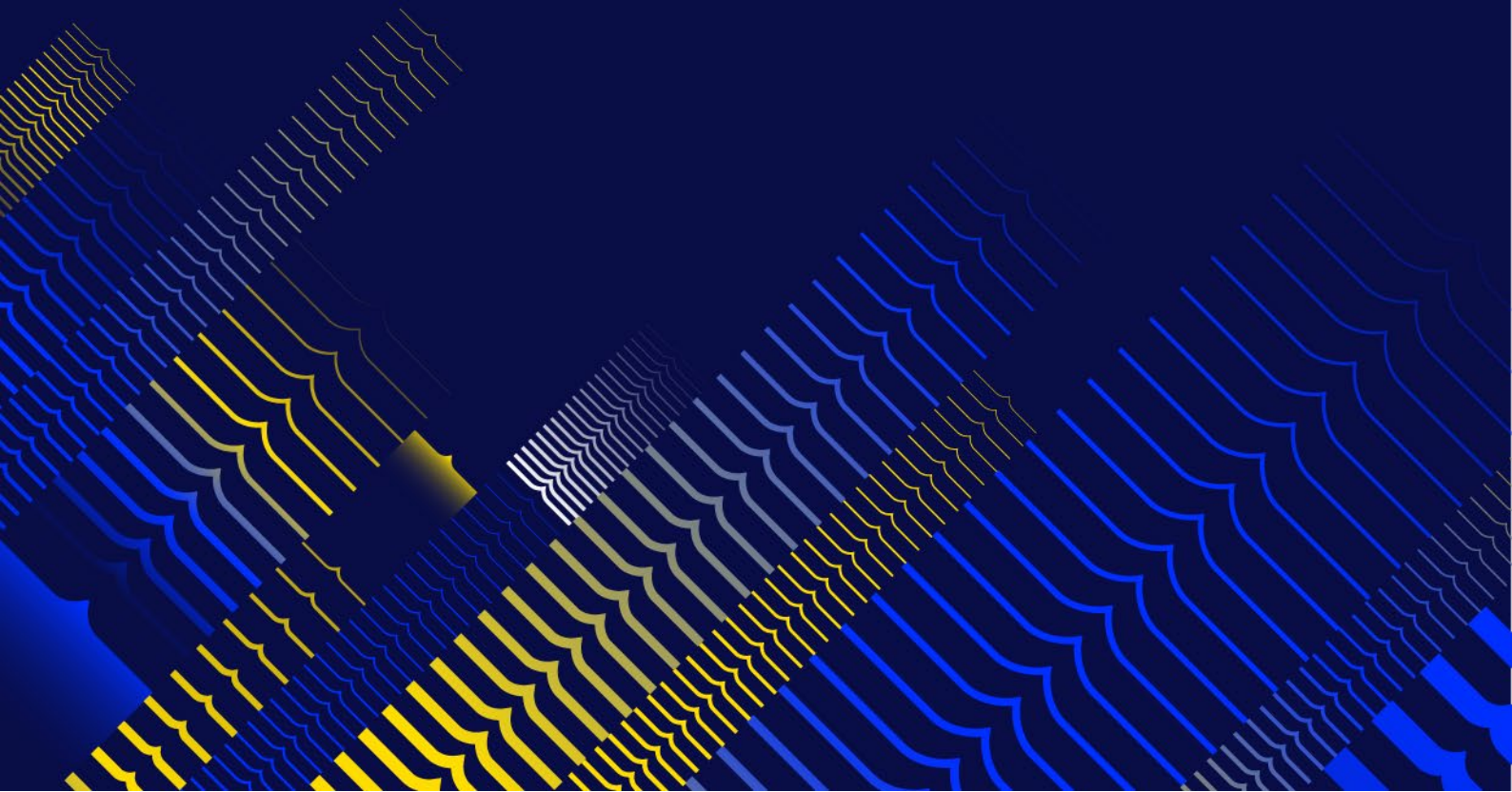




CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-2026

Taiwan market summary



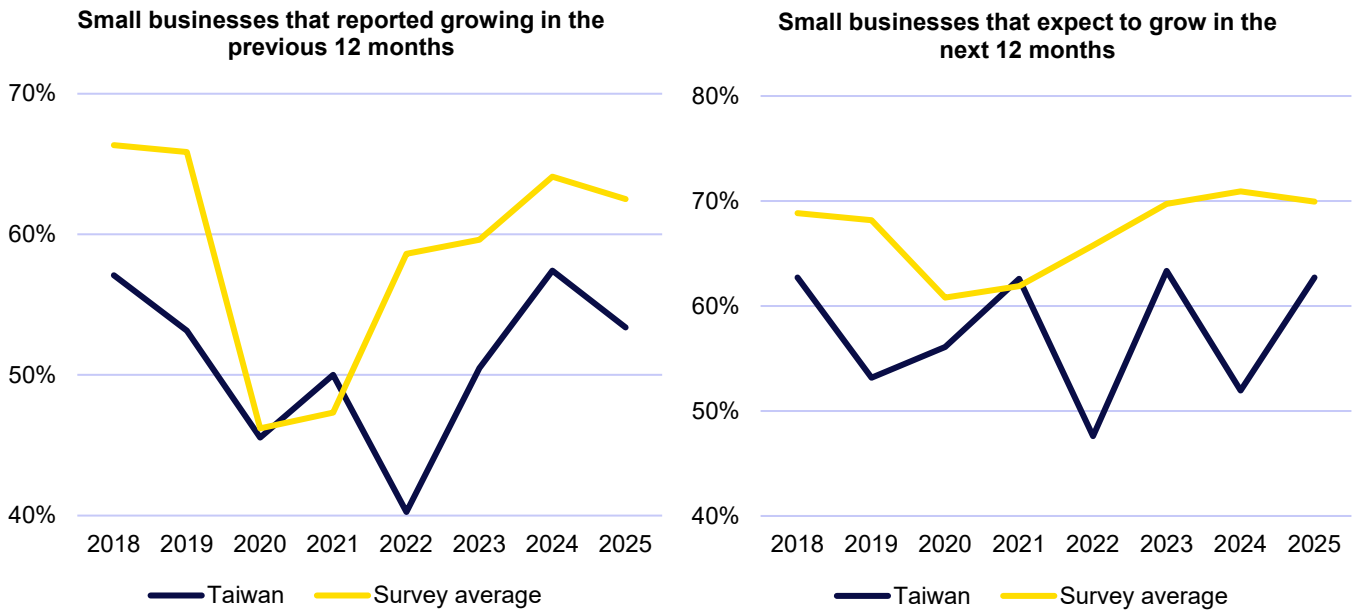
Taiwan¹

Key highlights

- The share of Taiwanese small businesses that reported growing declined slightly in 2025, indicating some moderation in business momentum.
- Small business confidence is relatively strong, with nearly two-thirds of small businesses expecting to grow in 2026.
- Reliance on online sales as a significant revenue source declined among Taiwanese small businesses in 2025.
- The number of Taiwanese small businesses that reported losing time and / or money due to a cyber incident fell markedly in 2025.
- Most Taiwanese small businesses report that their technology investments in 2025 did not improve their profitability, highlighting challenges in selecting and implementing the right technology for their business.
- Despite a decline in the number of Taiwanese small businesses requiring external finance in 2025, those that accessed finance reported significantly easier access to finance in 2025 than in previous years.
- Innovation intentions weakened, with fewer small businesses planning to introduce new products, processes or services in 2026.
- Artificial intelligence is becoming more popular with Taiwanese small businesses, with it being the most popular technology investment in 2025 and businesses increasingly turning to AI for business advice.
- A risk-averse mindset continues to prevail among Taiwan small business owners
- Taiwan's small business owners reported the lowest levels of satisfaction with owning a small business among the surveyed markets.

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



	Taiwan 2025	Survey average 2025	Rank 2025	Taiwan 2024	Rank 2024	Taiwan 2023	Taiwan 2022	Taiwan 2021	Taiwan 2020
Businesses that grew in the last 12 months	53.4%	62.5%	8/11	57.4%	8/11	50.5%	40.3%	50.0%	45.5%
Businesses that expect to grow in the next 12 months	62.7%	69.9%	7/11	51.9%	10/11	63.3%	47.6%	62.6%	56.1%
Businesses that expect the local economy to grow in the next 12 months	61.4%	64.6%	7/11	50.3%	9/11	58.2%	38.7%	50.6%	45.9%

In 2025, 53 per cent of Taiwanese businesses reported growing, below the survey average of 62 per cent, and a downturn from 57 per cent in 2024.

Looking ahead, business confidence for 2026 is strengthening, with 64 per cent of Taiwanese small business expecting to grow in 2026. However, this result remains below the survey average of 70 per cent.

Confidence in the local economy has improved. Looking ahead, 61 per cent of Taiwanese businesses expect the local economy to grow in 2026, above the 50 per cent that expected the economy to grow in 2025.

Technology use

	Taiwan 2025	Survey average 2025	Rank 2025	Taiwan 2024	Rank 2024	Taiwan 2023	Taiwan 2022	Taiwan 2021	Taiwan 2020
More than 10 per cent of revenue came from online sales	56.3%	63.4%	8/11	69.7%	5/11	59.2%	52.4%	44.8%	43.6%
Did <u>not</u> use social media for business purposes	14.5%	12.0%	3/11	7.7%	8/11	12.9%	22.7%	22.9%	14.2%
Investment in technology by the business over the past 12 months has improved profitability	39.9%	56.3%	9/11	45.5%	8/11	50.2%	35.5%	38.7%	31.7%
Technology the business invested in most heavily over the past 12 months	Artificial intelligence	Artificial intelligence	NA	Computer equipment	N/A	Computer equipment	Computer equipment	Computer equipment	Computer equipment
Consider the business likely to be cyberattacked in next 12 months	47.6%	42.3%	6/11	58.7%	3/11	52.1%	33.9%	41.9%	38.0%
Reviewed the business' cybersecurity protections in past six months	47.3%	52.0%	6/11	48.7%	5/11	53.1%	34.2%	43.2%	38.9%
Lost time and/or money due to a cybersecurity incident in the past 12 months	27.3%	36.7%	9/11	59.0%	3/11	44.4%	N/A	N/A	N/A
More than 10 per cent of sales is received through digital payment options such as LINEpay, Apple Pay, JKOPay, Taiwan Pay, Alipay	66.5%	71.8%	8/11	72.6%	9/11	57.5%	51.8%	45.0%	38.0%
Sought advice from IT consultants /specialists	17.0%	26.6%	9/11	24.5%	5/11	24.8%	16.6%	13.9%	10.2%

In 2025, the share of small businesses generating more than 10 per cent of their revenue from online sales declined from 70 per cent in 2024 to 56 per cent this year. This represents a reduced reliance on online channels for revenue generation during the year.

Consistent with this shift, the use of digital payments also eased. In 2025, 66 per cent of Taiwanese small businesses reported received more than 10 per cent of sales through digital payment options such as LINE Pay, Apple Pay, JKOPay, Taiwan Pay and Alipay, down from 73 per cent in 2024.

Social media engagement remains strong, with only 15 per cent of Taiwanese small businesses reporting that they were *not* using social media for business purposes.

Positive near-term returns on technology investment remain limited among Taiwanese small businesses. Only 40 per cent reported that their technology investments in 2025 improved their profitability, well below the survey average of 56 per cent and the third lowest result among all markets surveyed, highlighting an area for improvement.

Despite being a developed economy, Taiwan's small businesses remain heavily reliant on cash sales. In 2025, almost half (48 per cent) of small businesses received at least half of their sales in cash, suggesting that many business-to-business transactions are still conducted in cash.

Cyber risks declined significantly in 2025. Just 27 per cent of Taiwanese small businesses reported losing time and/or money due to a cyber incident in 2025, well down on 59 per cent in 2024. Despite this, 45 per cent reported reviewing their cybersecurity protections in the past six months, indicating a degree of ongoing precautionary behaviour even in the context of a lower risk environment.

Business activity over the past 12 months

	Taiwan 2025	Survey average 2025	Rank 2025	Taiwan 2024	Rank 2024	Taiwan 2023	Taiwan 2022	Taiwan 2021	Taiwan 2020
Increased employee numbers	30.5%	36.2%	9/11	31.3%	8/11	31.2%	18.5%	15.5%	12.5%
Improved customer satisfaction had a major positive impact on the business	21.9%	31.2%	9/11	19.0%	10/11	18.6%	21.7%	17.1%	14.9%
Improved business management had a major positive impact on the business	14.1%	24.6%	10/11	14.8%	9/11	11.3%	15.0%	11.6%	10.2%
Increasing costs had a major negative impact on the business	33.8%	38.8%	9/11	26.5%	10/11	31.8%	30.7%	27.1%	20.5%
Required funds from an external source	54.0%	61.3%	8/11	71.6%	6/11	61.7%	48.2%	46.1%	47.5%
Sought external funds for business growth	49.4%	56.1%	8/11	37.4%	10/11	42.2%	42.4%	44.1%	39.6%
Sought external funds for business survival	34.5%	39.0%	7/11	40.1%	4/11	34.9%	41.1%	44.8%	36.1%
Found it easy or very easy to access external finance	66.1%	53.1%	3/11	27.5%	10/11	56.8%	29.8%	21.0%	21.5%
A bank was the business' main source of external finance	48.8%	45.4%	4/11	39.6%	6/11	37.5%	47.0%	28.0%	31.3%
Did <u>not</u> spend any time and resources on ESG practices	27.3%	18.8%	3/11	17.1%	4/11	20.6%	38.3%	N/A	N/A

Planned business activity over the next 12 months

	Taiwan 2026	Survey average 2026	Rank 2026	Taiwan 2025	Rank 2025	Taiwan 2024	Taiwan 2023	Taiwan 2022	Taiwan 2021
Expect to increase employee numbers	44.1%	47.0%	7/11	40.3%	8/11	41.2%	21.4%	26.5%	22.8%
Will introduce a new product, service or process unique to their market or the world	13.2%	29.2%	9/11	24.2%	8/11	24.4%	19.8%	18.7%	14.5%
Expect revenue from overseas markets to grow strongly	13.8%	20.6%	9/11	24.2%	5/11	22.2%	15.7%	11.0%	6.9%
Will seek external funds	15.4%	25.4%	8/11	30.6%	6/11	25.4%	27.2%	19.0%	16.2%
Expect easy to very easy access to finance	62.8%	48.9%	3/11	24.7%	10/11	50.2%	24.3%	21.1%	20.0%

Employment

Taiwan's small businesses reported steady employment growth in 2025, with 30 per cent adding to their workforce, matching 2024's result, although this was the third lowest among surveyed markets.

Looking ahead, hiring intentions in 2026 are positive, with 44 per cent of Taiwan's small businesses planning to expand their headcount.

Innovation

Innovation is expected to be a lower priority for Taiwanese small businesses in 2026. Only 13 per cent of Taiwanese small businesses say they will introduce a new product, service or process unique to their market or the world in 2026, well below the survey average. This is a sharp decline from 24 per cent in 2025, indicating a pull-back from innovation-led growth.

Access to finance

More than half (54 per cent) of small businesses required funds from an external source in 2025, well down from 72 per cent in 2024. Difficulty accessing finance is not a reason for this decline, as there was a significant jump in the percentage of businesses reporting access to finance was easy (61 per cent in 2025 compared with 28 per cent in 2024).

Looking ahead, demand for external finance is likely to weaken. In 2026, 15 per cent of small businesses say they will seek external funds, below the survey average and down from 31 per cent in 2025.

Environmental, social, and governance (ESG)

Taiwan's small businesses continue to demonstrate a relatively strong commitment to ESG-related activities. In 2025, 27 per cent reported *not* allocating any time or resources to ESG-related activities. The most common ESG activities among Taiwan's small businesses were diversity and inclusion

policies, staff health and safety policies, ethics and compliance policies, and environmental Management System (EMS) adoption.

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

Top four factors that had a positive influence on Taiwanese small business in 2025	Top four factors that had a positive influence on Taiwanese small business in 2024	Top four factors that had a positive influence on Taiwanese small business in 2023	Top 4 source of advice for small business in 2025
Cost control	Customer loyalty	Cost control	AI tools
Customer loyalty	Cost control	Customer loyalty	A bank or finance company
Good staff	Entering new markets	Good staff	Friends and family
Entering new markets ^		Improved customer satisfaction^	
Improved customer satisfaction^	Good staff	Improved business strategy	Business/management consultants
Introduced a new product or services			

Top four factors that had a negative impact on Taiwanese small business in 2025	Top four factors that had a negative impact on Taiwanese small business in 2024	Top four factors that had a negative impact on Taiwanese small business in 2023
Increasing costs	Increasing costs	Increasing costs
Poor overall economic environment	Increasing competition	Poor overall economic environment
Staff costs	Poor overall economic environment	Staff costs
Increasing competition	Political instability	Increasing rent

^equal rank

Taiwan’s small businesses continue to prioritise defensive strategies such as ‘cost control’ and ‘customer loyalty’ overgrowth-oriented initiatives. Given that rising costs were the most cited barrier to growth, it is unsurprising that cost control ranked as the most effective strategy.

Rising costs remain the most significant challenge facing Taiwan’s small business. In 2025, increasing costs continued to place pressure on already tight margins, with staff costs and transportation and storage costs identified as the most burdensome expenses.

Sources of business advice reflect a blend of traditional and emerging channels, with AI tools now the most used source. The low-cost and easily accessible nature of AI may be the drivers of this trend.

Entrepreneurship

	Taiwan 2025	Taiwan 2024
Primary reason for starting their business	Be your own boss / independence	Be your own boss / independence
Biggest concern when first started a business	Irregular income/cashflow	Irregular income / cashflow
Most common attitude and approach to managing business risk of owner	Risk averse	Risk averse
Overall satisfaction from owning or operating small business	Satisfied	Satisfied

When starting their businesses, Taiwanese small business owners, like their counterparts in most other surveyed markets, are most likely motivated by a desire to be their own boss. Their greatest concern when starting out was irregular income and cash flow.

The greater risk aversion among Taiwanese small business owners may help explain their relatively lower inclination to innovate and adopt technologies compared to small businesses from other markets in the region.

Demographics

	Taiwan 2025	Survey average 2025	Rank 2025	Taiwan 2024	Rank 2024	Taiwan 2023	Taiwan 2022	Taiwan 2021	Taiwan 2020
Business owners aged under 40	32.0%	38.0%	8/11	46.4%	8/11	36.1%	53.5%	37.3%	55.0%
Business set up for less than 11 years	45.0%	57.8%	9/11	64.5%	7/11	64.6%	54.0%	58.7%	58.7%
Respondent is the business owner	15.8%	40.2%	11/11	12.6%	10/11	17.4%	11.8%	14.8%	16.8%
Business has 10 to 19 employees	37.0%	30.8%	3/11	31.0%	6/11	48.6%	22.0%	15.2%	21.8%

Taiwan has one of the oldest age profiles of small business owners among the surveyed markets. Our survey data consistently shows a strong correlation between older business owners and lower levels of growth, digital adoption, innovation and overseas market exposures.

Policy settings that help maintain a relatively young small business owner population are therefore important for supporting business dynamism, productivity and economic growth.