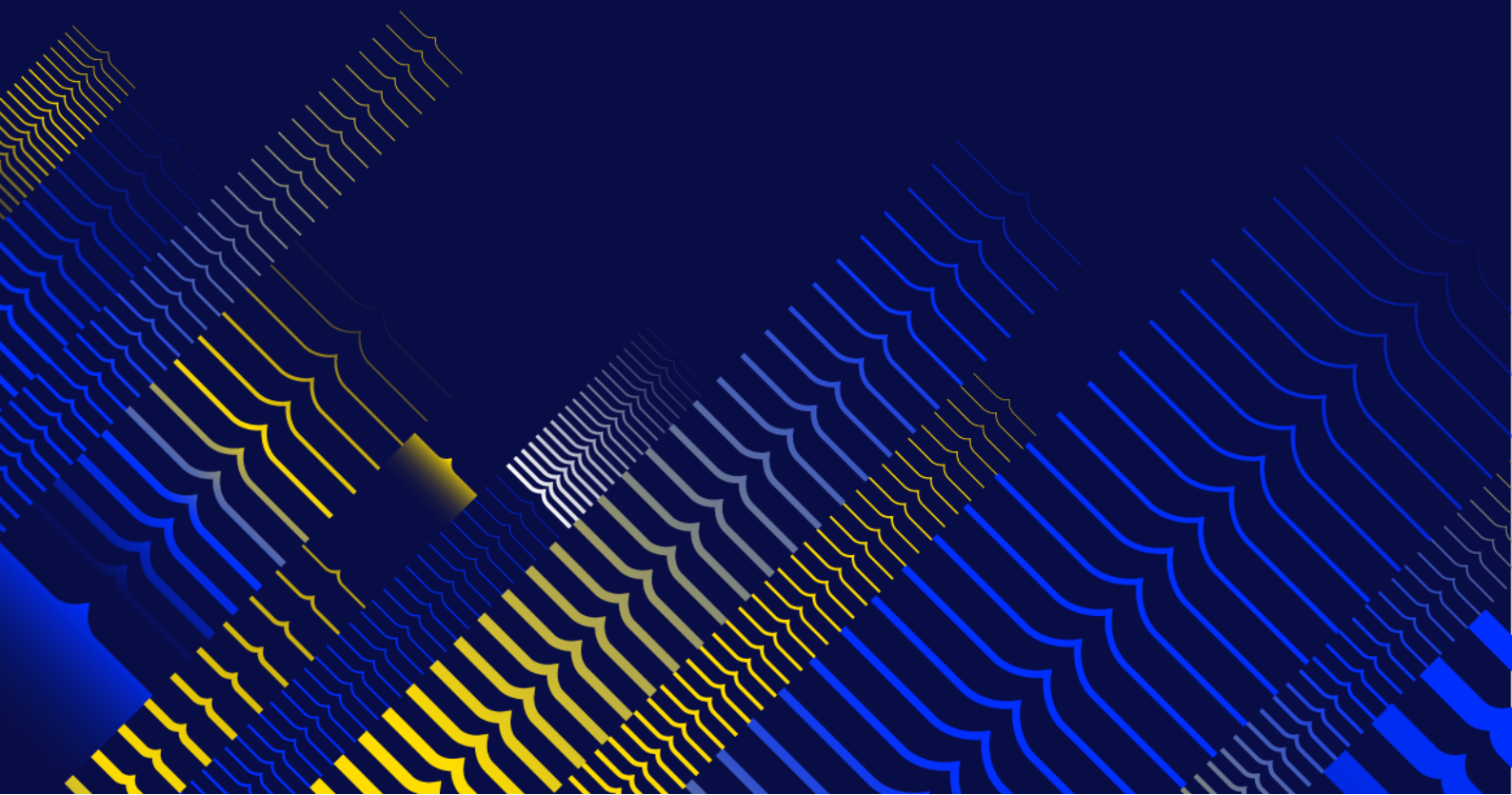




# CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-2026

Philippines market summary

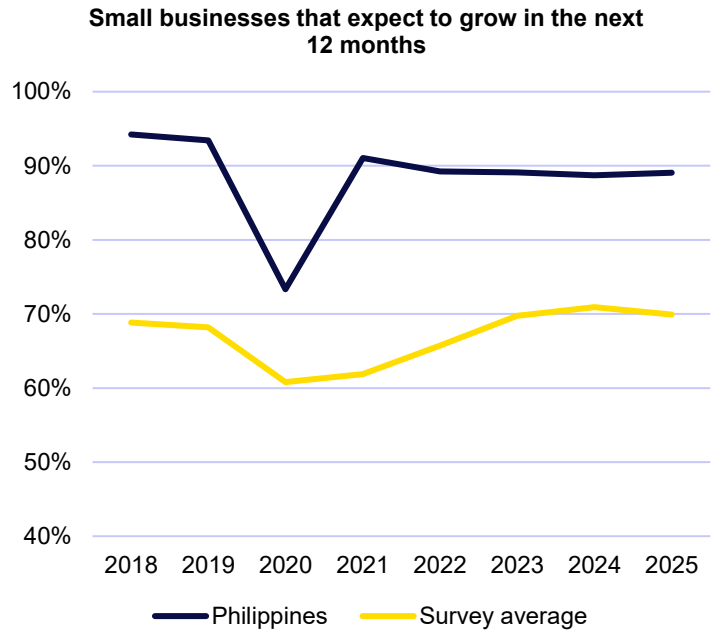
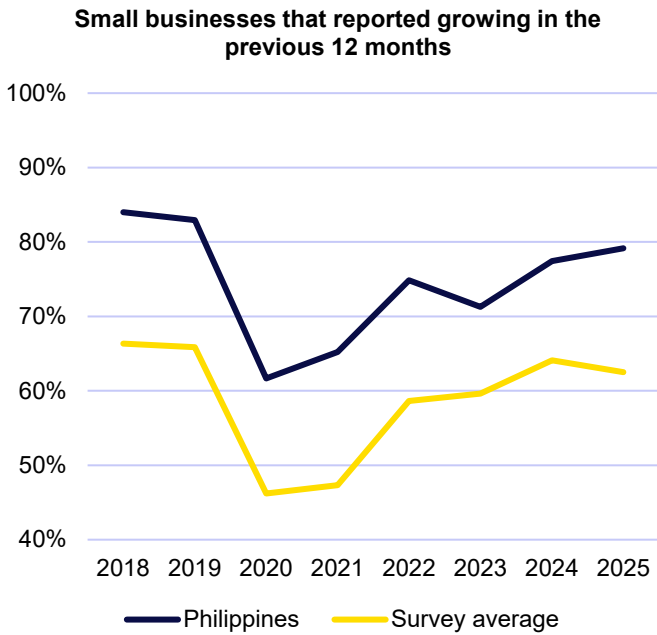


# Philippines

## Key findings

- Filipino small business sentiment continues to strengthen. In 2025, the proportion of growing Filipino small businesses reached its highest level since 2019
- Economic concerns are not dampening business confidence. While small business expectations for the broader Philippine economy in 2026 have weakened, this has not affected confidence at the business level. Filipino small businesses are the most confident in their own growth prospects for 2026 among surveyed markets.
- Technology adoption is relatively low compared with other developing economies. However, those Filipino small businesses that do invest in technology tend to see rapid improvements in profitability
- Cybersecurity risk is perceived to be low relative to other Asian markets. This may be contributing to complacency, as Filipino small businesses are the least likely to regularly review their cybersecurity protections
- Customer focus remains strong. Business owners continue to prioritise customer loyalty and improvements in customer satisfaction
- Access to finance is a challenge. In 2025, Filipino small businesses were the least likely to report that accessing finance was easy—a trend expected to persist into 2026.
- Filipino small businesses are more outward-looking than most other markets
- Innovation intentions are notable, with nearly one-third of Filipino small businesses reporting they will innovate in 2026
- Business advice is primarily sourced from personal networks rather than professionals. Business owners rely heavily on family and friends for business advice and are least likely to reach out to IT consultants
- Filipino small business owners are the second most likely to report having a considered approach to risk, with risk strategies and contingency plans
- Overall, business owners are satisfied with owning a small business
- The Philippines has one of the youngest small business profiles among surveyed markets, both in terms of business owner age and business age

## Business and economic conditions



	Philippines 2025	Survey average 2025	Rank 2025	Philippines 2024	Rank 2024	Philippines 2023	Philippines 2022	Philippines 2021	Philippines 2020
<b>Businesses that grew in the last 12 months</b>	79.1%	62.5%	4/11	77.4%	4/11	71.3%	74.8%	65.2%	61.7%
<b>Businesses that expect to grow in the next 12 months</b>	89.1%	69.9%	1/11	88.7%	2/11	89.1%	89.2%	91.1%	73.3%
<b>Businesses that expect the local economy to grow in the next 12 months</b>	55.0%	64.6%	8/11	71.9%	6/11	79.5%	78.1%	85.8%	66.7%

2025 was a strong year for Filipino small businesses, with 79 per cent reporting growth, the highest result since 2019. Among the 11 surveyed markets, the Philippines ranked fourth overall for business growth. Filipino small businesses outperformed fellow ASEAN members Singapore, where 44 per cent reported growing, and Malaysia (67 per cent), but trailed Indonesia (83 per cent) and Vietnam (84 per cent).

Looking ahead, despite declining small business confidence in the Philippines economy, growth expectations for their own business remain strong. For 2026, 89 per cent of Filipino small businesses expect to grow, the highest growth expectation across all surveyed markets.

This positive outlook is underpinned by several factors, including a strong focus on customers, innovation and exporting, factors the survey show are closely associated with high growth businesses.

Another contributing factor is the young age profile of small business owners. Nearly 47 per cent of Filipino small business owners are under 40, compared to the survey average of 38 per cent. Our survey data shows that younger owners are much more likely to pursue high-growth strategies such as using e-commerce, investing in innovation and enhancing customer satisfaction.

## Technology use

	Philippines 2025	Survey average 2025	Rank 2025	Philippines 2024	Rank 2024	Philippines 2023	Philippines 2022	Philippines 2021	Philippines 2020
<b>More than 10 per cent of revenue came from online sales</b>	61.9%	63.4%	7/11	62.3%	9/11	60.7%	57.8%	50.3%	62.0%
<b>Did <u>not</u> use social media for business purposes</b>	10.3%	12.0%	6/11	10.6%	5/11	10.6%	9.8%	11.6%	9.3%
<b>Investment in technology by the business over the past 12 months has improved profitability</b>	67.9%	56.3%	4/11	69.0%	2/11	62.0%	69.9%	69.9%	55.7%
<b>Technology the business invested in most heavily over the past 12 months</b>	Computer equipment	Artificial intelligence	NA	Computer equipment	N/A	Computer equipment	Mobile apps	Computer equipment	Computer equipment
<b>Consider the business likely to be cyberattacked in next 12 months</b>	29.8%	42.3%	9/11	29.4%	9/11	27.1%	26.8%	36.4%	29.0%
<b>Reviewed the business' cybersecurity protections in past six months</b>	38.1%	52.0%	11/11	45.2%	9/11	42.2%	47.7%	49.7%	38.7%
<b>Lost time and/or money due to a cybersecurity incident in the past 12 months</b>	31.1%	36.7%	8/11	29.4%	9/11	28.4%	N/A	N/A	N/A
<b>More than 10 per cent of sales is received through digital payment options such as PayPal</b>	72.9%	71.8%	6/11	74.3%	8/11	68.2%	69.9%	51.4%	61.3%
<b>Sought advice from IT consultants / specialists</b>	14.9%	26.6%	11/11	13.2%	11/11	18.5%	22.9%	16.9%	12.7%

Filipino small businesses lag other developing economies in most technology adoption indicators. For example, 62 per cent received more than 10 per cent of their revenue from online sales in 2025, below the Chinese Mainland at 82 per cent and Vietnam (83 per cent).

Consistent with this trend, the use of digital payments is also below most other developing economies. In 2025, 73 per cent of small businesses reported receiving more than 10 per cent of their sales through digital payment platforms such as PayPal, GCash and Dragonpay. By comparison, the Chinese Mainland and Vietnam generated 86 per cent, and India 88 per cent of their sales through similar technologies.

Despite the widespread availability of digital payment options, cash sales remain critical to most small businesses. In 2025, 77 per cent of Filipino small businesses received at least half of their sales in cash, the highest percentage among surveyed markets. This suggests that many business-to-business transactions are still conducted in cash.

Social media engagement remains strong, with only 10 per cent of Filipino small businesses reporting that they were *not* using social media for business purposes in 2025, underscoring its continued importance to small businesses.

Despite lagging other developing economies in technology adoption, technology investment remains important. In 2025, 68 per cent of Filipino small businesses reported that their technology investments in that year improved their profitability, surpassing the survey average of 56 per cent.

Cybersecurity practices remain limited. Only 38 per cent of Filipino small businesses reviewed their cybersecurity protections in the past six months, far below the survey average and ranking them lowest among the 11 markets surveyed. Reflecting this vulnerability, 31 per cent of businesses reported losing time and/or money due to a cybersecurity incident in the past 12 months.

## Business activity over the past 12 months

	Philippines 2025	Survey average 2025	Rank 2025	Philippines 2024	Rank 2024	Philippines 2023	Philippines 2022	Philippines 2021	Philippines 2020
<b>Increased employee numbers</b>	40.7%	36.2%	4/11	41.0%	5/11	36.3%	32.0%	41.4%	27.7%
<b>Improved customer satisfaction had a major positive impact on the business</b>	37.4%	31.2%	4/11	37.4%	2/11	38.3%	35.3%	30.5%	28.7%
<b>Improved business management had a major positive impact on the business</b>	27.2%	24.6%	4/11	24.8%	6/11	27.4%	28.8%	24.2%	18.7%
<b>Increasing costs had a major negative impact on the business</b>	37.1%	38.8%	7/11	40.3%	6/11	45.5%	39.9%	30.5%	26.0%
<b>Required funds from an external source</b>	63.9%	61.3%	6/11	64.8%	8/11	67.7%	62.4%	66.2%	64.0%
<b>Sought external funds for business growth</b>	56.0%	56.1%	5/11	53.7%	6/11	49.3%	59.2%	45.5%	43.2%
<b>Sought external funds for business survival</b>	25.9%	39.0%	11/11	21.9%	11/11	25.4%	35.1%	41.0%	32.3%
<b>Found it easy or very easy to access external finance</b>	19.2%	53.1%	11/11	21.9%	11/11	18.5%	24.6%	38.0%	13.0%
<b>A bank was the business' main source of external finance</b>	21.2%	45.4%	11/11	22.4%	11/11	24.9%	22.0%	13.0%	14.6%
<b>Did <u>not</u> spend any time and resources on ESG practices</b>	11.6%	18.8%	8/11	11.0%	8/11	13.2%	12.1%	N/A	N/A

## Planned business activity over the next 12 months

	Philippines 2026	Survey average 2026	Rank 2026	Philippines 2025	Rank 2025	Philippines 2024	Philippines 2023	Philippines 2022	Philippines 2021
<b>Expect to increase employee numbers</b>	56.0%	47.0%	4/11	57.4%	3/11	53.8%	57.8%	61.9%	52.3%
<b>Will introduce a new product, service or process unique to their market or the world</b>	31.5%	29.2%	5/11	31.3%	4/11	30.7%	35.3%	45.4%	31.3%
<b>Expect revenue from overseas markets to grow strongly</b>	26.8%	20.6%	3/11	28.1%	3/11	21.1%	26.5%	39.1%	22.0%
<b>Will seek external funds</b>	21.9%	25.4%	7/11	22.3%	8/11	25.1%	22.5%	33.4%	19.7%
<b>Expect easy to very easy access to finance</b>	20.3%	48.9%	11/11	23.8%	11/11	19.4%	22.7%	37.8%	16.3%

### Innovation

The Filipino small business sector is innovative, with 32 per cent saying they will introduce a new product, process or service to the Philippines or the world in 2026. This ranks the Filipino small business sector as the fifth most innovative market among those surveyed.

### Employment

Filipino small businesses were strong contributors to job creation in 2025. Some 41 per cent increased employee numbers, above the survey average of 36 per cent and unchanged from 2024.

Hiring intentions for 2026 remain robust, with 56 per cent of Filipino small businesses expecting to increase employee numbers, above the survey average of 47 per cent.

### Access to finance

Nearly two-thirds (64 per cent) of Filipino small businesses required funds from an external source in 2025, broadly in line with the survey average of 61 per cent. Of these, 56 per cent sought external funds for business growth, matching the survey average. One possible constraining factor on demand for finance was that the Philippines was the least easy market to access finance among surveyed markets, a challenge expected to persist in 2026.

### Exports

Filipino small businesses are more internationally focused than most, with 26 per cent expecting strong growth in overseas sales revenue in 2026, above the survey average of 21 per cent, although slightly lower than 28 per cent in 2025.

## Environmental, social, and governance (ESG)

Filipino small businesses continue to demonstrate a strong commitment to ESG-related activities. In 2025, only 12 per cent reported *not* allocating any time or resources to ESG-related activities. The most common ESG-linked activities were staff health and safety policies and supply chain sustainability.

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

Top four factors that had a positive influence on Filipino small business in 2025	Top four factors that had a positive influence Filipino on small business in 2024	Top four factors that had a positive influence on Filipino small business in 2023	Top 4 source of advice for small business in 2025
Customer loyalty	Customer loyalty	Customer loyalty	Friends and family
Improved customer satisfaction	Improved customer satisfaction	Improved customer satisfaction	Business partner or mentor
Improved business strategy	Good staff	Improved business strategy	Marketing consultants
Good staff	Improved business strategy	Good staff	Business/management consultants

Top four factors that had a negative impact on Filipino small business in 2025	Top four factors that had a negative impact on Filipino small business in 2024	Top four factors that had a negative impact on Filipino small business in 2023
Increasing competition	Increasing costs	Increasing costs
Increasing costs	Increasing competition	Increasing competition
Tax	Tax	Tax
Cash flow difficulties	Cash flow difficulties	Cash flow difficulties

In 2025, Filipino small businesses again reported that a focus on customers, both retaining existing customers and attracting new ones through improving customer satisfaction, had the most positive impact on business performance.

The most significant negative factors were increasing competition and costs. The most burdensome expenses were identified as taxes, material and utility costs.

Sources of business advice continue to centre on trusted personal networks rather than professional advisers.

## Entrepreneurship

	Philippines 2025	Philippines 2024
<b>Primary reason for starting their business</b>	Be your own boss / independence	Be your own boss / independence
<b>Biggest concern when first started a business</b>	Uncertainty whether your business will succeed Finding and keeping customers <sup>^</sup>	Finding and keeping customers Uncertainty whether your business will succeed <sup>^</sup>
<b>Most common attitude and approach to managing business risk of owner</b>	Strategic risk manager	Strategic risk manager
<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

When starting their businesses, Filipino small business owners, like their counterparts in most other surveyed markets, are most likely motivated by the desire to be their own boss. The biggest concern when starting out was uncertainty about whether the business will succeed, as well as finding and keeping customers.

The risk appetite of Filipino small business owners remains stable. In both 2024 and 2025, they are most likely to characterise themselves as strategic risk managers. The higher tendency for Filipino small business owners to be strategic risk managers suggests they are more inclined to take a considered approach to risk, with risk strategies and contingency plans.

## Demographics

	Philippines 2025	Survey average 2025	Rank 2025	Philippines 2024	Rank 2024	Philippines 2023	Philippines 2022	Philippines 2021	Philippines 2020
<b>Business owners aged under 40</b>	46.8%	38.0%	4/11	63.7%	3/11	49.8%	55.7%	56.2%	68.0%
<b>Business established for less than 11 years</b>	80.8%	57.8%	1/11	80.6%	2/11	80.5%	82.7%	88.1%	82.0%
<b>Respondent is the business owner</b>	67.9%	40.2%	1/11	62.9%	3/11	65.0%	69.0%	61.9%	66.3%
<b>Business has 10 to 19 employees</b>	21.5%	30.8%	9/11	29.0%	7/11	23.4%	19.0%	31.8%	17.0%

One advantage the Philippines enjoys is the high percentage of people under 40 who own or lead small businesses. Our survey data consistently shows a strong correlation between owners in this age group and stronger business growth, digital adoption, innovation and greater engagement with overseas markets.