



CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-2026

Hong Kong market summary

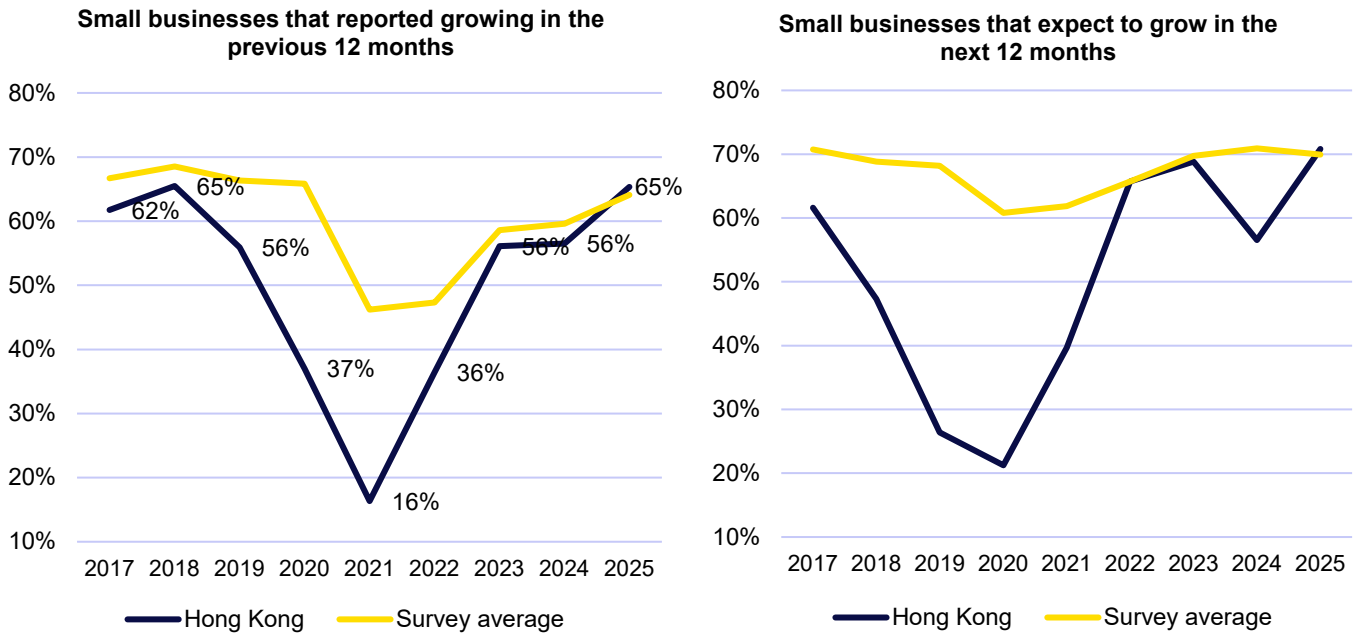
Hong Kong¹

Key findings

- Hong Kong small business conditions continue to strengthen. In 2025, the share of growing Hong Kong small businesses reached its highest level since 2014
- Improving economic sentiment is expected to support growth in 2026. Small business expectations for both the Hong Kong economy and their own growth prospects have increased.
- Small business expectations for Hong Kong's economy remains strong reflecting high level of optimism in the economy
- Hong Kong's small businesses rank highly across all technology adoption indicators, particularly in investment in AI.
- Reliance on online sales declined among Hong Kong small businesses in 2025.
- Technology investment is increasingly associated to improved profitability outcomes.
- Cyber risks have declined significantly. The proportion of Hong Kong small businesses reporting time or financial losses from cyber incidents in 2025 fell sharply compared with 2024 and 2023, partly reflecting a growing share of businesses that regularly review their cybersecurity protections.
- Despite more favourable business conditions and significantly easier access to finance, there was a marked decline in the percentage of Hong Kong small businesses requiring external finance in 2025.
- Innovation intentions remain solid, with one-quarter of Hong Kong small businesses reporting they will innovate in 2026, although this result is below the survey average
- Rising costs and increasing competition remain the most significant challenges facing Hong Kong's small businesses
- Hong Kong's small business owners are becoming more risk-averse, signaling a shift away from a previously adaptive attitude toward risk
- Overall, business owners remain satisfied with owning a 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



	Hong Kong 2025	Survey average 2025	Rank 2025	Hong Kong 2024	Rank 2024	Hong Kong 2023	Hong Kong 2022	Hong Kong 2021	Hong Kong 2020
Businesses that grew in the last 12 months	68.2%	62.5%	5/11	65.4%	7/11	56.5%	56.1%	36.5%	16.3%
Businesses that expect to grow in the next 12 months	70.8%	69.9%	6/11	56.5%	8/11	68.8%	65.7%	39.7%	21.2%
Businesses that expect the local economy to grow in the next 12 months	75.7%	64.6%	3/11	67.6%	7/11	72.8%	65.4%	42.6%	13.4%

In 2025, 68 per cent of Hong Kong small businesses reported growing, exceeding the survey average and edging up from 2024. This result marked Hong Kong’s strongest growth result since 2014. Among advanced economies, Hong Kong was the best-performing market, outperforming peers such as Singapore (44 per cent) and Taiwan (53 per cent).

Looking ahead, this positive sentiment is forecast to continue. Improving small business confidence in the Hong Kong economy is expected to support small business growth. In 2026, 71 per cent of Hong Kong small businesses expect to grow, again the strongest result among the advanced economies surveyed.

This positive outlook is underpinned by several factors, including the high share of Hong Kong small businesses investing in or undertaking growth-focused activities, particularly the adoption of e-commerce and investment in artificial intelligence.

Technology uptake

	Hong Kong 2025	Survey average 2025	Rank 2025	Hong Kong 2024	Rank 2024	Hong Kong 2023	Hong Kong 2022	Hong Kong 2021	Hong Kong 2020
More than 10 per cent of revenue came from online sales	64.3%	63.4%	5/11	80.1%	3/11	80.9%	78.2%	52.9%	44.4%
Did <u>not</u> use social media for business purposes	11.8%	12.0%	4/11	5.2%	9/11	9.0%	13.1%	19.4%	19.6%
Investment in technology by the business over the past 12 months has improved profitability	63.9%	56.3%	6/11	58.8%	6/11	62.3%	64.1%	39.7%	25.2%
Technology the business invested in most heavily over the past 12 months	Artificial intelligence	Artificial intelligence	NA	Artificial intelligence	N/A	Computer equipment	Artificial intelligence	Website	Computer equipment
Consider the business likely to be cyberattacked in next 12 months	59.0%	42.3%	3/11	64.1%	2/11	70.1%	73.1%	34.8%	30.1%
Reviewed the business' cybersecurity protections in past six months	68.5%	52.0%	2/11	61.1%	3/11	65.4%	60.6%	37.7%	39.5%
Lost time and/or money due to a cybersecurity incident in the past 12 months	42.6%	36.7%	5/11	71.6%	1/11	63.9%	N/A	N/A	N/A
More than 10 per cent of sales is received through digital payment options such as Octopus, Alipay, WeChat Pay, PayMe, Tap & Go	76.0%	71.8%	4/11	82.9%	4/11	86.0%	83.7%	58.9%	57.2%
Sought advice from IT consultants/specialists	27.2%	26.6%	4/11	26.5%	4/11	35.2%	42.0%	21.6%	15.7%

In 2025, the share of Hong Kong small businesses generating more than 10 per cent of their revenue from online sales declined from 80 per cent in 2024 to 64 per cent. This indicates a reduced reliance on online channels for revenue generation in 2025. However, technology use among Hong Kong small businesses remains well above pre-pandemic levels.

Consistent with this shift, the use of digital payments also eased. In 2025, 76 per cent of Hong Kong's small businesses received more than 10 per cent of their sales through digital payment platforms such as Octopus, Alipay and WeChat Pay, down from 83 per cent in 2024.

Social media engagement remains strong, with only 12 per cent of Hong Kong small businesses reporting that they were *not* using social media for business purposes.

Despite softer revenue from online sales, technology investment is delivering stronger returns. In 2025, 64 per cent of Hong Kong small businesses reported that their technology investments improved profitability, above the survey average, and up from 59 per cent in 2024. One possible driver of this positive outcome is the strong focus on artificial intelligence investment, with CPA Australia's [Business Technology Survey](#) identifying productivity gains as a key benefit of AI adoption.

Cyber risk exposure has declined, although cyber incidents remain relatively common. In 2025, 43 per cent of Hong Kong small businesses reported losing time and/or money due to a cybersecurity incident, a substantial improvement on the 72 per cent reported in 2024, however it still remains above the survey average. Encouragingly, most of Hong Kong's small businesses are actively addressing this risk, with 68 per cent having reviewed their cybersecurity protections in the past six months, exceeding the survey average and ranking second among surveyed markets.

Business activity over the past 12 months

	Hong Kong 2025	Survey average 2025	Rank 2025	Hong Kong 2024	Rank 2024	Hong Kong 2023	Hong Kong 2022	Hong Kong 2021	Hong Kong 2020
Increased employee numbers	37.7%	36.2%	6/11	42.2%	4/11	45.7%	54.2%	18.1%	9.2%
Improved customer satisfaction had a major positive impact on the business	24.6%	31.2%	8/11	19.6%	9/11	23.1%	30.1%	18.7%	13.1%
Improved business management had a major positive impact on the business	21.0%	24.6%	7/11	15.4%	8/11	22.5%	26.9%	15.2%	8.8%
Increasing costs had a major negative impact on the business	29.2%	38.8%	10/11	19.3%	11/11	27.2%	25.0%	31.0%	19.0%
Required funds from an external source	53.8%	61.3%	9/11	86.3%	3/11	83.0%	74.0%	58.4%	55.2%
Sought external funds for business growth	51.2%	56.1%	6/11	33.0%	11/11	44.6%	53.7%	48.6%	31.4%
Sought external funds for business survival	50.0%	39.0%	3/11	33.0%	5/11	32.3%	58.0%	49.2%	44.4%
Found it easy or very easy to access external finance	62.8%	53.1%	4/11	36.7%	7/11	75.8%	70.1%	35.4%	17.2%
A bank was the business' main source of external finance	57.3%	45.4%	2/11	24.6%	10/11	34.6%	28.1%	39.8%	30.2%
Did <u>not</u> spend any time and resources on ESG practices	14.8%	18.8%	6/11	4.2%	10/11	8.6%	11.2%	N/A	N/A

Planned business activity over the next 12 months

	Hong Kong 2026	Survey average 2026	Rank 2026	Hong Kong 2025	Rank 2025	Hong Kong 2024	Hong Kong 2023	Hong Kong 2022	Hong Kong 2021
Expect to increase employee numbers	43.9%	47.0%	8/11	50.7%	5/11	51.5%	58.3%	25.8%	11.8%
Will introduce a new product, service or process unique to their market or the world	25.2%	29.2%	8/11	30.7%	6/11	34.6%	45.8%	19.7%	8.5%
Expect revenue from overseas markets to grow strongly	21.3%	20.6%	5/11	28.8%	2/11	32.7%	45.2%	11.3%	3.9%
Will seek external funds	13.8%	25.4%	9/11	30.7%	5/11	37.3%	51.3%	24.2%	17.6%
Expect easy to very easy access to finance	58.6%	48.9%	4/11	34.9%	5/11	74.4%	62.5%	28.1%	16.2%

Employment

Hong Kong's positive small business sentiment is reflected in the sector being a relatively strong contributor to job creation in 2025. Some 38 per cent of small businesses increased employee numbers, slightly above the survey average of 36 per cent.

Hiring intentions for 2026 remain strong, with 44 per cent of Hong Kong small businesses expecting to create new jobs, indicating continued confidence in near-term growth.

Innovation

Innovation remains a priority for many Hong Kong small businesses. In 2026, 25 per cent of businesses report that they will introduce a new product, service or process unique to Hong Kong or the world, broadly in line with the survey average of 29 per cent.

Access to finance

After several years of strong demand for external finance, demand moderated last year. In 2025, 54 per cent of Hong Kong small businesses required funding from external sources, a decline from 86 per cent in 2024.

Despite lower demand, access to finance became considerably easier for Hong Kong small businesses, with 63 per cent reporting that accessing external finance was easy or very easy, up from 37 per cent in 2024.

Exports

Confidence among Hong Kong's small business exporters has softened in recent years. In 2026, 21 per cent of Hong Kong small businesses expect a strong increase in revenue from overseas sales, down from 29 per cent in 2025 and 33 per cent in 2024. With heightened trade tensions and geopolitical risk, this result is not surprising.

Environmental, social, and governance (ESG)

Hong Kong's small businesses continue to demonstrate a strong commitment to ESG-related activities. In 2025, only 15 per cent did *not* allocate any time or resources to activities linked to ESG. The most common ESG activities undertaken by Hong Kong small businesses are supply chain sustainability, promoting business diversity and inclusion, and implementing staff health and safety policies.

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

Top four factors that had a positive influence on Hong Kong small business in 2025	Top four factors that had a positive influence Hong Kong on small business in 2024	Top four factors that had a positive influence on Hong Kong small business in 2023	Top 4 source of advice for small business in 2025
Customer loyalty Good staff ^	Customer loyalty	Entering new markets	A bank or finance company
Cost control	Positive overall economic environment	Good staff	Business or industry associations
Political stability	Political stability	Positive overall economic sentiment	AI tools
Positive overall economic environment	Internet connection	Cost control^ Improved customer satisfaction^	Friends and family

Top four factors that had a negative impact on Hong Kong small business in 2025	Top four factors that had a negative impact on Hong Kong small business in 2024	Top four factors that had a negative impact on Hong Kong small business in 2023
Increasing costs	Poor overall economic environment	Increasing costs
Increasing competition	Increasing competition	Increasing rent
Poor overall economic environment	Difficulty expanding into new markets	Problem with staff skills
Difficulty expanding into new markets	Cash flow difficulties	Difficulty expanding into new markets

^ equal rank

In 2025, Hong Kong's small businesses found that the defensive-focused strategies of customer loyalty, good staff and cost control, had the most positive impact on business performance.

The most significant negative factor was rising costs, followed by increasing competition. However, reflecting Hong Kong's low inflationary environment, Hong Kong small businesses were the least likely to nominate increasing costs as a major barrier to growth in 2025, with only 29 per cent identifying it as a major barrier, compared to the survey average of 38 per cent. The most burdensome expenses were staff expenses, borrowing costs, and foreign exchange rate fluctuations.

Sources of business advice reflect a blend of traditional and emerging channels. Banks and financial institutions are the most commonly used sources, 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

	Hong Kong 2025	Hong Kong 2024
Primary reason for starting their business	Be your own boss/ independence	Desire for a challenge or change [^] Change in personal circumstances (e.g. relocated, started a family, health issues etc)
Biggest concern when first started a business	Irregular income/cashflow	Finding and keeping customers
Most common attitude and approach to managing business risk of owner	Risk averse	Adaptive risk manager
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

[^] equal rank

When starting their businesses, Hong Kong entrepreneurs are most likely motivated by a desire to be their own boss and the independence of running their own business. Their biggest concern when starting out was irregular income and cashflow.

The risk appetite among Hong Kong small business owners has changed, with the most popular choice shifting from adaptive risk managers in 2024 to risk averse in 2025. This suggests a more defensive approach to managing uncertainty, likely reflecting a less predictable operating environment.

Demographics

	Hong Kong 2025	Survey average 2025	Rank 2025	Hong Kong 2024	Rank 2024	Hong Kong 2023	Hong Kong 2022	Hong Kong 2021	Hong Kong 2020
Business owners aged under 40	29.5%	38.0%	9/11	48.7%	7/11	34.0%	73.5%	38.0%	46.2%
Business established for less than 11 years	41.6%	57.8%	11/11	63.7%	8/11	42.0%	62.2%	52.6%	54.9%
Respondent is the business owner	16.7%	40.2%	10/11	10.1%	11/11	10.5%	10.3%	10.0%	11.4%
Business has 10 to 19 employees	35.7%	30.8%	4/11	21.9%	9/11	69.8%	41.3%	49.7%	41.8%

Hong Kong has an ageing small business owner profile, with 30 per cent of business owners aged under 40, the third lowest result among surveyed markets. Our survey data consistently shows a strong correlation between business owners in this age group 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 business dynamism, productivity and economic growth.

CPA Australia's observations

Hong Kong's small business sector recorded its strongest performance in recent years, supported by improved economic confidence. Growth in 2025 exceeded the regional average, and expectations for business and economic conditions in 2026 remain strong. This suggests the recovery has moved beyond cyclical rebound following the pandemic and is increasingly underpinned by structural strengths, particularly in digital capability and a business-friendly environment.

High digital adoption remains a defining advantage. Hong Kong small businesses continue to demonstrate strong adoption of advanced technologies, including artificial intelligence, digital payments and e-commerce (despite a decline in e-commerce usage in 2025), with a relatively high proportion reporting that technology investment is translating into improved profitability. This indicates that firms are not only adopting digital tools, but are increasingly capturing commercial value from them. Sustaining this capability will be important as competition intensifies.

Cyber risk is an area of both strength and exposure. Awareness and preparedness are high by regional standards, with frequent reviews of cybersecurity protections. However, the incidence of cyber-related losses remains above the regional average. Cyber resilience is therefore a critical operational issue for Hong Kong's small businesses, with further gains dependent on moving from awareness to more effective risk mitigation and incident management.

Labour market conditions are broadly positive, with employment growth and hiring intentions above average. At the same time, innovation activity has eased from earlier peaks. While innovation remains broadly in line with regional norms, the downward trend suggests a shift toward consolidation. In a highly competitive, service-oriented economy, sustaining innovation will be important to maintain momentum.

Given these dynamics, policymakers should consider a coordinated package of measures that preserves Hong Kong's strengths while addressing emerging constraints, including:

- A cyber resilience uplift focused on advanced controls, incident response capability and governance, particularly for digitally intensive SMEs with a high online presence.
- Productivity-focused digital support to help firms move from adoption of technology to sustained impact, including advisory support, benchmarking and capability development to improve returns from AI investment.
- Innovation initiatives that focus not only on new product development but also process improvement and customer-experience innovation, to sustain competitiveness.
- Market expansion measures to support cross-border growth, including export readiness, compliance support and digital trade channels.
- Targeted finance for productive investment, ensuring that favourable credit conditions support upgrading and scale rather than precautionary or short-term liquidity use.

Overall, Hong Kong's small businesses are well positioned relative to regional peers and other advanced economies, underpinned by strong digital capability, favourable financing conditions and renewed confidence. The policy task is to consolidate these gains by strengthening cyber resilience, sustaining innovation momentum, and improving pathways for firms to scale into overseas markets as growth conditions normalise.