

# 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 Thailand. Conducted in January 2025, this annual survey encompasses Small and Medium 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 Thailand.

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 Thailand's dynamic economy.



Thailand

## WHAT



Total of 535 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 Small and Medium Enterprises across key industry verticals



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



Classification of businesses:  
Small Enterprises - annual turnover THB 30m to < THB 400m  
Medium Enterprises - annual turnover THB 400m to < THB 7.5b

## INDUSTRIES



**60**  
Consumer Goods



**56**  
Construction & Infrastructure



**55**  
Business Services



**52**  
Real Estate & Hospitality



**52**  
Healthcare & Medical Services



**51**  
Wholesale Trade



**50**  
Tech, Media & Telecom



**43**  
Manufacturing & Engineering



**43**  
Professional Services



**42**  
Community & Personal Services



**31**  
Industrials, Oil & Gas

## Business sentiment has declined sharply after the recent US tariffs



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



## Business outlook has dropped sharply after the recent US tariffs



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



## Businesses are prioritising on employee training and new partnerships over the next 1-3 years



Reskill or upskill existing talent



Find new business partnerships for collaboration



Find a new customer base



Digitalise to achieve business efficiencies



Reduce costs

■ 2024 ■ Change vs. 2023

## Sustainability adoption remained steady in 2024, with Professional and Business Services 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



Cities where sustainability is most implemented



## Sustainability is recognised as a lever to boost reputation, build a responsible future, and align with the sustainability standards of MNCs



Improved reputation/better branding of the company



Builds an environmentally and socially sustainable future for the market



Easier to work with MNCs which are increasingly establishing their sustainability goals



Helps to attract investors



Gives a competitive edge

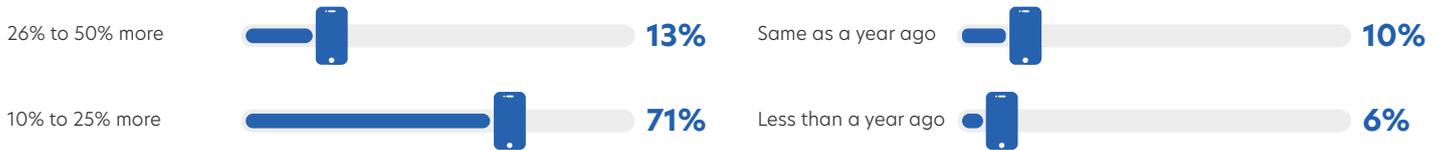
### Digitalisation is driving internal efficiencies and security, yielding improved outcomes for businesses

#### Top impact areas from digitalisation



### Businesses are prioritising on employee training and new partnerships over the next 1-3 years

#### Digital spending in 2025 vs. 2024



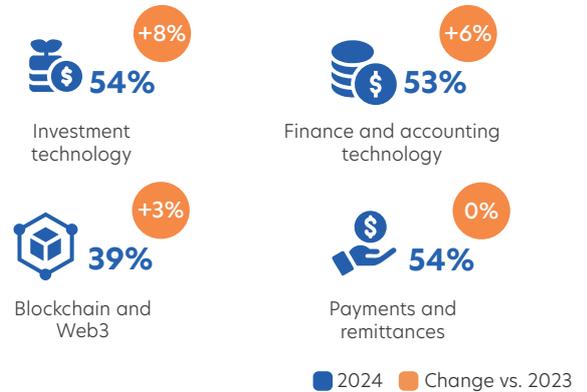
### FinTech solutions for investment, finance, and accounting are driving overall FinTech adoption growth

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

Adopted/Plan to adopt in 2023 **92%**

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

#### FinTech Solutions Adopted/Plan to Adopt



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

**41%** of businesses expect supply chain disruptions to increase a lot after the recent US tariffs

Affected in 2023 **61%**

Affected in 2024 **58%**

#### Most impacted sectors

69% Healthcare & Medical Services

69% Business Services

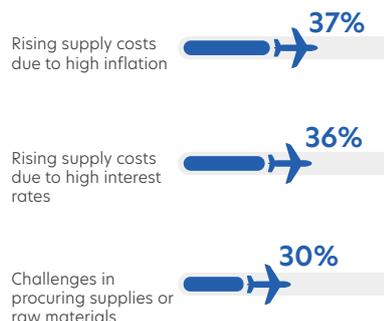
#### Most impacted cities

63% Rest of Thailand

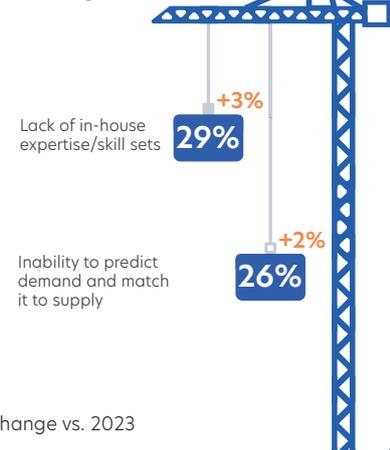
54% Bangkok & vicinity

### Beyond cost and procurement, businesses grapple with skill gaps and demand forecasting

#### Top 3 challenges in supply chain management

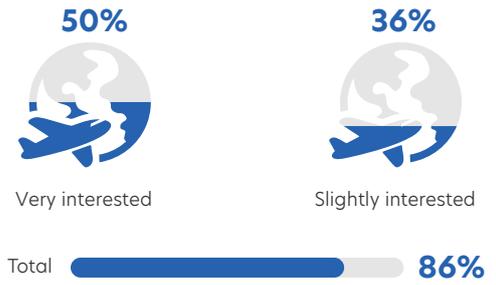


#### Emerging supply chain challenges in 2024



## Interest in overseas expansion remains strong, especially among Real Estate and Business Services firms

Over **8 in 10** businesses are interested in expanding overseas in the next three years



### Most interested sectors



### Most interested cities



### Differences by business size



## Revenue, profits, and reputation are key drivers for overseas expansion

### Top 3 motivators for expansion



### Reducing risk by diversification is also creating greater interest in expansion

#### Reducing risk by diversifying, 2023



#### Reducing risk by diversifying, 2024



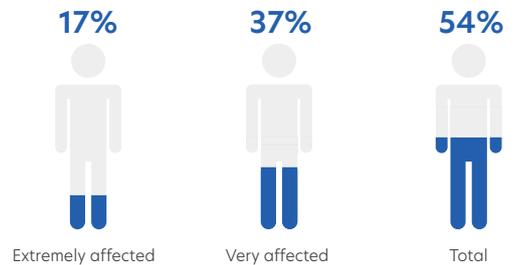
## Workforce challenges have impacted a majority of business

Over **1 in 2** businesses are affected by workforce or manpower-related issues

### Most affected sectors

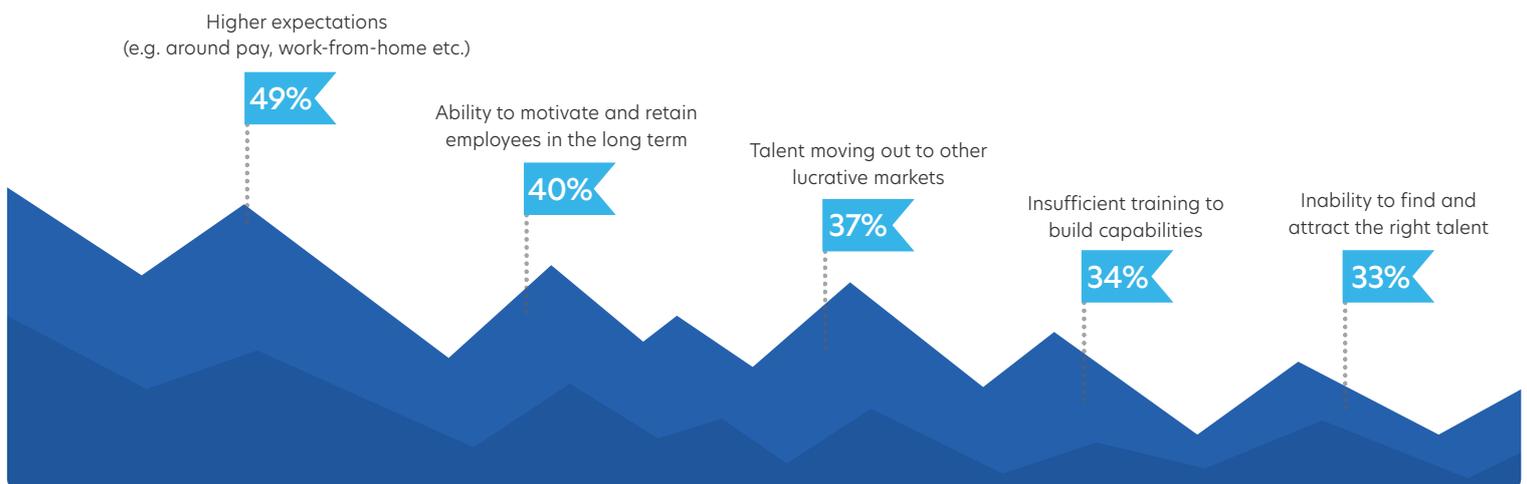


### Most affected city



## Higher expectations and talent retention are key workforce challenges

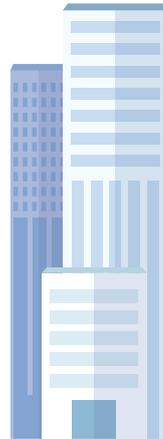
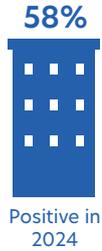
### Top internal challenges in workforce management



## Business sentiment has declined sharply after the recent US tariffs



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



## Business outlook has dropped sharply after the recent US tariffs



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



## Businesses face challenges with rising business and manpower costs



**60%** of businesses expect raw material and production costs to increase a lot after the recent US tariffs



**57%** of businesses expect the level of inflation to increase a lot after the recent US tariffs

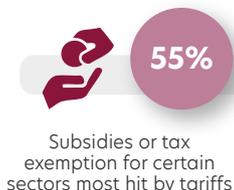
## Businesses are prioritising on employee training and new partnerships over the next 1-3 years



■ 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 remained steady in 2024, with the pace of adoption expected to increase after US tariffs

**1 in 2** businesses have started implementing sustainability practices



**64%** of businesses expect an increase in the pace of sustainability adoption after the recent US tariffs

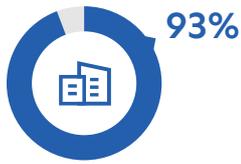
Sectors where sustainability is most implemented



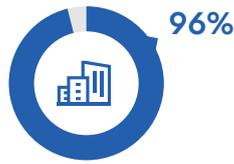
Cities where sustainability is most implemented



Importance of sustainability is high in both Small and Medium Enterprises



Small Enterprises

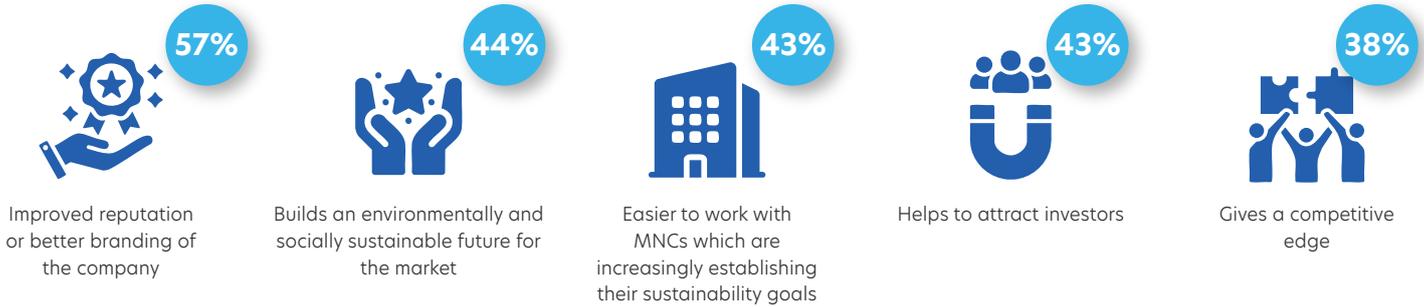


Medium Enterprises

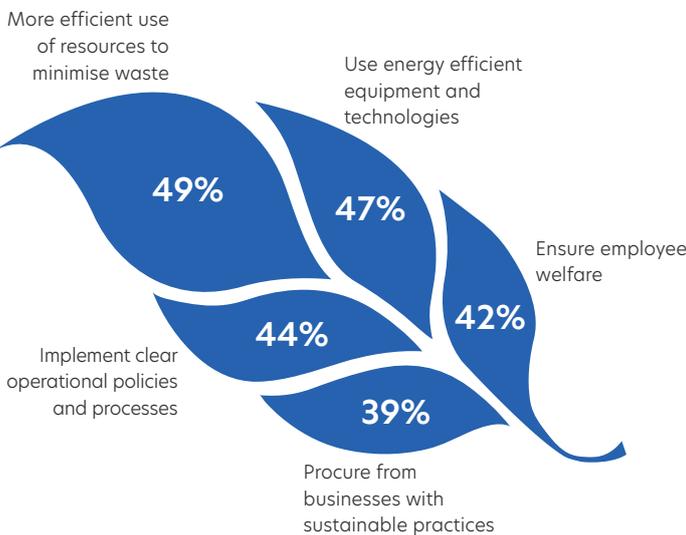
Professional Services being more human capital-centric, find it easier to implement sustainable practices (e.g. WFH, energy efficiency at the workplace, etc.).

Medium Enterprises have higher sustainability adoption as they are set to gain the most in terms of brand reputation, building eco-friendly future, and complying with regulators.

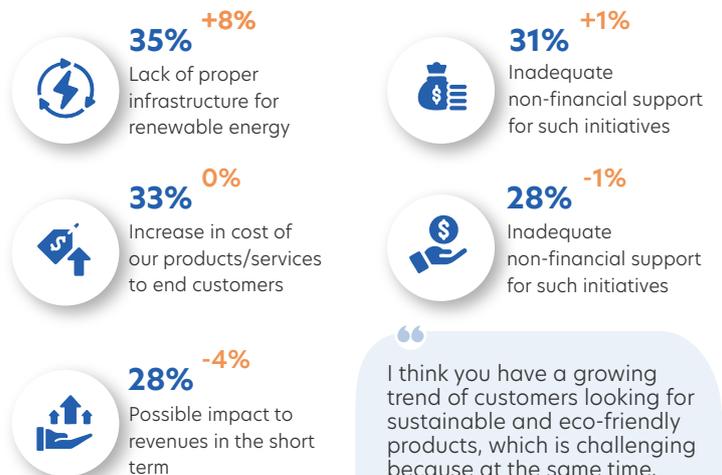
Sustainability is recognised as a lever to boost reputation, build a responsible future, and align with the sustainability standards of MNCs



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



Businesses remain conscious of the impact on costs and revenues

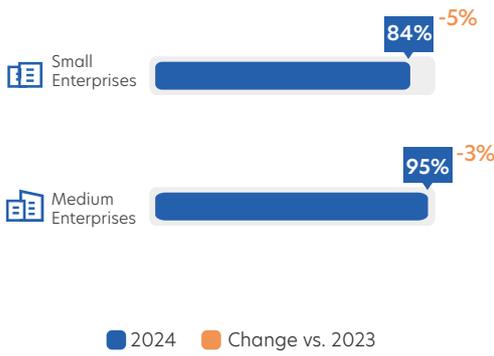


I think you have a growing trend of customers looking for sustainable and eco-friendly products, which is challenging because at the same time, those products, which are by definition not mass products, are more expensive.

- CEO, Tech, Media & Telecom

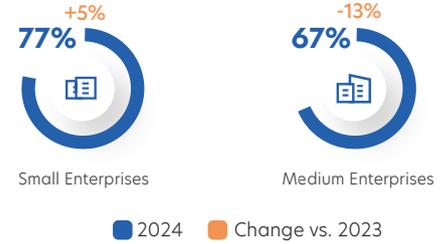
## Digital adoption is high and expected to accelerate due to US tariffs

### Digitalised at least one department



68% of businesses expect an increase in the pace of digital adoption after the recent US tariffs

### Success with digitalisation



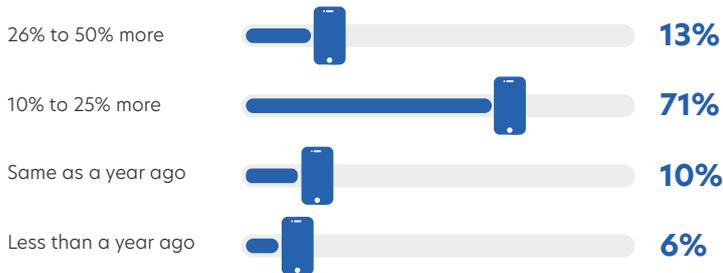
## Digitalisation is driving internal efficiencies and security, yielding improved outcomes for businesses

### 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



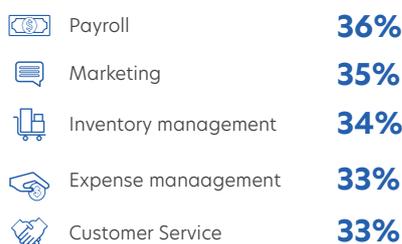
There is a moment where it costs them (businesses) more money to digitalise than to not digitalise. There's an impact on the people you recruit, there's an impact on your traffic.

- CEO, Tech, Media & Telecom sector



## Future digital investments will extend to customer and partner relationship management, as well as human resource management

### Current processes digitalised (Top 5)



### Future processes digitalised (Top 5)



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

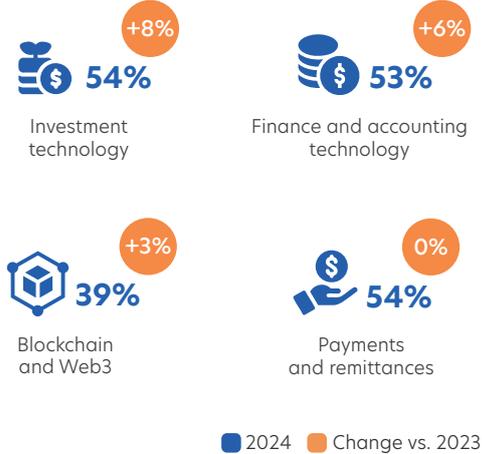
 Over **9 in 10** businesses have adopted or planned to adopt FinTech

Adopted/Plan to adopt in 2023  **92%**

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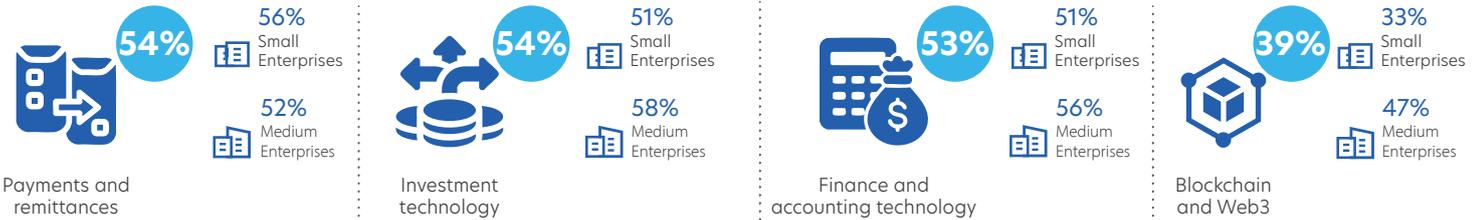


### FinTech Solutions Adopted/Plan to Adopt



## Medium Enterprises lead adoption of investment, finance, and blockchain solutions, while smaller businesses focus on payment solutions

### FinTech Solutions Adopted



## Businesses are increasingly adopting digital payments for accuracy and real time cash flow visibility



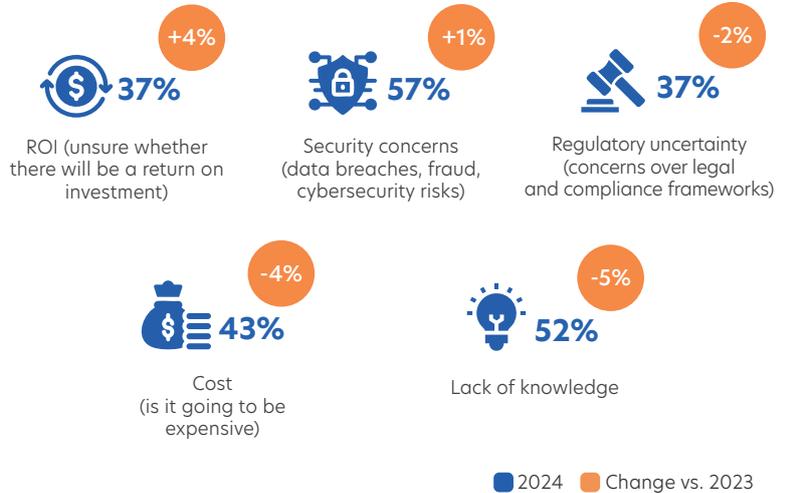
### Sectors where accuracy is more important



### Cities where accuracy is more important



## Investment returns and security are bigger concerns now as businesses continue to adopt FinTech



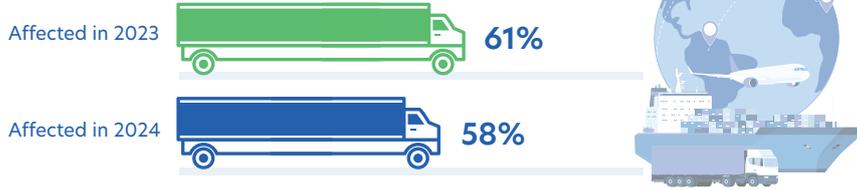
### Sectors where ROI is a greater concern



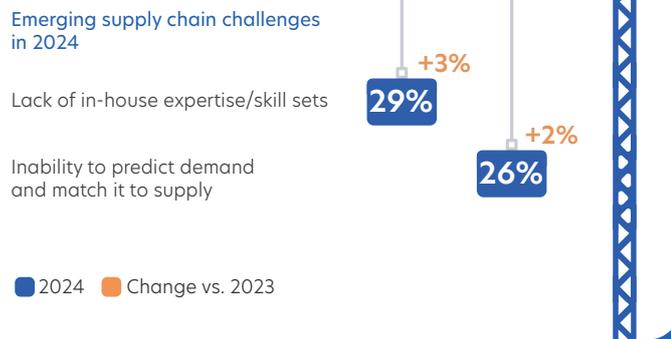
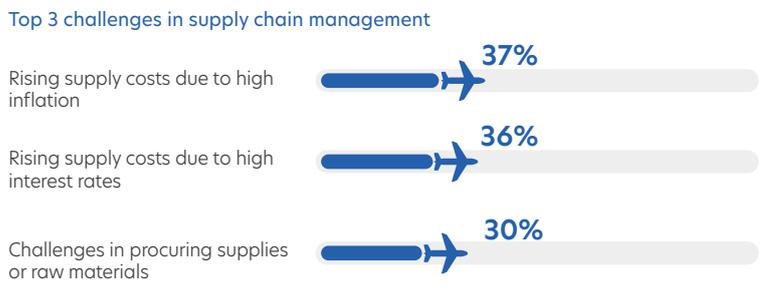
### Cities where ROI is a greater concern



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



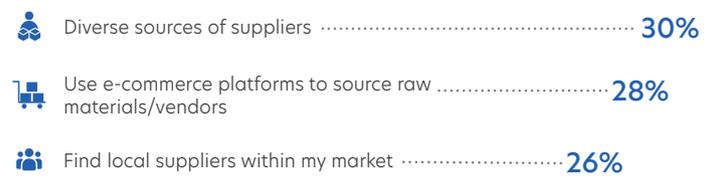
## Beyond cost and procurement, businesses grapple with skill gaps and demand forecasting



## Businesses use analytics, alternative materials, and technology to strengthen supply chains



## Diversification, e-commerce, and localisation are key to stabilising the supply chain



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



## Businesses seek tax incentives and connections to solution providers for supply chain stability

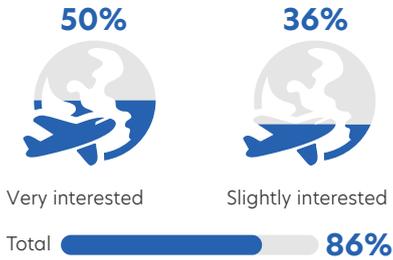


## Interest in overseas expansion remains high after US tariffs, with intra-ASEAN trade expected to grow

Over **8 in 10** businesses are interested in expanding overseas in the next three years

**52%** of businesses expect an increase in the pace of overseas expansion after the recent US tariffs

**66%** of businesses expect an increase in the level of intra-ASEAN trade after the recent US tariffs



### Most impacted sectors

**94%** Real Estate & Hospitality

**93%** Business Services

### Most interested cities

**86%** Bangkok & vicinity

**86%** Rest of Thailand

## Revenue, profits, and reputation are key drivers for overseas expansion



## Reducing risk by diversification is also creating greater interest in expansion

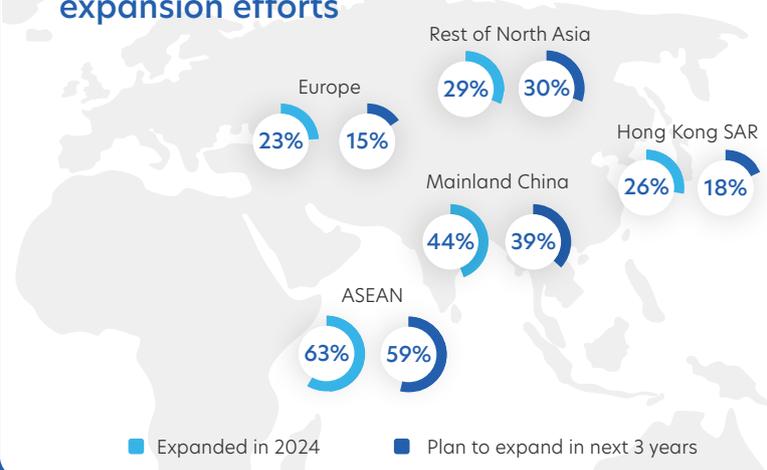
Reducing risk by diversifying, 2023



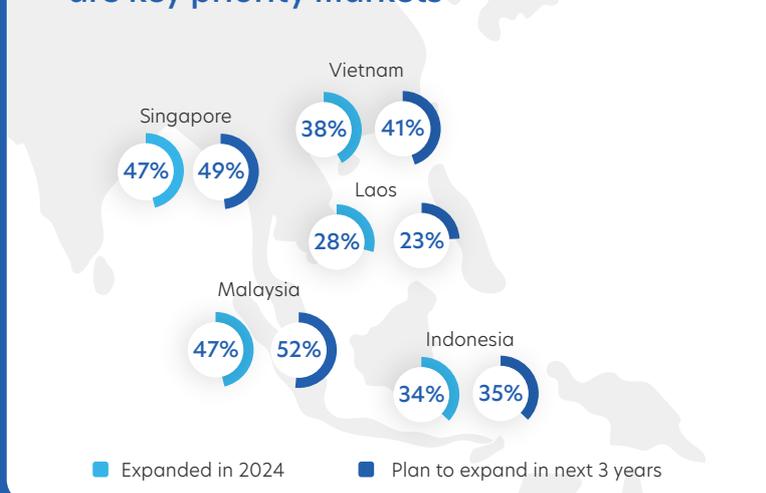
Reducing risk by diversifying, 2024



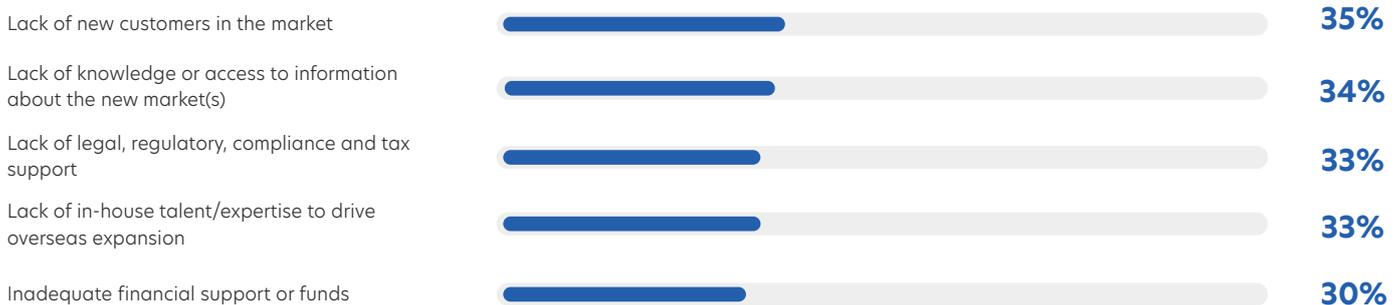
## ASEAN and Mainland China continue to be the focus for current and future expansion efforts



## Within ASEAN, Malaysia and Singapore are key priority markets



## A lack of new customers, limited market understanding, and insufficient regulatory support are key barriers to overseas expansion



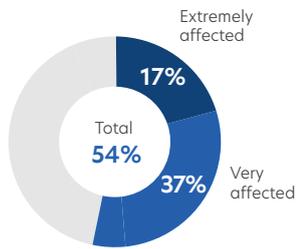
## Businesses are experiencing workforce challenges, which are expected to escalate after US tariffs



Over **1 in 2** businesses are affected by workforce or manpower-related issues



**46%** 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



### Most affected city

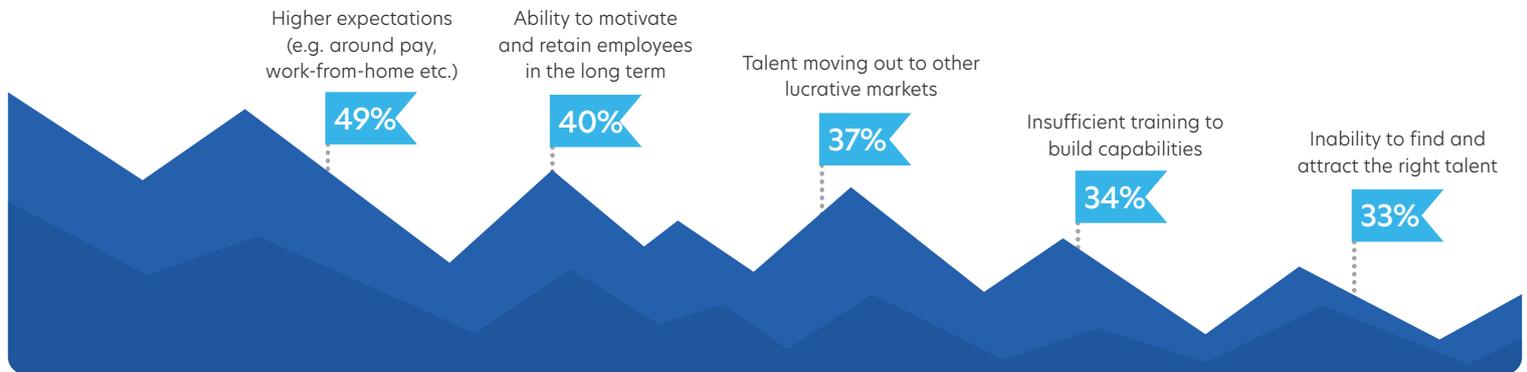


### Differences by business size



## Higher expectations and talent retention are key workforce challenges

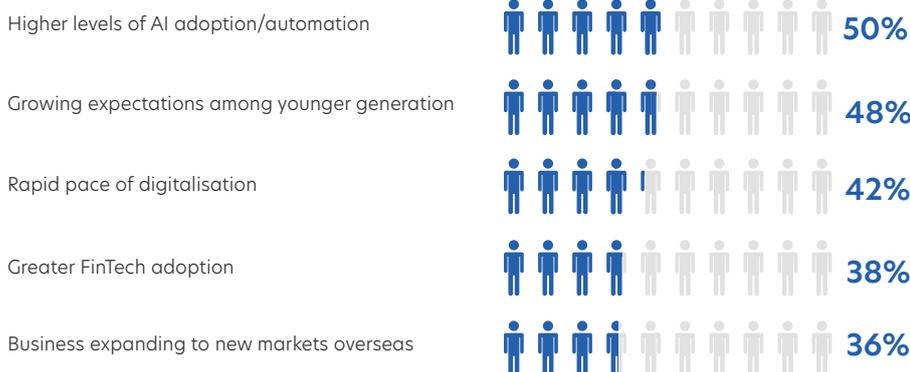
### Top internal challenges in workforce management



## External factors such as higher AI adoption and growing expectations of younger employees have intensified workforce challenges

### Top external challenges in workforce management

Total in 2024



“While the younger generation is very agile, they have different skills. You cannot replace the kind of experience developed by having spent time over the years in those businesses.”

- CMO, Business Services 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



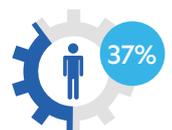
Providing reskilling/upskilling



Initiating digital transformation/automation



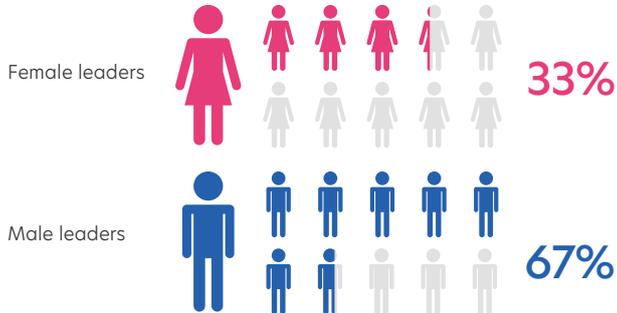
Offering flexi-work arrangements (including work-from-home)



Offering roles or job rotation opportunities across departments or markets

## 1 in 3 of all business leaders are women, with a strong presence in customer-facing or service industries

Nearly **8 in 10** women in leadership roles within the business world are leading Small Enterprises



### Spread by sectors



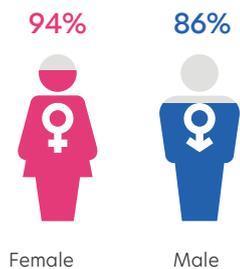
### Spread by business size



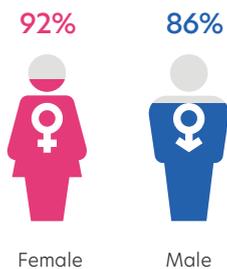
## Women in business drive growth and strategy, but need support to build purpose-driven ventures

### Women are more prepared on

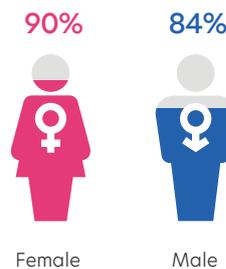
Finding a new customer base



Reviewing business strategy to differentiate from competitors

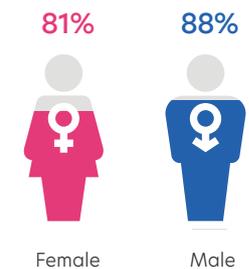


Diversifying supply chains



### But less prepared on

Building a purpose-driven business



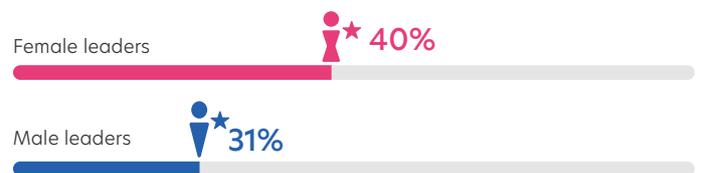
## Women leaders use sustainability to engage investors and attract talent

### Sustainability drivers

Helps attract investors



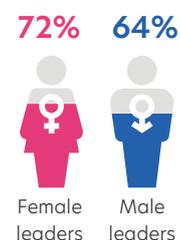
Enables talent retention



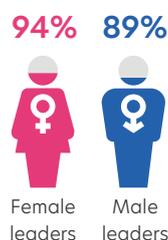
## Driven by overseas expansion, women-led businesses are leveraging trade platforms and seeking networking opportunities

### Expansion interest

Expanded in 2024

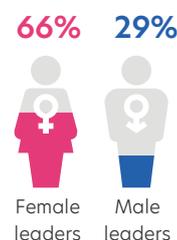


Interested in future expansion

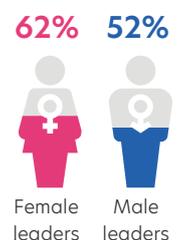


### Cross-border trade platforms

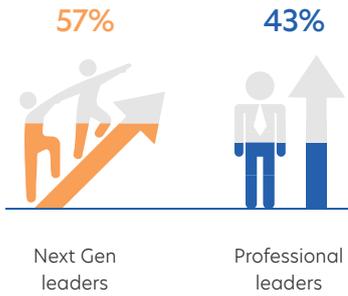
Very interested in cross-border trade platform



Opportunities to network with overseas business



## Over 1 in 2 of business leaders are Next Gen, with a stronger presence in the Consumer Goods and Business services firms



### Spread by sectors



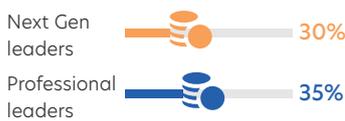
### Spread by business size



## Next Gen leaders are more concerned over rising manpower costs and digitalisation than short-term concerns

### Short term concerns

#### Rising operational cost

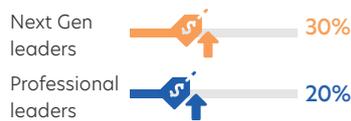


#### Cut back on consumption



### Strategic concerns

#### High manpower costs



#### Digitalise to achieve business efficiency



## Next Gen leaders address supply chain concerns through strategic planning and alternative sourcing

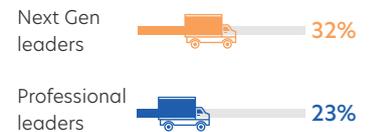
### Affected by geopolitical impact on supply chains



### Adopt better inventory management practices



### Source alternative raw materials to diversify risk



## They leverage sustainability to support communities, optimise resources, and access sustainable finance

### Sustainability practices



## Next Gen leaders are at the forefront of tech adoption

### Digital adoption

#### Artificial Intelligence



#### Automation



#### Machine Learning



#### Augmented reality



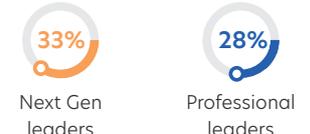
## They pursue customer-centricity through automation and digitalisation

### Areas of deployment

#### Automation for customer service



#### Digitalisation of procurement



#### Automation for payroll



#### Digitalisation of Partner Relationship Management

