

UOB Business Outlook Study 2025



(SMEs & Large Enterprises)

The UOB Business Outlook Study 2025, now in its sixth year, offers a comprehensive snapshot of the business landscape in Hong Kong. Conducted in January 2025, this annual survey encompasses Medium and Large Enterprises, providing valuable insights into the current economic climate and future expectations among business decision-makers.

The study delves into several key areas crucial for business growth and adaptation in the evolving economic environment. These include Sustainability Adoption, Digitalisation, FinTech Adoption, Supply Chain Management, Overseas Expansion and Workforce Management. A notable addition to this year's study is the focus on the needs and preferences of Women in Business and Next Gen Leaders in Hong Kong.

This new perspective offers insights into the future direction of businesses and the evolving priorities of emerging business leaders. By capturing robust insights across various sectors and business sizes, the UOB Business Outlook Study 2025 serves as a valuable resource for companies looking to understand the current business environment, plan for future opportunities, and address potential challenges in Hong Kong's dynamic economy.



Hong Kong

WHAT



Total of 560 interviews, 15-minute online survey, conducted in January 2025



Total of 110 interviews, 10-minute online survey, conducted in April 2025 after the US tariffs were announced

WHO



Covers both Medium and Large Enterprises across key industry verticals



Owners/C-suite/Management level who are involved with business decision-making



Classification of businesses
Medium Enterprises - annual turnover HKD 100m to <4b
Large Enterprises - annual turnover HKD 4b to >50b

INDUSTRIES

55



Consumer Goods

55



Manufacturing & Engineering

55



Tech, Media & Telecom

55



Professional Services

54



Business Services

54



Wholesale Trade

53



Real Estate & Hospitality

50



Community & Personal Services

50



Healthcare & Medical Services

49



Construction & Infrastructure

30

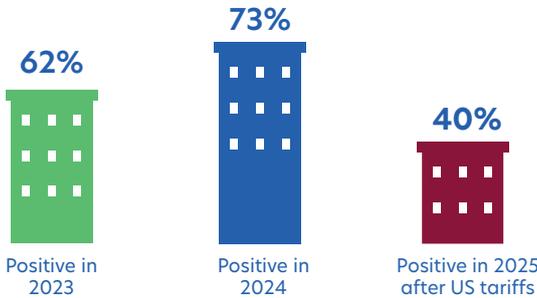


Industrials, Oil & Gas

Business sentiment has declined sharply after the recent US tariffs



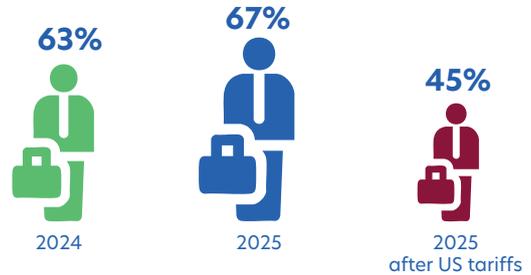
However, **2 in 5** businesses say the business sentiment is positive after the recent US tariffs



Business outlook has dropped sharply after the recent US tariffs



However, nearly **1 in 2** businesses say the business outlook is positive after the recent US tariffs



Businesses are prioritising growth by digitalisation, customer acquisition, and revenue development to stay competitive in the next 1-3 years



Sustainability adoption has improved, with Business Services and Industrials, Oil & Gas sectors taking the lead



1 in 2 businesses have started implementing sustainability practices

Sectors where sustainability is most implemented



Started implementing in 2023



Started implementing in 2024



Differences by business size

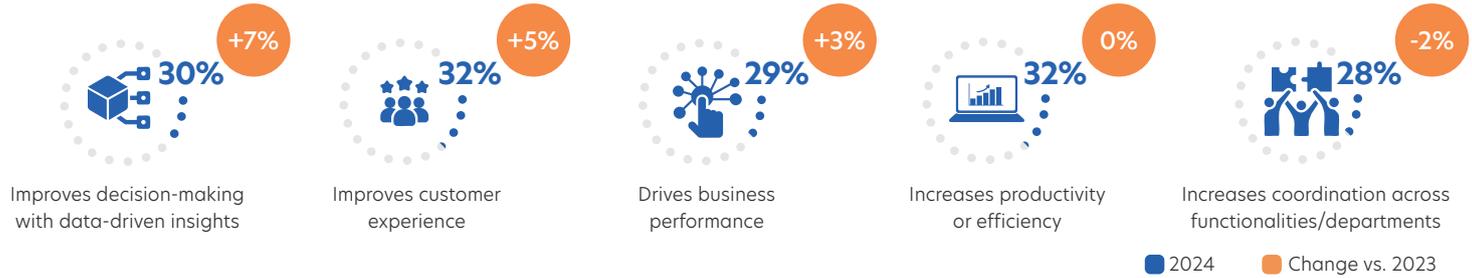


Businesses see sustainability as a way to boost reputation, attract talent, and gain a competitive edge



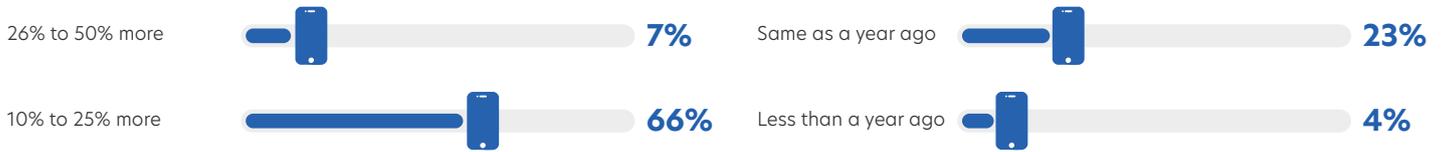
Digitalisation leads to better decision making and customer experience, yielding improved outcomes for businesses

Top impact areas from digitalisation



With positive outcomes clearly visible, businesses are planning to invest more in their digital efforts in 2025

Digital spending in 2025 vs. 2024



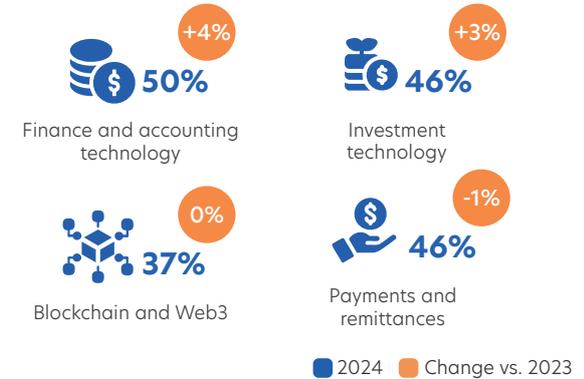
FinTech solutions for finance, accounting, and investment technology are driving overall FinTech adoption growth

Over **9 in 10** businesses have adopted or planned to adopt FinTech

Adopted/Plan to adopt in 2023: **88%**

Adopted/Plan to adopt in 2024: **92%**

FinTech Solutions Adopted/Plan to Adopt



Supply chain disruptions are impacting businesses and expected to intensify after the recent US tariffs

42% of businesses expect supply chain disruptions to increase a lot after the recent US tariffs

Affected in 2023: **58%**

Affected in 2024: **62%**

Most impacted sectors

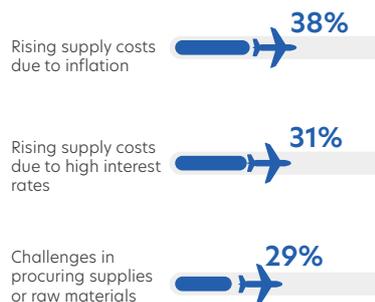


Differences by business size

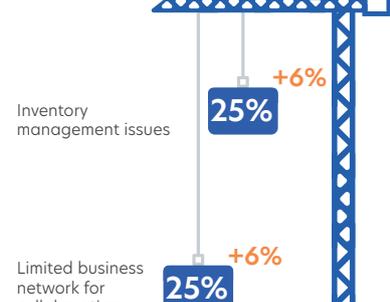


Beyond cost and procurement, businesses grapple with inventory and network challenges

Top 3 challenges in supply chain management

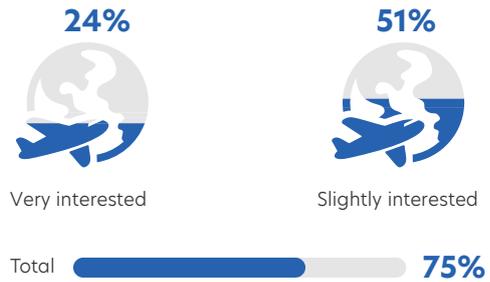


Emerging supply chain challenges in 2024



Legend: 2024 (Blue), Change vs. 2023 (Orange)

Interest in overseas expansion remains strong, with the Tech, Media & Telecom sector taking the lead



Most interested sectors

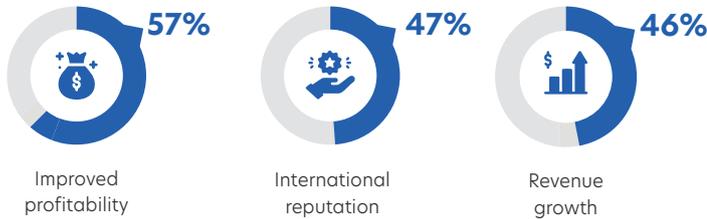


Differences by business size

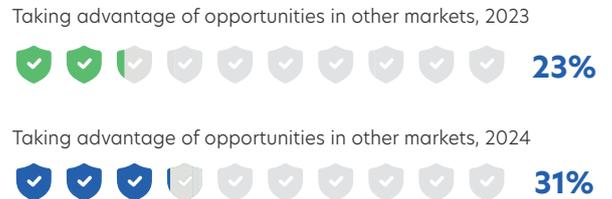


Profitability, international reputation, and revenue growth are key drivers, for overseas expansion

Top 3 motivators for expansion



Opportunities in other markets are also creating greater interest in expansion



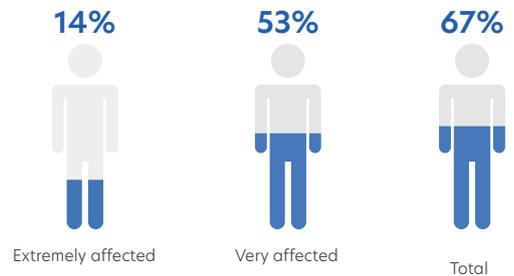
Workforce challenges have impacted many businesses



Most affected sectors

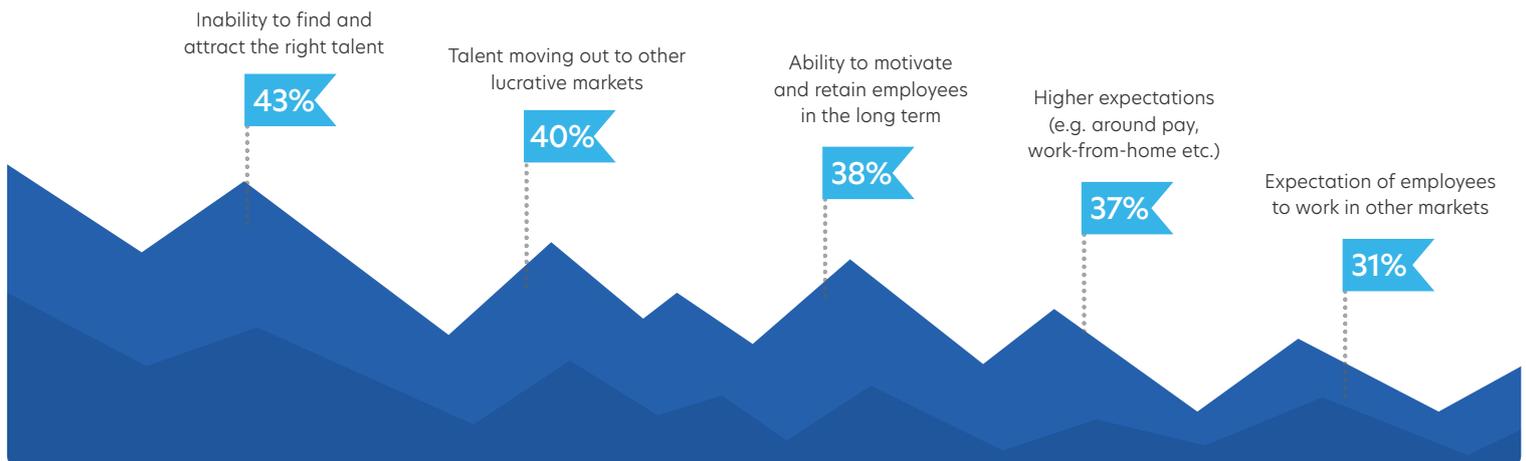


Difference by business size



Talent acquisition and attrition management continue are key workforce challenges

Top internal challenges in workforce management



Business sentiment has declined sharply after the recent US tariffs

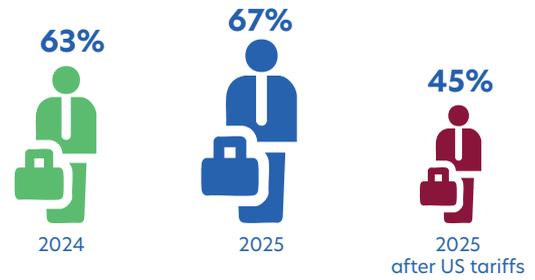
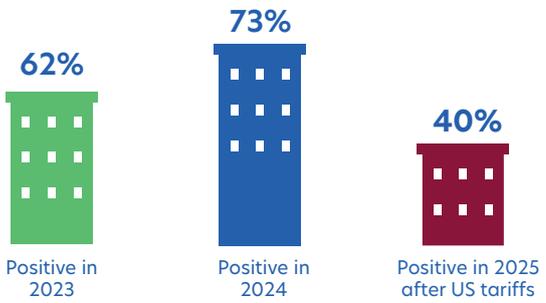


However, **2 in 5** businesses say the business sentiment is positive after the recent US tariffs

Business optimism has declined after the recent US tariffs



However, nearly **1 in 2** businesses say the business outlook is positive after the recent US tariffs



Businesses face challenges with rising business costs and high levels of inflation, which are set to increase after the recent US tariffs



37% of businesses expect raw material and production costs to increase a lot after the recent US tariffs

49% of businesses expect the level of inflation to increase a lot after the recent US tariffs

Businesses are prioritising growth by digitalisation, customer acquisition, and revenue development to stay competitive in the next 1-3 years

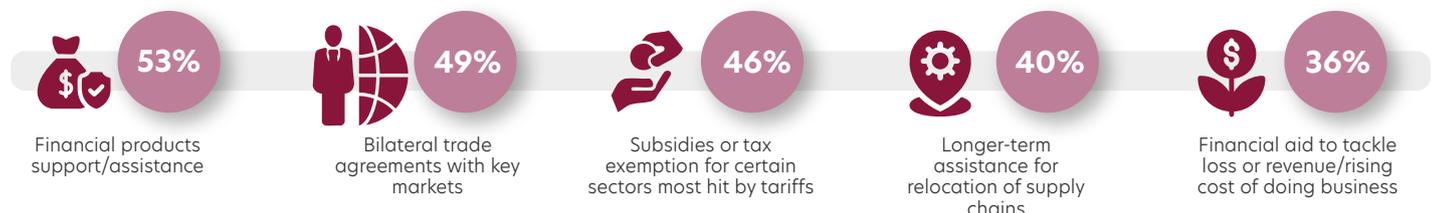
Top priorities for next 1-3 years



■ 2024 ■ Change vs. 2023

Businesses are looking for financial support measures that can provide immediate relief from the adverse impact of the recent US tariffs

Support needed after the US tariffs were announced



Sustainability adoption has improved in 2024, with the pace of adoption expected to increase after US tariffs

1 in 2 businesses have started implementing sustainability practices



48% of businesses expect an increase in the pace of sustainability adoption after the recent US tariffs

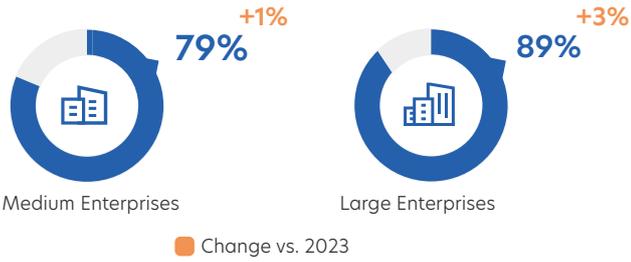
Sectors where sustainability is most implemented



Differences by business size



Sustainability adoption is more important among Large Enterprises



Business Services firms adopt sustainability more due to growing client demand for ESG-aligned practices in regional and global markets.

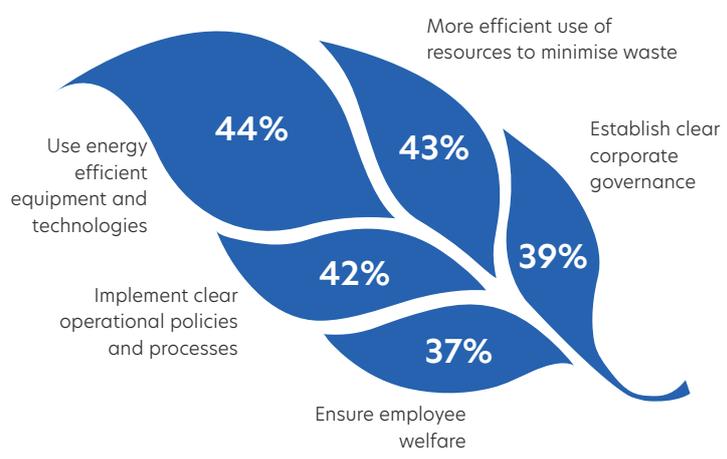
Industrials, Oil and Gas companies prioritise sustainability to reduce environmental risks and comply with the tightening regulatory standards.

Sustainability is recognised as a lever for reputation building, talent attraction, and competitive advantage

Top motivators for sustainability adoption



Initiatives with a tangible impact such as saving energy and minimising waste are prioritised



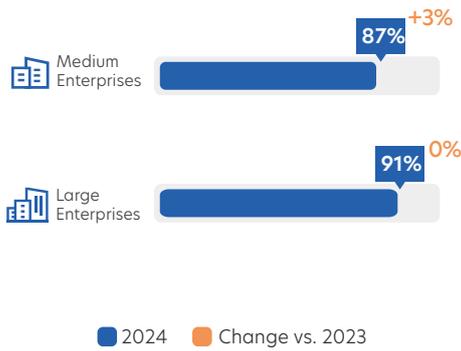
Increase in end customer cost and limited funding are top barriers to adoption



“Sustainability is still in its infancy and there is no governing body to give guidelines and hence the challenge is creating awareness and finding the right framework to adopt sustainability.”
 - Owner, Business Services sector

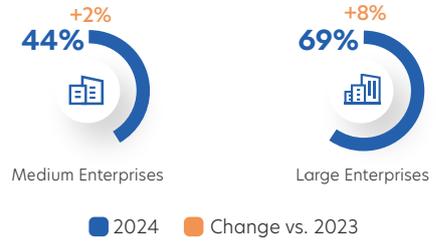
High level of digitalisation, with adoption expected to accelerate due to US tariffs

Digitalised at least one department



50% of businesses expect an increase in the pace of digital adoption after the recent US tariffs

Success with digitalisation



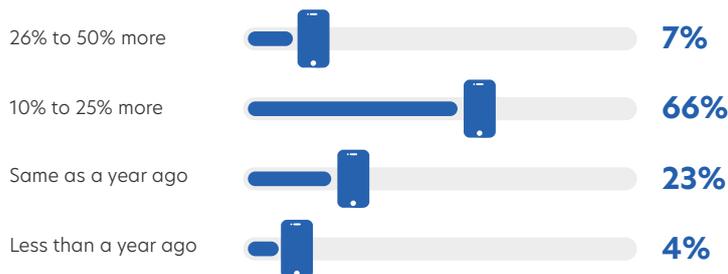
Digitalisation leads to better decision making and customer experience, yielding improved outcomes for businesses

Top impact areas from digitalisation



With positive outcomes clearly visible, businesses are planning to invest more in their digital efforts in 2025

Digital spending in 2025 vs. 2024

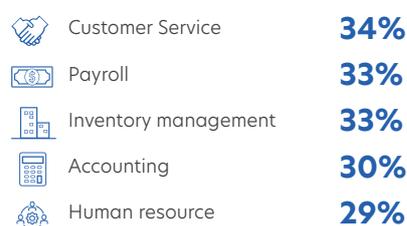


Many of our business functions are on the cloud. We can forecast the new trends seen in overseas markets, source for the required material in advance, and plan ahead.
- CFO, Wholesale Trade sector

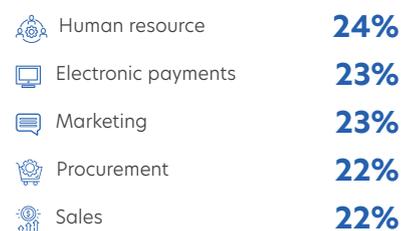


Future digital investments will extend to supplier and customer facing functions

Current processes digitalised (Top 5)



Future processes digitalised (Top 5)



FinTech solutions for finance, accounting, and investment technology are driving overall FinTech adoption growth

Over **9 in 10** businesses have adopted or planned to adopt FinTech

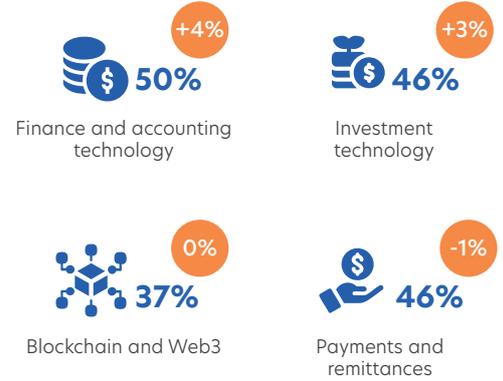
Adopted/Plan to adopt in 2023



Adopted/Plan to adopt in 2024



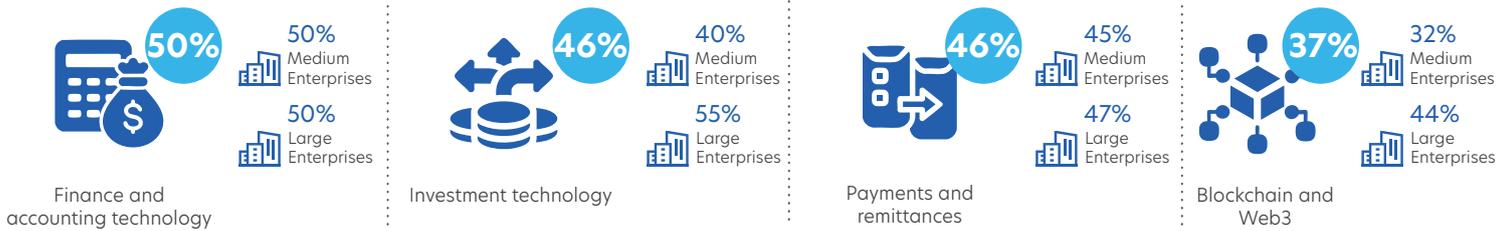
FinTech Solutions Adopted/Plan to Adopt



■ 2024 ■ Change vs. 2023

Large Enterprises lead in adoption of investment technology and blockchain solutions

FinTech Solutions Adopted



Businesses are increasingly adopting digital payments for scalability and seamless transactions



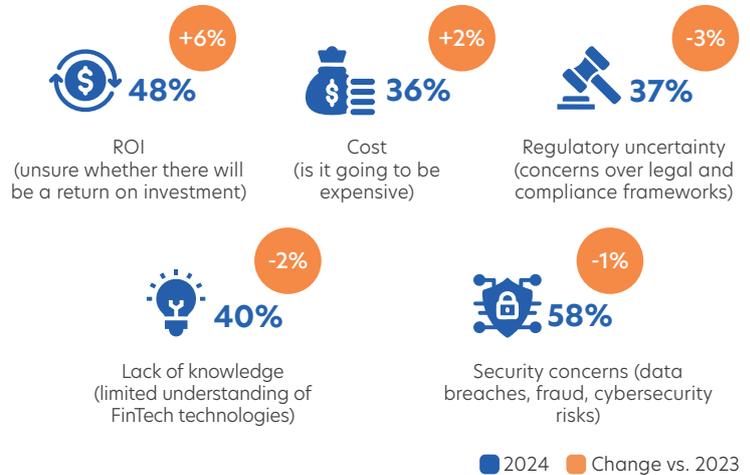
Sectors where scalability is more important



Sectors for seamless transactions



Businesses are more worried about the return on investment and cost of FinTech solutions



Sectors where ROI is a greater concern



Sectors where cost is a greater concern



Supply chain disruptions continue to impact businesses and are expected to intensify after the recent US tariffs



Over **3 in 5** businesses say their supply chain has been affected



42% of businesses expect supply chain disruptions to increase a lot after the recent US tariffs

Affected in 2023



58%

Affected in 2024



62%



Most impacted sectors

80%
Tech, Media & Telecom

72%
Wholesale Trade

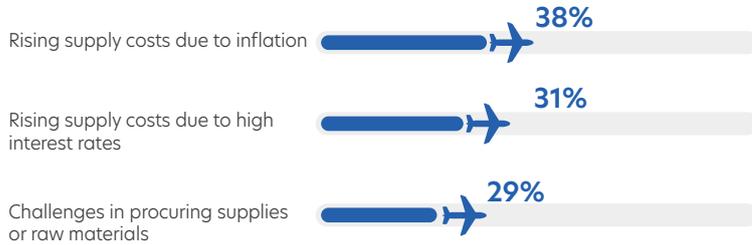
Differences by size

54%
Medium Enterprises

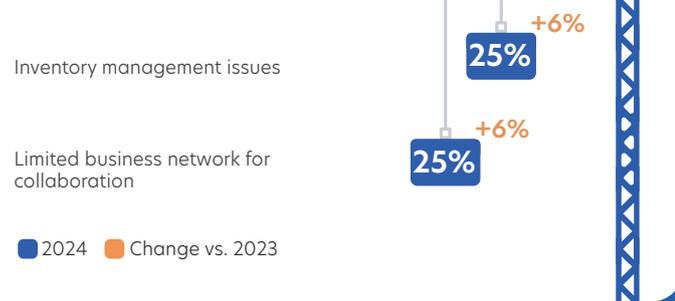
74%
Large Enterprises

Beyond cost and procurement, businesses grapple with inventory and network challenges

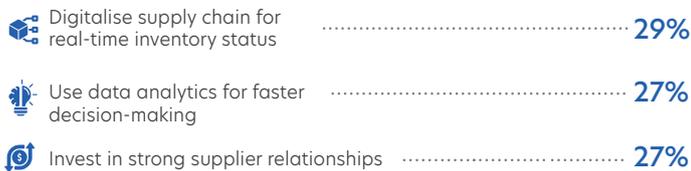
Top 3 challenges in supply chain management



Emerging supply chain challenges in 2024



Businesses are adopting digital processes and data analytics to stabilise supply chains



Diversification and sourcing alternate raw materials also enhance supply chain stability



With diversification, future sourcing is set to expand into rest of North Asia and Taiwan

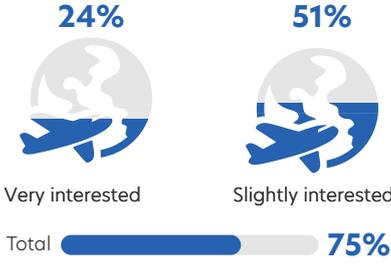


Businesses seek connections, financial support, and business analytics for supply chain stability



Interest in overseas expansion remains high after US tariffs, with intra-ASEAN trade expected to grow

3 in 4 businesses are interested in expanding overseas in the next three years

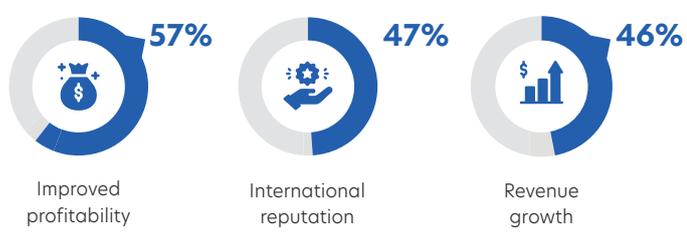


US TARIFFS
38% of businesses expect an increase in the pace of overseas expansion after the recent US tariffs

US TARIFFS
57% of businesses expect an increase in the level of intra-ASEAN trade after the recent US tariffs



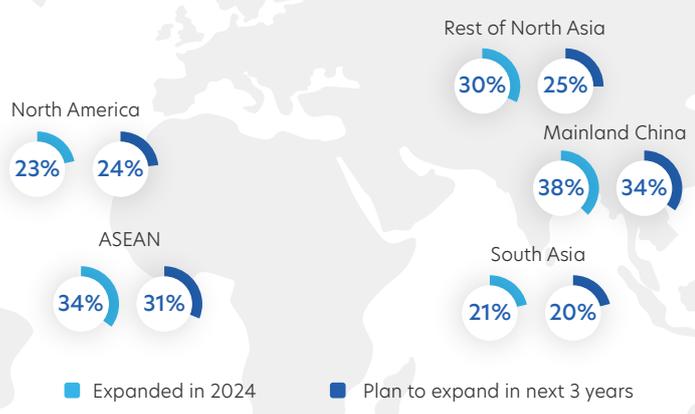
Profitability and international reputation are key drivers for overseas expansion



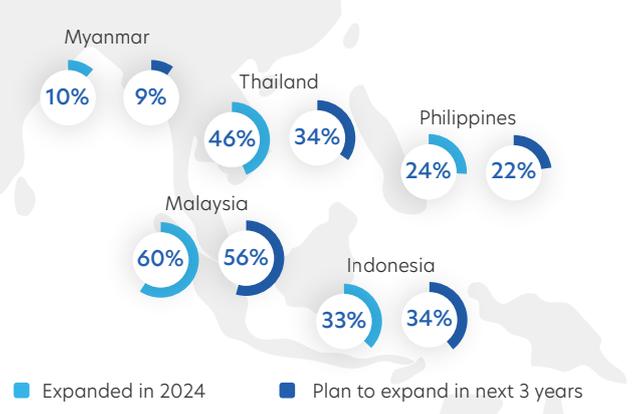
Opportunities in other markets are also creating greater interest in expansion



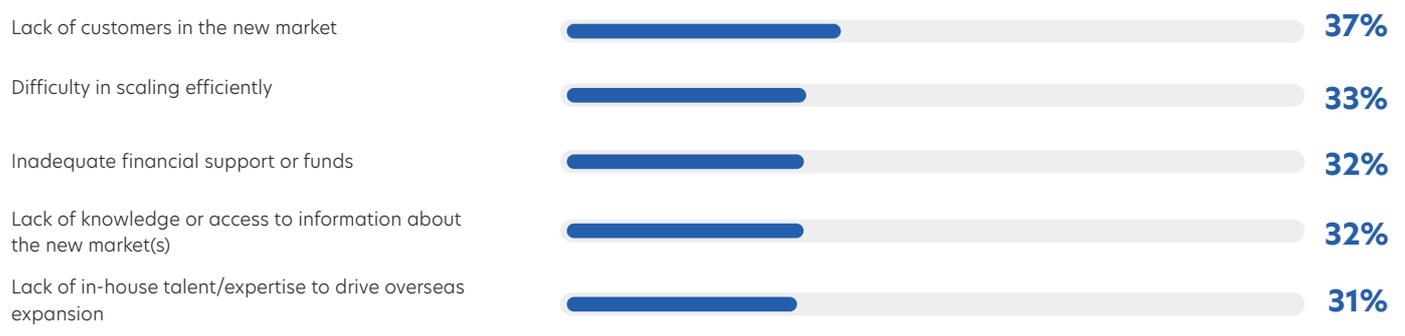
ASEAN and Mainland China are key focus for current and future expansion efforts



Within ASEAN, Malaysia and Thailand are key priority markets



A limited customer base and difficulty to scale up are key barriers to overseas expansion



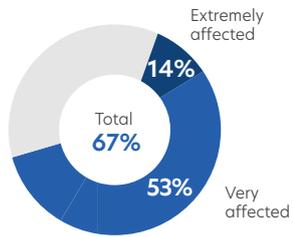
Businesses are experiencing workforce challenges, which are expected to escalate after US tariffs



2 in 3 businesses are affected by workforce or manpower-related issues



31% of businesses expect workforce challenges to increase a lot after the recent US tariffs driven by inflation and higher cost to business



Most affected sectors

80% Tech, Media & Telecom

75% Consumer Goods

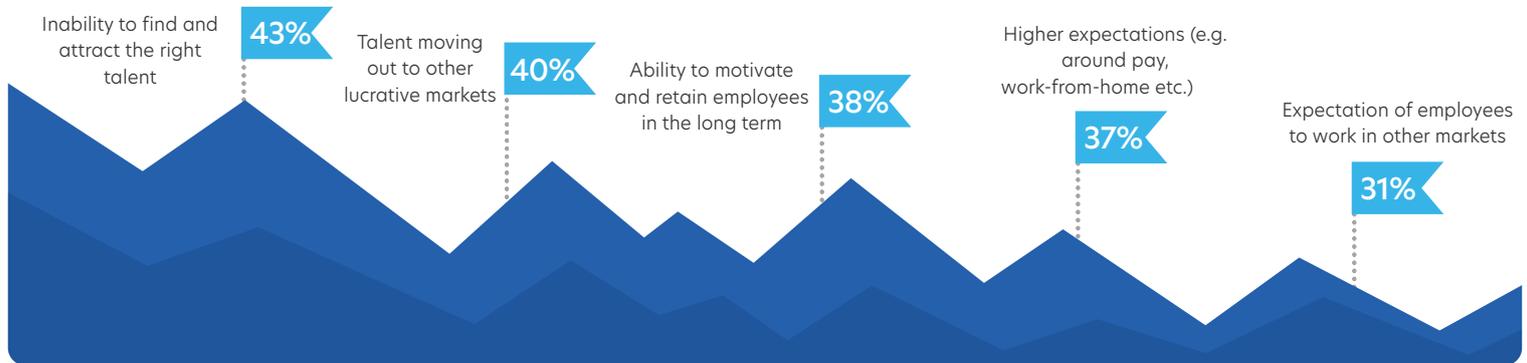
Differences by size

62% Medium Enterprises

75% Large Enterprises

Talent acquisition and attrition management are key workforce challenges

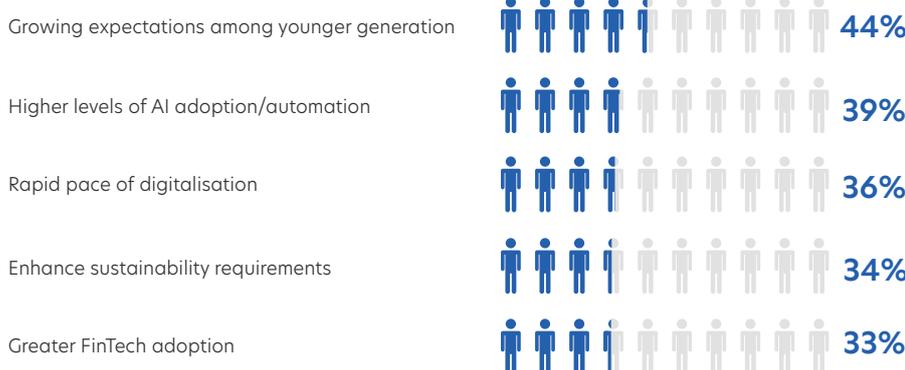
Top internal challenges in workforce management



External factors such as growing demands from the younger generation and rapid AI adoption and digitalisation have intensified workforce challenges

Top external challenges in workforce management

Total in 2024

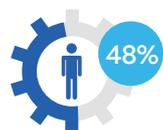


“ Fresh graduates like to be rotated across departments and locations because they are hungry for exposure, but this puts a huge pressure on the team leaders managing them. They also seek perks beyond remuneration. - CEO, Tech sector



Businesses are addressing workforce challenges through higher pay, skill development, and digital transformation

Top actions to address workforce challenges



Offering higher pay and benefits



Providing reskilling or upskilling



Initiating digital transformation/automation



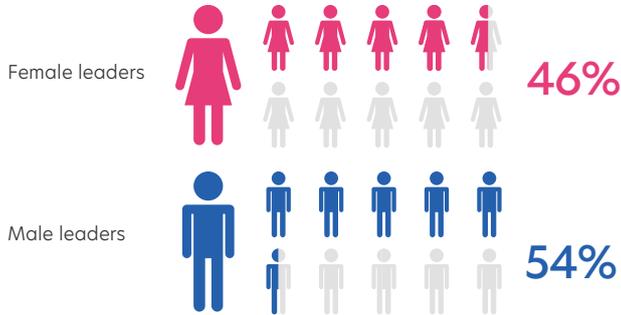
Driving cross-department collaboration



Offering flexi-work arrangements (including work-from-home)

1 in 2 of all business leaders are women, with a stronger presence in customer facing and service industries

 Equal participation of women in leadership roles within the business world in both Medium and Large Enterprises



Spread by sectors

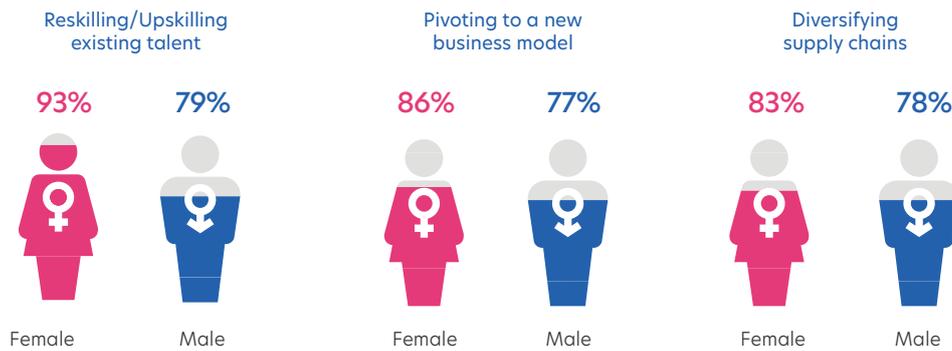


Spread by business size

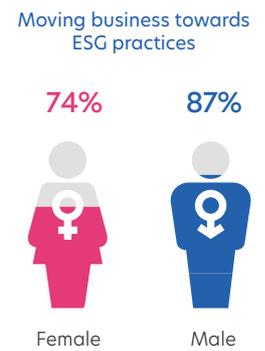


Women in business are ready to grow and adapt, but need support in adopting ESG practices

Women are more prepared on

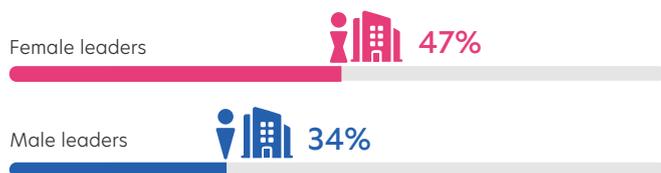


But less prepared on

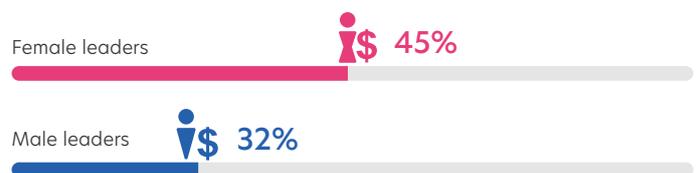


Women leaders view sustainability as essential to work with multinationals and attract investors

Easier to work with MNCs

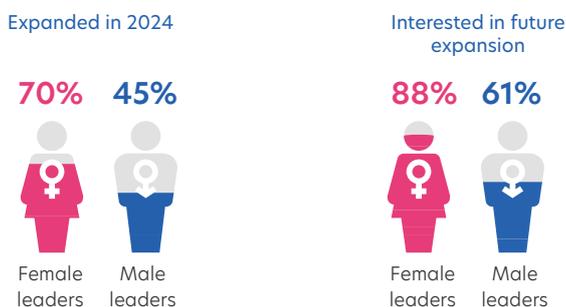


Helps attract investors

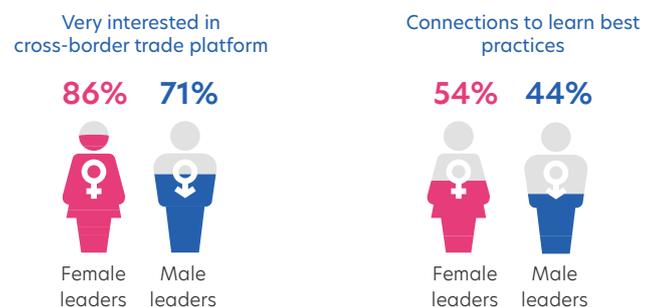


With a focus on overseas growth, women leaders are using cross-border trade platforms and seek support to adopt best practices

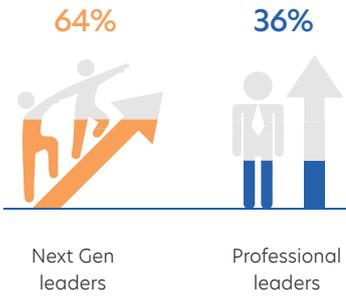
Expansion interest



Cross-border trade platforms



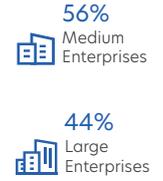
Close to 2 in 3 of business leaders are Next Gen, with a stronger presence in the Tech, Media and Telecom sector



Spread by sectors



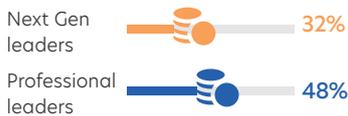
Spread by business size



Next Gen leaders focus on regulatory shifts and supply chain concerns over short term issues

Short term concerns

Rising operational cost



High levels of inflation



Strategic concerns

Changes in regulations by government

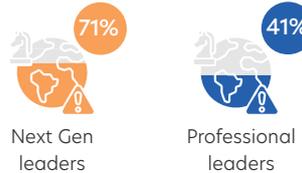


Disruption to global supply chains

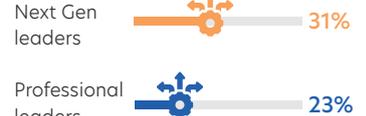


Next Gen leaders address supply chain concerns through digitalisation and localisation

Affected by geopolitical impact on supply chains



Digitalise for real time information on inventory



Source from local suppliers



Next Gen leaders integrate sustainability through clear policies, responsible sourcing, and community engagement

Sustainability practices



Next Gen leaders are at the forefront of tech adoption

Technologies used

Artificial Intelligence



Internet of Things



Generative AI



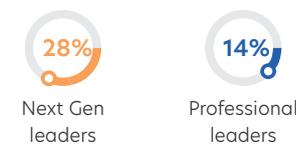
Blockchain



They pursue customer-centricity through automation and digitalisation

Areas of deployment

Automation for customer service



Automation for sales



Digitalisation of front-end fulfillment



Digitalisation of inventory management

