



CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-2026

Chinese Mainland market
summary

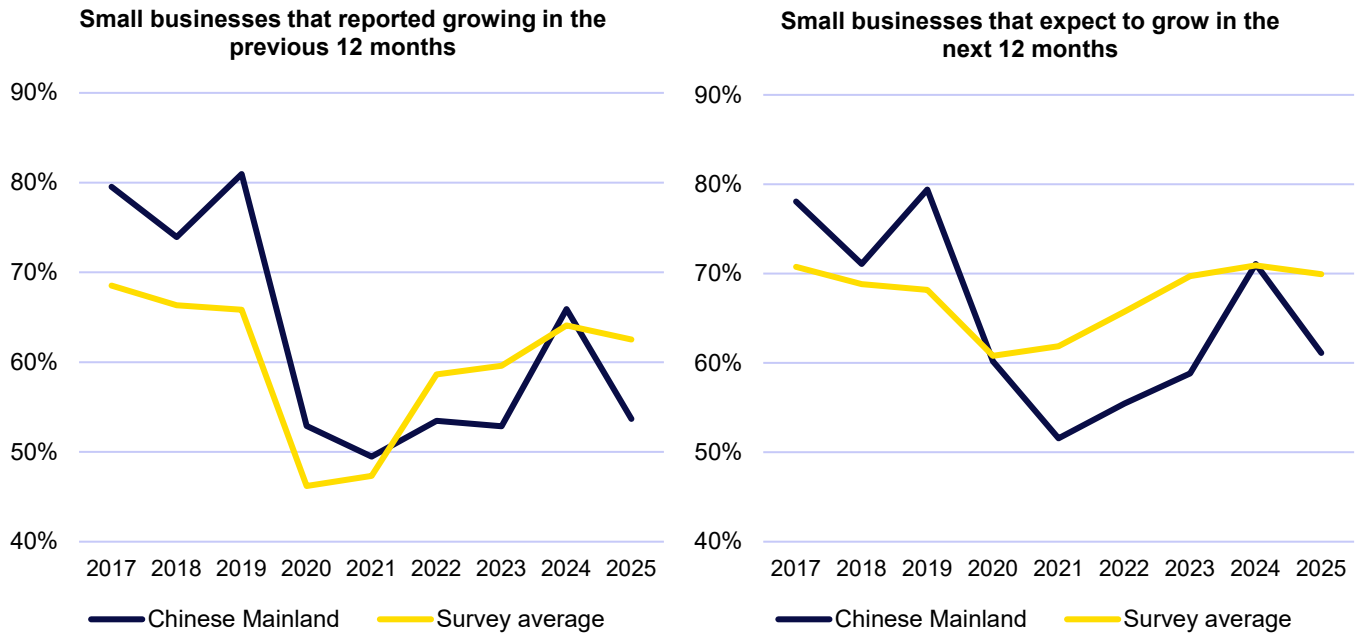
Chinese Mainland¹

Key highlights

- Chinese Mainland small businesses appear to be adopting a medium-to-long-term approach to business success, investing heavily in artificial intelligence and remaining among the leaders in e-commerce at a time when business sentiment is weakening. This aligns with the broader government policy shift away from short-term growth maximisation toward “quality-first” development.
- The weakening small business sentiment appears to reflect short-term challenges such as rising costs and global trade uncertainty. This mirrors policymakers’ recent acknowledgment at the Two Sessions of heightened external and domestic uncertainty and a shift toward a more measured growth outlook.
- Despite softer sentiment, Chinese Mainland small businesses continue to focus on growth strategies such as introducing new products and entering new markets, signalling a medium-to-long-term confidence in the future prospects of their business and the economy.
- Chinese Mainland’s small businesses rank among the highest on technological indicators, excelling in e-commerce and digital payment technologies
- They are also leaders in AI investment, with many using it for advisory purposes
- More than a third of Chinese Mainland small businesses say they will innovate in 2026
- Chinese Mainland’s small business owners display a long-term risk mindset, showing a willingness to accept short-term setbacks for future gains and to trial unproven technologies
- Demand for external finance has moderated compared with previous years
- Their commitment to ESG activities remains strong
- Overall, business owners report they are satisfied with owning their small business

¹ For the purposes of this report, data from the Chinese Mainland, Hong Kong SAR, and Taiwan region are presented separately.

Business and economic conditions



	Chinese Mainland 2025	Survey average 2025	Rank 2025	Chinese Mainland 2024	Rank 2024	Chinese Mainland 2023	Chinese Mainland 2022	Chinese Mainland 2021	Chinese Mainland 2020
Businesses that grew in the last 12 months	53.7%	62.5%	7/11	65.9%	6/11	52.9%	53.5%	49.5%	52.9%
Businesses that expect to grow in the next 12 months	61.1%	69.9%	8/11	71.1%	6/11	58.8%	55.5%	51.6%	60.2%
Businesses that expect the local economy to grow in the next 12 months	65.1%	64.6%	8/11	73.6%	5/11	64.9%	61.4%	56.7%	66.5%

In 2025, 54 per cent of Chinese Mainland small businesses reported growth, below the survey average of 63 per cent. This represents a decline from 66 per cent in 2024, returning Chinese Mainland growth to levels last seen between 2020 to 2023.

This relatively subdued result appears to reflect short-term pressures such as rising costs and heightened global trade uncertainty. Despite weaker sentiment, Chinese Mainland small businesses were the most likely to invest in AI and pursue growth strategies such as introducing new products. They are also highly likely to report that they will innovate in 2026. This suggests many businesses are

investing with a medium-to-long-term outlook and have confidence in their own prospects and the broader economy over time.

Looking ahead, expectations for future business growth are improving, with 61 per cent of Chinese Mainland small businesses expecting to grow in 2026.

While short-term sentiment is subdued, the strong focus on technology investment, particularly AI, as well as entering new markets and innovation, suggests these subdued expectations should be temporary, with underlying confidence in medium-to-long term prospects remaining positive.

Technology uptake

	Chinese Mainland 2025	Survey average 2025	Rank 2025	Chinese Mainland 2024	Rank 2024	Chinese Mainland 2023	Chinese Mainland 2022	Chinese Mainland 2021	Chinese Mainland 2020
More than 10 per cent of revenue came from online sales	82.3%	63.4%	2/11	85.9%	2/11	74.9%	89.1%	84.2%	82.0%
Did <u>not</u> use social media for business purposes	1.5%	12.0%	11/11	2.1%	11/11	12.1%	2.1%	2.2%	6.3%
Investment in technology by the business over the past 12 months has improved profitability	59.1%	56.3%	7/11	67.9%	4/11	57.9%	60.5%	62.8%	57.0%
Technology the business invested in most heavily over the past 12 months	Artificial intelligence	Artificial intelligence	NA	Artificial intelligence	N/A	Computer equipment	Computer equipment	Artificial intelligence	Artificial intelligence
Consider the business likely to be cyberattacked in next 12 months	30.1%	42.3%	8/11	35.5%	7/11	43.0%	39.8%	46.7%	34.9%
Reviewed the business' cybersecurity protections in past six months	56.2%	52.0%	5/11	63.9%	1/11	55.9%	56.4%	59.5%	58.5%
Lost time and/or money due to a cybersecurity incident in the past 12 months	42.1%	36.7%	6/11	44.1%	5/11	46.2%	N/A	N/A	N/A
More than 10 per cent of sales is received through digital payment options such as Alipay, WeChat Pay, UnionPay app, Tenpay	85.9%	71.8%	3/11	95.6%	1/11	90.0%	94.1%	87.7%	90.8%
Sought advice from IT consultants/specialists	34.0%	26.6%	3/11	46.2%	2/11	34.1%	40.7%	29.5%	34.3%

A major factor behind the long-term success of Chinese Mainland's small business sector is its strong technology adoption. They remain leaders in digital capability, ranking first or near the top across multiple indicators of technology uptake, including AI investment, e-commerce and offering digital payment options.

In 2025:

- 82 per cent of Chinese Mainland small businesses generated more than 10 per cent of their revenue from online sales, well above the survey average of 63 per cent.
- Only 2 per cent did *not* use social media for business purposes.

86 per cent received more than 10 per cent of their sales through digital and online payment options, such as Alipay and WeChat Pay, well above the survey average of 72 per cent. This investment in technology is yielding strong returns, with 59 per cent of Chinese Mainland small businesses reporting that their technology investments in 2025 improved their profitability. One possible driver of this positive outcome is the strong focus on AI investment in the Chinese Mainland, with CPA Australia's [Business Technology Survey](#) identifying productivity gains as a key benefit of AI adoption.

Notably, AI investment is accelerating. In 2025, 48 per cent of Chinese Mainland small businesses identified AI as their biggest technology investment, the highest result among surveyed markets. In addition, 36 per cent reported using AI as a source of business advice.

To support this high technology uptake, many Chinese Mainland small businesses seek help from professional advisers. In 2025, 34 per cent consulted IT specialists, the third highest result among surveyed markets.

Cyber risks remain relatively common. In 2025, 42 per cent of Chinese Mainland small businesses reported losing time and/or money due to a cyber incident, a similar result to 2024. Encouragingly, most Chinese Mainland small businesses are actively addressing this risk, with 56 per cent having reviewed their cybersecurity protections in the past six months.

Business activity over the past 12 months

	Chinese Mainland 2025	Survey average 2025	Rank 2025	Chinese Mainland 2024	Rank 2024	Chinese Mainland 2023	Chinese Mainland 2022	Chinese Mainland 2021	Chinese Mainland 2020
Increased employee numbers	35.7%	36.2%	7/11	34.2%	7/11	34.5%	25.3%	28.7%	29.5%
Improved customer satisfaction had a major positive impact on the business	28.5%	31.2%	7/11	26.4%	6/11	25.9%	23.1%	21.0%	25.9%
Improved business management had a major positive impact on the business	27.0%	24.6%	5/11	30.1%	2/11	27.9%	20.3%	20.5%	22.8%
Increasing costs had a major negative impact on the business	27.7%	38.8%	11/11	32.1%	9/11	30.0%	23.1%	24.3%	23.9%
Required funds from an external source	65.5%	61.3%	5/11	90.8%	1/11	77.3%	81.9%	71.3%	67.5%
Sought external funds for business growth	50.4%	56.1%	7/11	59.4%	4/11	45.4%	46.4%	47.6%	43.2%
Sought external funds for business survival	36.4%	39.0%	4/11	44.8%	3/11	41.6%	40.9%	34.1%	42.0%
Found it easy or very easy to access external finance	66.7%	53.1%	2/11	49.5%	3/11	49.1%	39.0%	50.9%	27.4%
A bank was the business' main source of external finance	42.3%	45.4%	7/11	40.2%	5/11	37.3%	29.4%	43.2%	30.4%
Did <u>not</u> spend any time and resources on activities linked to ESG	3.7%	18.8%	10/11	8.6%	9/11	7.3%	6.0%	N/A	N/A

Planned business activity over the next 12 months

	Chinese Mainland 2026	Survey average 2026	Rank 2026	Chinese Mainland 2025	Rank 2025	Chinese Mainland 2024	Chinese Mainland 2023	Chinese Mainland 2022	Chinese Mainland 2021
Expect to increase employee numbers	42.3%	47.0%	9/11	45.4%	7/11	42.8%	35.2%	34.3%	41.5%
Will introduce a new product, service or process unique to their market or the world	38.6%	29.2%	3/11	27.6%	7/11	30.7%	26.1%	28.1%	21.7%
Expect revenue from overseas markets to grow strongly	16.4%	20.6%	8/11	10.4%	9/11	12.1%	15.4%	19.8%	11.2%
Will seek external funds	24.4%	25.4%	5/11	29.7%	7/11	30.9%	23.7%	25.5%	33.0%
Expect easy or very easy access to finance	55.6%	48.9%	5/11	48.2%	2/11	47.2%	40.6%	46.2%	24.6%

Innovation

Innovation is an increasingly important priority for many Chinese Mainland small businesses. In 2026, 39 per cent of small businesses report they will introduce a new product, service or process unique to Chinese Mainland or the world, up from 28 per cent in the previous year.

This result is consistent with Chinese Mainland small businesses reporting that introducing a new product or service was their most significant positive influence on their business in 2025.

Employment

Chinese Mainland small businesses remain important contributors to job creation in 2025. Some 36 per cent expanded their workforce, broadly in line with results from previous years.

Hiring intentions in 2026 remain robust, with 42 per cent of Chinese Mainland small businesses expecting to increase employee numbers.

Access to finance

After several years of very strong demand for external finance, demand moderated last year. In 2025, 66 per cent of Chinese Mainland small businesses required funding from external sources, a decline from 91 per cent in 2024.

Despite lower demand, access to finance became considerably easier for many Chinese Mainland small businesses, with 67 per cent reporting that accessing external finance was easy or very easy, up from 50 per cent in 2024. This trend is expected to continue in 2026.

Environmental, social, and governance (ESG)

Chinese Mainland small businesses continue to demonstrate a strong commitment to ESG-related activities. In 2025, only 4 per cent did *not* allocate any time or resources to activities linked to ESG. The most common ESG activities were business diversity and inclusion policy, environmental management system (EMS), and supply chain sustainability.

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

Top four factors that had a positive influence on Chinese small business in 2025	Top four factors that had a positive influence Chinese on small business in 2024	Top four factors that had a positive influence on Chinese small business in 2023	Top 4 source of advice for small business in 2025
Introduced a new product or service	Introduced a new product or service	Improved business management	Business partner or mentor
Entering new markets	Improved business management	Introduced a new product or service	Business/management consultants
Improved business strategy	Entering new markets	Entering new markets	AI tools
Improved customer satisfaction	Improved customer satisfaction	Improved customer satisfaction	Business or industry associations

Top four factors that had a negative impact on Chinese small business in 2025	Top four factors that had a negative impact on Chinese small business in 2024	Top four factors that had a negative impact on Chinese small business in 2023
Increasing costs	Increasing costs	Increasing costs
Increasing competition	Increasing competition	Increasing rent
Poor overall economic environment	Poor overall economic environment	Increasing competition
Rising interest rates	Increasing rent	Staff costs

Despite less favourable conditions in 2025, Chinese Mainland small businesses continue to prioritise strategies commonly linked to high growth small businesses. They ranked second among surveyed markets for the proportion of businesses reporting major benefits from entering new markets and introducing new products or services, both key drivers of growth according to our survey.

As in most other markets, the biggest challenges to growth in 2025 were rising costs and increasing competition. The most burdensome costs were transportation and storage costs, staff costs and material costs.

Sources of business advice reflect a blend of traditional and emerging channels. Business partners or mentors are the most commonly used source, while AI tools have moved into the top three. This may signal a shift toward more technology-enabled decision-making rather than reliance on people alone.

Entrepreneurship

	Chinese Mainland 2025	Chinese Mainland 2024
Primary reason for starting their business	Saw an opportunity/gap in the market	Desire for a challenge or change
Biggest concern when first started a business	Finding good staff	Irregular income/cashflow
Most common attitude and approach to managing business risk of owner	Visionary risk taker	Visionary risk taker
Overall satisfaction from owning or operating small business	Satisfied	Satisfied
Most popular exit/succession plan for small businesses	Don't have a succession/exit plan	N/A

When starting their businesses, Chinese Mainland entrepreneurs are most likely motivated by an opportunity they see in the market. Their biggest concern when starting out was finding good staff.

The risk appetite among Chinese Mainland small business owners has remained that of visionary risk-takers, favouring risks that align with their long-term vision. They are willing to accept short-term setbacks for future gains and trial unproven technologies and markets.

Demographics

	Chinese Mainland 2025	Survey average 2025	Rank 2025	Chinese Mainland 2024	Rank 2024	Chinese Mainland 2023	Chinese Mainland 2022	Chinese Mainland 2021	Chinese Mainland 2020
Business owners aged under 40	35.3%	38.0%	5/11	50.0%	6/11	32.5%	42.1%	48.5%	56.6%
Business established for less than 11 years	49.4%	57.8%	7/11	57.7%	9/11	51.1%	53.9%	64.4%	63.8%
Respondent is the business owner	16.8%	40.2%	8/11	12.7%	9/11	4.8%	15.0%	16.3%	24.9%
Business has 10 to 19 employees	40.6%	30.8%	2/11	37.4%	3/11	47.0%	62.6%	43.7%	46.6%

The profile of Chinese Mainland small businesses owners is ageing, with 35 per cent of owners under 40, down from 57 per cent in 2020 and 16 per cent over 50. Our survey data consistently shows a strong correlation between younger business owners and higher levels of growth, digital adoption, innovation and overseas market exposures.

Policy settings that encourage younger people to start a business or buy an existing one are therefore important for supporting China's continued rise in business dynamism, productivity and economic growth.

CPA Australia's observations

Chinese Mainland small businesses remain among the stronger performers in the region, supported by high levels of technology adoption, innovation and digital investment. Taken together with their strong focus on growth-oriented strategies, the easing of small business sentiment appears to reflect short-term challenges such as rising costs and global trade uncertainty and signals medium-to-long term confidence in the future prospects of their business and the economy.

Technology is a clear structural strength of China's small business sector. Digital sales channels, online payments and advanced technologies such as AI are widely used, and most firms report relatively quick positive returns from their technology investment. Given this, China's latest five-year plan is appropriately focused on ensuring that digital investment translates into productivity gains.

Access to finance remains supportive, enabling investment and expansion. However, high reliance on external funding increases sensitivity to shifts in credit conditions and profitability. Ensuring that such finance primarily supports productive investment rather than short-term liquidity needs remains important for supporting longer-term growth.

External conditions present a growing risk. For digitally intensive and export-oriented firms, engaging with the government's Go Global strategy remains important for mitigating these risks and identifying new opportunities.

Overall, Chinese Mainland small businesses are well positioned relative to regional peers. The challenge is to sustain this advantage as growth eases and the small business owner population ages by strengthening cyber resilience, improving the productivity payoff from digital investment, and supporting expansion into new markets.