



# CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-2026

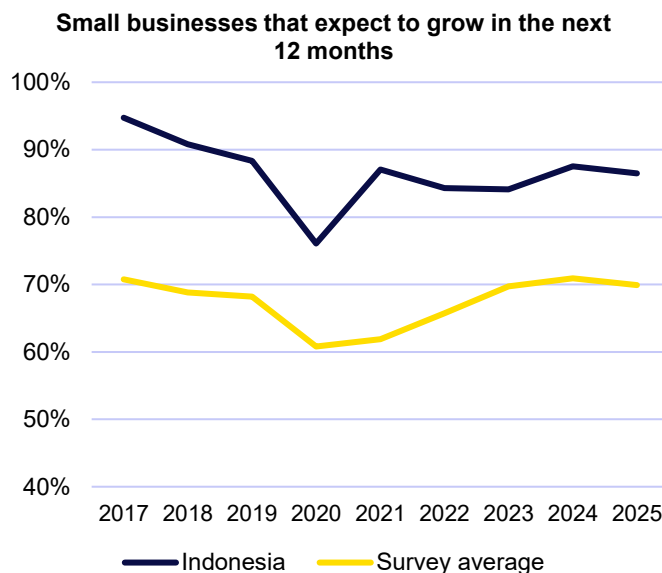
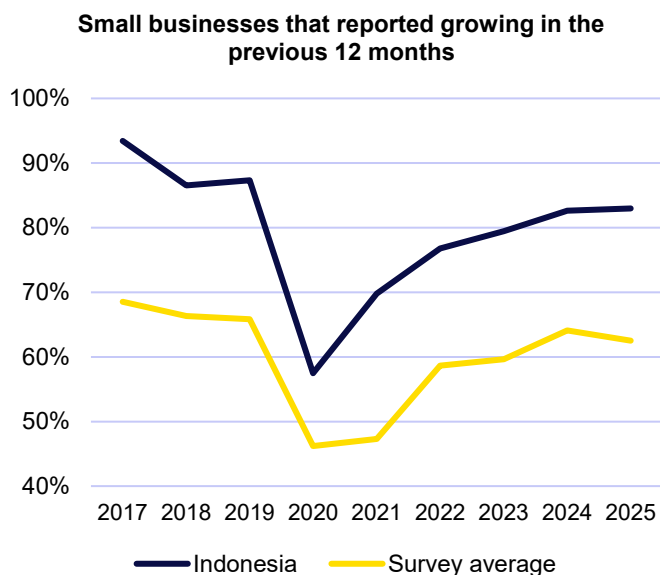
Indonesia market summary

# Indonesia

## Key findings

- Small business conditions in Indonesia remain strong. In 2025, the share of growing small businesses reached its highest level since 2019, with Indonesian firms the second most optimistic among surveyed markets
- Indonesian small businesses remain confident in their national economy, despite a dip, with expectations for both economic growth and their own growth prospects remaining above the survey average
- Technology adoption by Indonesia's small businesses remains relatively strong. A key reason being the rapid returns on technology investment, with Indonesian small businesses the second most likely to report that their technology investment in 2025 helped to increase their profitability
- Cyber risks remain a major challenge. Almost half of Indonesian small businesses reported losing time or money to cyberattacks in 2025, the second highest result among surveyed markets. Despite this, only 45 per cent of Indonesian small businesses regularly reviewed their cybersecurity measures
- Indonesian small businesses were the most likely to find that improving customer satisfaction had a positive influence on their business in 2025, a key characteristic of high-growth businesses
- Demand for external finance increased in 2025, with funding primarily sought to support business growth and business survival
- Access to finance became slightly easier in 2025, and this trend expected to continue in 2026
- Enthusiasm for innovation has declined, with the share of businesses reporting they will innovate in 2026 down from the previous survey
- Indonesian small businesses were the most likely to seek business advice from family and friends
- Indonesia has the youngest small business profile, with the highest share of business owners aged under 40 and the second highest share of small businesses established for less than 10 years

## Business and economic conditions



	Indonesia 2025	Survey average 2025	Rank 2025	Indonesia 2024	Rank 2024	Indonesia 2023	Indonesia 2022	Indonesia 2021	Indonesia 2020
<b>Businesses that grew in the last 12 months</b>	83.0%	62.5%	2/11	82.6%	1/11	79.5%	76.8%	69.8%	57.5%
<b>Businesses that expect to grow in the next 12 months</b>	86.5%	69.9%	4/11	87.5%	3/11	84.1%	84.3%	87.0%	76.1%
<b>Businesses that expect the local economy to grow in the next 12 months</b>	70.7%	64.6%	5/11	75.7%	4/11	75.8%	71.9%	73.8%	68.8%

2025 was another successful year for Indonesia’s small businesses, with 83 per cent reporting growth, the second highest share among the 11 surveyed markets and Indonesia’s strongest result since 2019.

Looking ahead, growth expectations remain high. Reasonably strong small business confidence in Indonesia’s economy is expected to support small business growth, with 86 per cent of businesses expect to grow in 2026, well above the survey average of 70 per cent.

This positive outlook is underpinned by several structural factors, including a relatively strong focus on technology and efforts to lift customer satisfaction. Our survey results consistently show that these characteristics are strongly associated with high growth businesses.

Another contributing factor is the youthful age profile of Indonesia’s small business owners. According to our survey, only 17 per cent of Indonesia’s small business owners were aged 50 or over. Our survey data shows younger owners are much more likely to run growing businesses, leverage technology like e-commerce and social media, innovate and expand into new markets.

## Technology uptake

	Indonesia 2025	Survey average 2025	Rank 2025	Indonesia 2024	Rank 2024	Indonesia 2023	Indonesia 2022	Indonesia 2021	Indonesia 2020
<b>More than 10 per cent of revenue came from online sales</b>	64.3%	63.4%	4/11	67.5%	6/11	68.5%	66.0%	67.8%	58.1%
<b>Did not use social media for business purposes</b>	7.4%	12.0%	9/11	8.5%	6/11	5.0%	5.2%	6.3%	14.6%
<b>Investment in technology by the business over the past 12 months has improved profitability</b>	71.7%	56.3%	2/11	68.2%	3/12	66.2%	67.3%	73.8%	74.4%
<b>Technology the business invested in most heavily over the past 12 months</b>	Computer equipment	Artificial intelligence	N/A	Mobile apps	N/A	Computer equipment	Computer equipment	Mobile apps	Mobile apps
<b>Consider the business likely to be cyberattacked in next 12 months</b>	64.0%	42.3%	2/11	54.4%	4/11	56.6%	52.3%	59.8%	63.8%
<b>Reviewed the business' cybersecurity protections in past six months</b>	45.0%	52.0%	7/11	47.5%	6/11	47.7%	45.4%	45.8%	43.2%
<b>Lost time and/or money due to a cybersecurity incident in the past 12 months</b>	49.2%	36.7%	2/11	49.8%	4/11	38.7%	N/A	N/A	N/A
<b>More than 10 per cent of sales is received through digital payment options such as GoPay, ShopeePay, OVO, Dana, LinkAja, WeChat Pay</b>	69.0%	71.8%	7/11	74.4%	7/11	68.2%	65.3%	63.8%	60.0%
<b>Sought advice from IT consultants/specialists</b>	20.9%	26.6%	5/11	18.0%	9/11	21.2%	25.5%	23.6%	21.3%

A key driver of the success of Indonesia's small businesses is their relative widespread adoption of technology, including selling online.

In 2025, the share of Indonesian small businesses generating more than 10 per cent of their revenue from online sales declined slightly to 64 per cent, broadly in line with the survey average.

Consistent with this, digital payment usage remains relatively high. In 2025, 69 per cent of Indonesian small businesses reported that more than 10 per cent of their sales were received through digital payment platforms such as OVO, GoPay, ShopeePay and Dana. While this remains high, it is slightly below the survey average and down from 74 per cent in the previous year.

Social media engagement remains near-universal, with only 7 per cent of Indonesian small businesses reporting that they did *not* use social media for business purposes in 2025.

Strong and rapid returns on technology investment continue to support high levels of adoption. In 2025, 72 per cent of Indonesian small businesses reported that their technology investments improved profitability, well above the survey average of 56 per cent and the second highest result among surveyed markets.

To maintain that rapid return on technology investment, Indonesian small businesses should consider investing more heavily into technologies such as artificial intelligence, cloud tools and customer relationship management software, as such technologies are closely associated with high-growth businesses.

Cyber risk exposure remains high amongst Indonesian small businesses. In 2025, 49 per cent reported losing time and/or money from a cyberattack, the second highest result among surveyed markets. Despite this, only 45 per cent reviewed their cybersecurity protections in the past six months, below the survey average of 52 per cent. Indonesian small businesses need to invest more into cybersecurity.

## Business activity over the past 12 months

	Indonesia 2025	Survey average 2025	Rank 2025	Indonesia 2024	Rank 2024	Indonesia 2023	Indonesia 2022	Indonesia 2021	Indonesia 2020
Increased employee numbers	40.2%	36.2%	5/11	43.3%	3/11	37.4%	32.0%	34.9%	30.9%
Improved customer satisfaction had a major positive impact on the business	44.7%	31.2%	1/11	38.4%	1/11	40.4%	40.8%	36.9%	27.6%
Improved business management had a major positive impact on the business	20.9%	24.6%	8/11	28.5%	3/11	23.8%	24.8%	20.9%	16.3%
Increasing costs had a major negative impact on the business	38.3%	38.8%	6/11	35.1%	8/11	39.4%	29.7%	24.9%	41.0%
Required funds from an external source	77.8%	61.3%	3/11	74.8%	4/11	73.5%	73.2%	80.1%	72.1%
Sought external funds for business growth	64.5%	56.1%	3/11	59.2%	5/11	61.3%	60.7%	60.2%	50.7%
Sought external funds for business survival	50.4%	39.0%	2/11	54.4%	2/11	48.6%	50.4%	54.4%	51.6%
Found it easy or very easy to access external finance	41.7%	53.1%	7/11	38.2%	6/11	29.3%	29.5%	27.4%	30.9%
A bank was the business' main source of external finance	38.8%	45.4%	10/11	36.8%	8/11	39.2%	30.8%	34.0%	31.3%
Did <u>not</u> spend any time and resources on ESG practices	12.2%	18.8%	7/11	16.7%	5/11	17.2%	20.6%	N/A	N/A

## Planned business activity over the next 12 months

	Indonesia 2026	Survey average 2026	Rank 2026	Indonesia 2025	Rank 2025	Indonesia 2024	Indonesia 2023	Indonesia 2022	Indonesia 2021
<b>Expect to increase employee numbers</b>	52.4%	47.0%	5/11	54.8%	4/11	52.3%	43.5%	50.8%	44.5%
<b>Will introduce a new product, service or process unique to their market or the world</b>	27.7%	29.2%	7/11	37.0%	2/11	22.8%	27.5%	27.9%	30.9%
<b>Expect revenue from overseas markets to grow strongly</b>	21.5%	20.6%	4/11	23.3%	6/11	16.6%	13.7%	15.9%	14.6%
<b>Will seek external funds</b>	27.7%	25.4%	4/11	33.1%	3/11	27.8%	30.1%	28.2%	36.2%
<b>Expect easy to very easy access to finance</b>	37.6%	48.9%	7/11	34.0%	7/11	32.6%	31.3%	25.3%	27.4%

### Innovation

Innovation plans are more subdued among Indonesian small businesses. In 2026, 28 per cent report they will introduce a new product, service or process unique to Indonesia or the world, slightly below the survey average of 29 per cent. This result is down from 37 per cent in 2025 points, suggesting a more cautious innovation environment in the near term.

### Employment

Indonesia's relatively strong small business sentiment is reflected in continued employment growth. In 2025, 40 per cent of Indonesian small businesses reported increasing their headcount. Hiring intentions for 2026 are also strong, with 52 per cent expecting to increase employee numbers, which is above the survey average.

### Access to finance

Demand for external finance remains strong. In 2025, 78 per cent of Indonesian small businesses required funding from external sources, the third highest share among surveyed markets. A majority (64 per cent) sought external funds to support business growth.

Among businesses that required finance, access was more likely to be reported as easy than difficult. In 2025, 42 per cent of Indonesian small businesses found it easy or very easy to access external finance, while 29 per cent reported accessing finance was difficult.

Demand for finance is expected to remain elevated in 2026, with 28 per cent of Indonesian small businesses reporting they will seek external funding, and a further 62 per cent indicating they may require finance.

## Environmental, social, and governance (ESG)

Indonesia's small businesses continue to demonstrate a strong commitment to ESG-related activities. In 2025, only 12 per cent did *not* allocate any time or resources on activities linked to ESG. The most common ESG-linked activities were staff health and safety policies, supply chain sustainability and business diversity and inclusion policy.

## Factors that had positive and negative influences on business and sources of advice

Top four factors that had a positive influence on Indonesian small business in 2025	Top four factors that had a positive influence on Indonesian on small business in 2024	Top four factors that had a positive influence on Indonesian small business in 2023	Top 4 source of advice for small business in 2025
Improved customer satisfaction	Customer loyalty	Customer loyalty	Friends and family
Customer loyalty	Improved customer satisfaction	Improved customer satisfaction	Business partner or mentor
Improved business strategy	Improved business strategy	Improved business strategy	AI tools
Good quality capital equipment	Cost control	Cost control	Business/management consultants

Top four factors that had a negative impact on Indonesian small business in 2025	Top four factors that had a negative impact on Indonesian small business in 2024	Top four factors that had a negative impact on Indonesian small business in 2022
Increasing competition	Increasing competition	Increasing competition
Increasing costs	Increasing costs	Increasing costs
Poor overall economic environment	Tax	Poor overall economic environment
Tax	Poor overall economic environment	Increasing rent

In 2025, Indonesian small businesses found that growth-oriented strategies delivered the most positive impacts on business performance. In particular, improvements to customer satisfaction and business strategy, as well as good quality capital equipment, were among the most beneficial factors. These areas are consistently associated with high-growth businesses across the survey.

By contrast, rising costs were the most significant negative factor, followed by increasing competition. In 2025, 38 per cent of Indonesian small businesses cited rising costs as their largest barrier to growth. The most burdensome costs were taxes, utilities and material costs.

## Entrepreneurship

	Indonesia 2025	Indonesia 2024
<b>Primary reason for starting their business</b>	Financial	Financial
<b>Biggest concern when first started a business</b>	Uncertainty whether your business will succeed	Finding and keeping customers
<b>Most common attitude and approach to managing business risk of owner</b>	Strategic risk manager	Risk averse, visionary risk taker <sup>^</sup>
<b>Overall satisfaction from owning or operating small business</b>	Satisfied	Satisfied
<b>Most popular exit/succession plan for small businesses</b>	Don't have a succession/exit plan	N/A

<sup>^</sup> equal first

Unlike small business owners in other markets, who are primarily motivated by the desire to be their own boss, Indonesian entrepreneurs are more likely to start their business for financial reasons. Their main concern when starting out was uncertainty about whether the business would succeed.

The greater likelihood of Indonesian small business owners to adopt a strategic risk management approach in 2025 indicates they prefer to identify risks, develop comprehensive risk strategies and have back up plans.

## Demographics

	Indonesia 2025	Survey average 2025	Rank 2025	Indonesia 2024	Rank 2024	Indonesia 2023	Indonesia 2022	Indonesia 2021	Indonesia 2020
<b>Business owners aged under 40</b>	57.1%	38.0%	1/11	54.4%	5/11	59.4%	63.7%	66.0%	59.8%
<b>Business established for less than 11 years</b>	80.4%	57.8%	2/11	84.3%	1/11	82.5%	84.0%	80.7%	79.4%
<b>Respondent is the business owner</b>	63.3%	40.2%	3/11	67.5%	1/11	66.9%	70.3%	67.4%	57.5%
<b>Business has 10 to 19 employees</b>	28.9%	30.8%	6/11	27.2%	8/11	25.8%	29.1%	26.9%	25.2%

One of the key advantages of Indonesia's small business sector is the young age profile of its owners. In 2025, 57 per cent of Indonesian small business owners were aged under 40, the highest share among surveyed markets. Our survey data consistently shows a strong correlation between younger business owners and higher levels of growth, digital adoption, innovation and overseas market exposures.