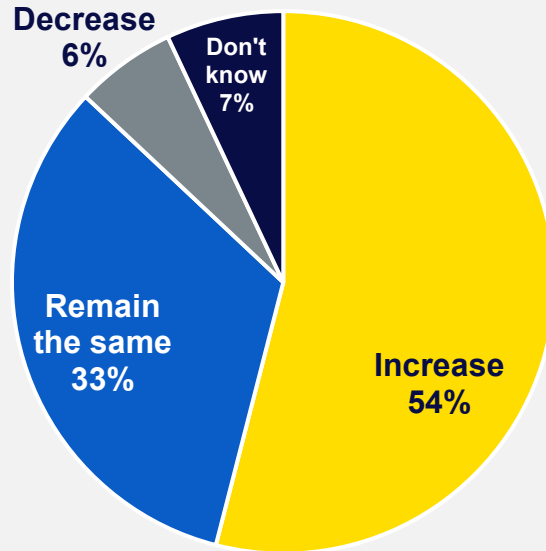
expect their salary will **increase**



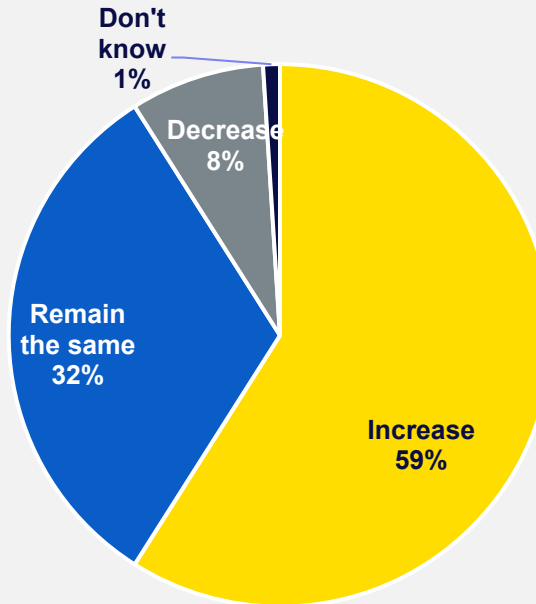
Note: Increase significantly (10% or more), Increase moderately (between 5 to 10%), Increase slightly (less than 5%), Decrease slightly (less than 5%), Decrease moderately (between 5 to 10%), Decrease significantly (5% or more)

Change in salary in 2026 – by business size

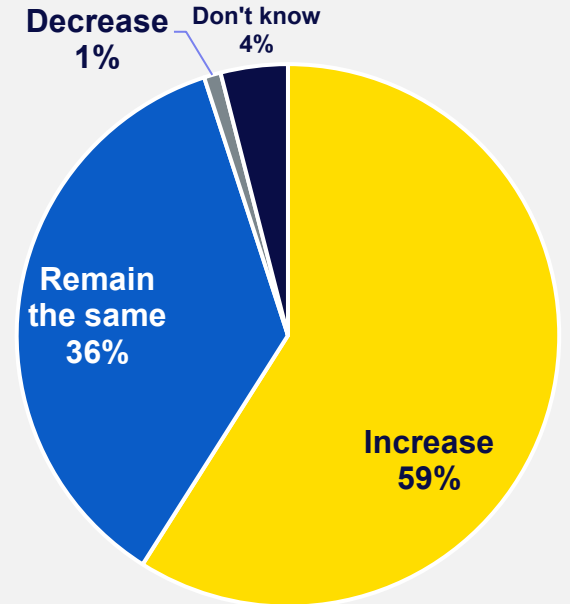
500 or above employees



Between 50 to 500 employees

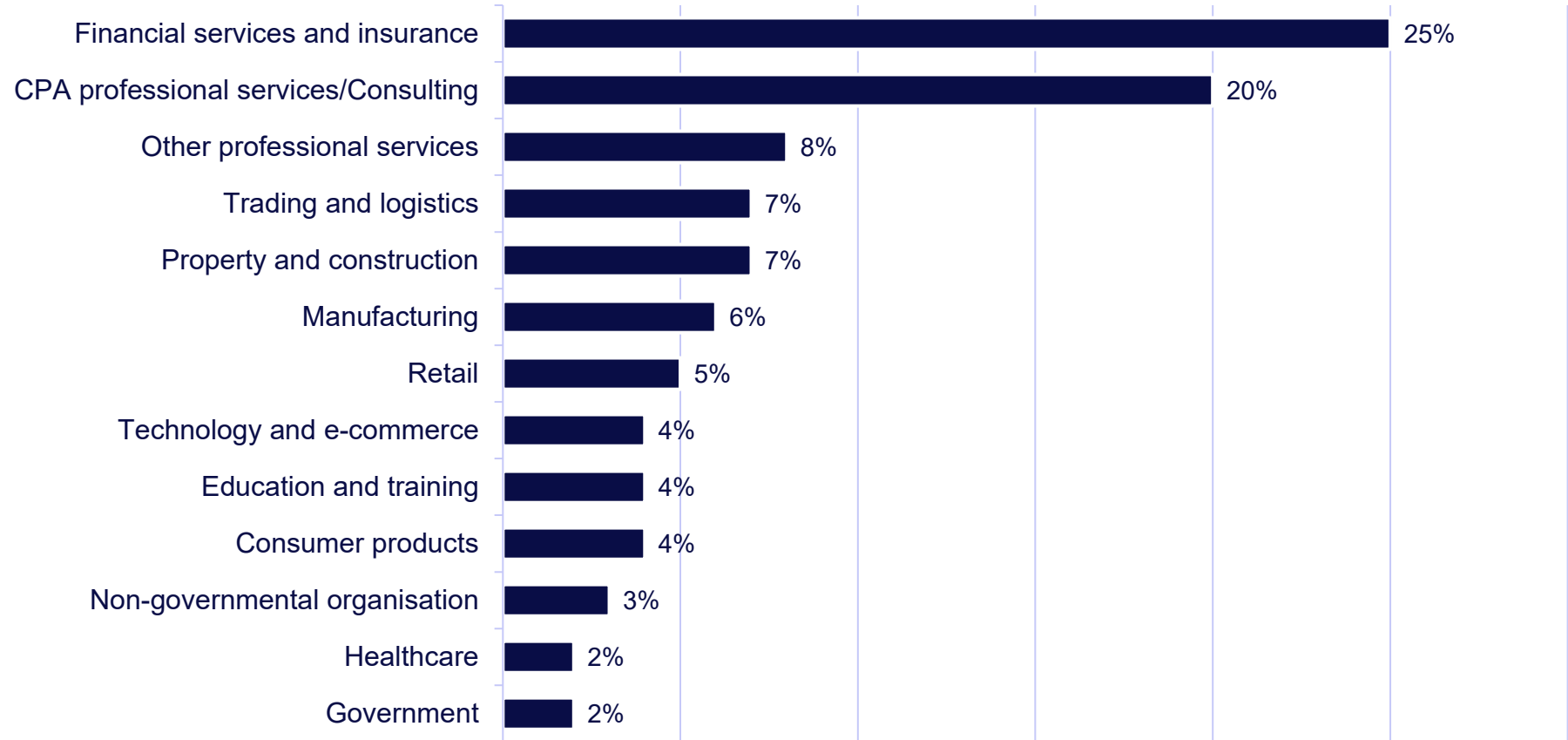


Fewer than 50 employees



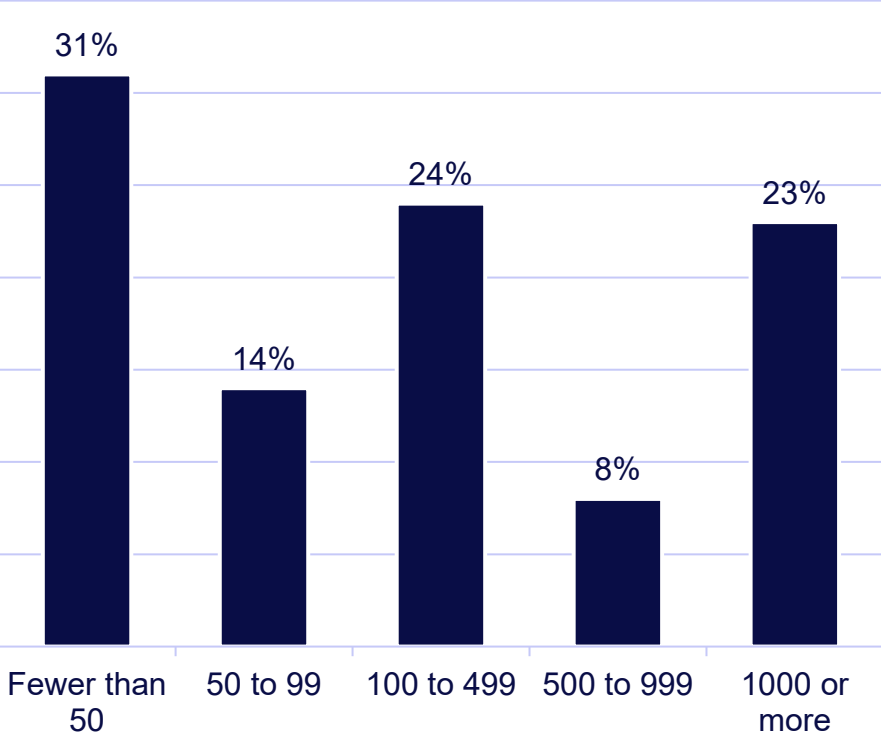
Survey demographics

Demographics



Industry

Demographics



Business size



Positions

Recommendations

Recommendations for the government



- Implement an IPO Connect scheme to enable Mainland investors to participate in Hong Kong IPOs
- Attract more family offices from around the world into Hong Kong to increase liquidity
- Further streamline the listing process to facilitate Chinese Mainland and overseas enterprises to list in Hong Kong
- Enhance Hong Kong as the premier gateway for Chinese enterprises to expand globally in alignment with the China's "Going Out" strategy
- Support SMEs in adopting AI solutions and improving cyber resilience
- Build on Mainland China's net zero ambitions to further solidify Hong Kong's role as a green finance hub and advance sustainable finance development

Recommendations for businesses



- Leverage opportunities arising from the China’s “Going Out” strategy
- Seek professional advice to help manage costs (such as financing and borrowing costs) and improve cash flow
- Reduce operating costs through outsourcing non-core businesses
- Regularly assess how AI could improve your operational efficiency and disrupt your business, and develop strategies to take advantage of the opportunities and address potential threats
- Access government support schemes to identify, diversify and expand into new markets
- Utilise green finance to reduce borrowing costs