

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 ASEAN and Greater China. Conducted in January 2025, this annual survey encompasses SMEs 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 the region. 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 the region's dynamic economy.



 Singapore

 Malaysia

 Indonesia

 Thailand

 China

 Hong Kong

 Vietnam

WHAT



Total of 4,197 interviews, 15-minute online survey, conducted in January 2025



Total of 792 interviews, 10-minute online survey, conducted in April 2025 after the US tariffs were announced

WHO



Businesses in seven markets across the ASEAN and Greater China regions



Covers Small, Medium and Large Enterprises across key industry verticals



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

COVERAGE

Markets - Sample



INDUSTRIES



491
Consumer Goods



450
Tech, Media & Telecom



441
Manufacturing & Engineering



436
Construction & Infrastructure



382
Business Services



374
Real Estate & Hospitality



358
Healthcare & Medical Services



336
Wholesale Trade



334
Professional Services



326
Community & Personal Services



269
Industrials, Oil & Gas

Business sentiment has declined sharply in the region after the recent US tariffs



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



Positive in 2023



Positive in 2024



Positive in 2025 after US tariffs

Business outlook has dropped sharply in the region after the recent US tariffs



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



2024

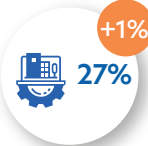


2025



2025 after US tariffs

Businesses are prioritising growth and efficiency over cost reduction in the next 1-3 years



Digitalise to achieve business efficiencies



Develop new sources of revenue



Reduce costs



Find new customer base



Find new business partnerships for collaboration

2024 Change vs. 2023

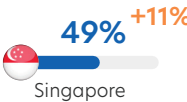
Sustainability adoption has improved in 2024, with the pace of adoption expected to increase after US tariffs



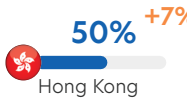
Over 1 in 2 businesses in the region have started implementing sustainability practices



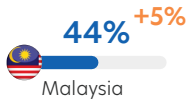
Markets with the most improvement in adoption since 2023



Singapore



Hong Kong



Malaysia

Change vs. 2023



56% of businesses in the region expect an increase in the pace of sustainability adoption after the recent US tariffs

Improved reputation, investment opportunities, and collaborations with MNCs serve as compelling reasons to embrace sustainability



Improved reputation or better branding of the company



Helps to attract investors



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



Builds an environmentally and socially sustainable future for the market



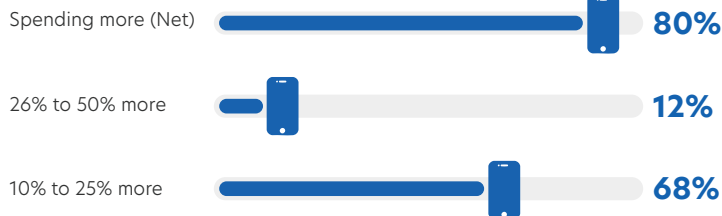
Gives a competitive edge

Businesses plan to spend more on digitalisation in 2025 and the pace of digitalisation is expected to increase after US tariffs



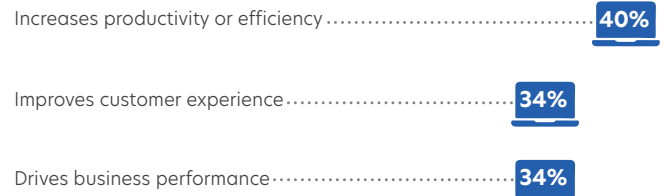
7 in 10 businesses expect to spend 10% to 25% more on digitalisation in 2025

Digital spending in 2025 vs. 2024



60% of businesses in the region expect an increase in the pace of digital adoption after the recent US tariffs

Impact of digitalisation



FinTech adoption is rising across the region driven by demand for finance, accounting, and investment solutions



9 in 10 businesses have adopted or planned to adopt FinTech

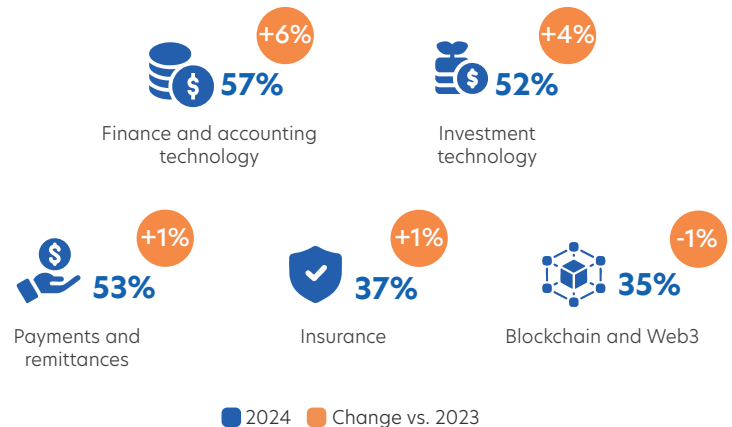
Adopted/Plan to adopt FinTech in 2023



Adopted/Plan to adopt FinTech in 2024



Top FinTech solutions adopted/planned



Markets with the most FinTech adoption



Sectors with the most FinTech adoption



Markets with the most adoption for finance and accounting



Sectors with the most adoption for finance and accounting



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



Over 1 in 2 businesses say their supply chains have been affected by geopolitical tensions

Affected in 2023



Affected in 2024



Most impacted markets



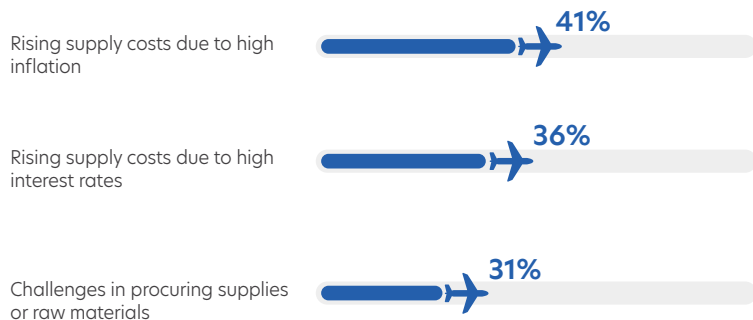
Most impacted sectors



40% of businesses in the region expect supply chain disruptions to increase a lot after the recent US tariffs

Besides cost and procurement challenges, supply chains are increasingly disrupted by limited networks and poor inventory management

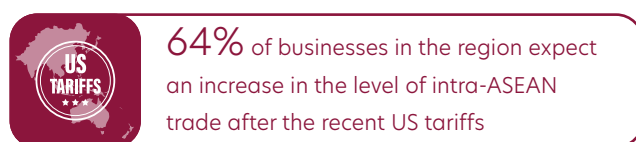
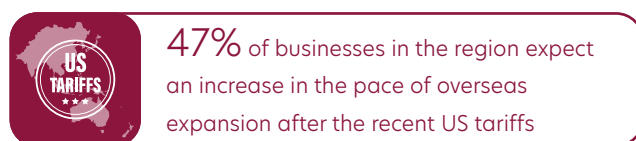
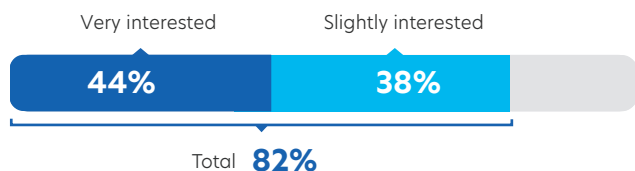
Top 3 challenges in supply chain management



Emerging supply chain challenges in 2024

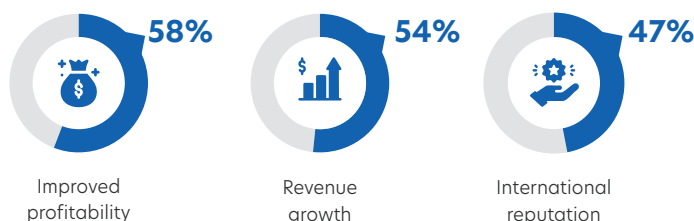


The pace of overseas expansion and the level of intra-ASEAN trade are set to increase after US tariffs

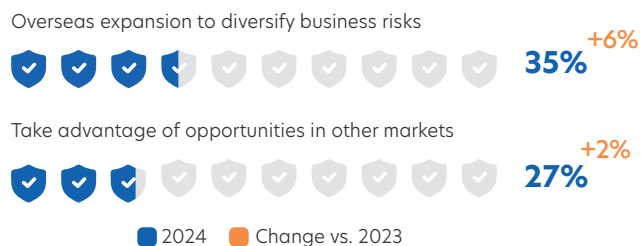


Profitability, revenue growth, and reputation are key drivers for overseas expansion

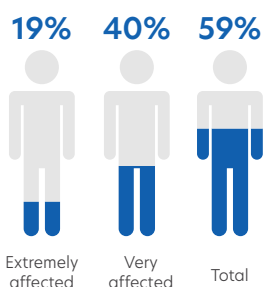
Top 3 motivators for expansion



Increasingly, businesses are pursuing expansion to diversify risk and capitalise on opportunities in other markets



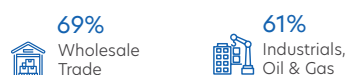
Businesses in Indonesia and Hong Kong are more affected by manpower issues than businesses in other markets



Most affected markets



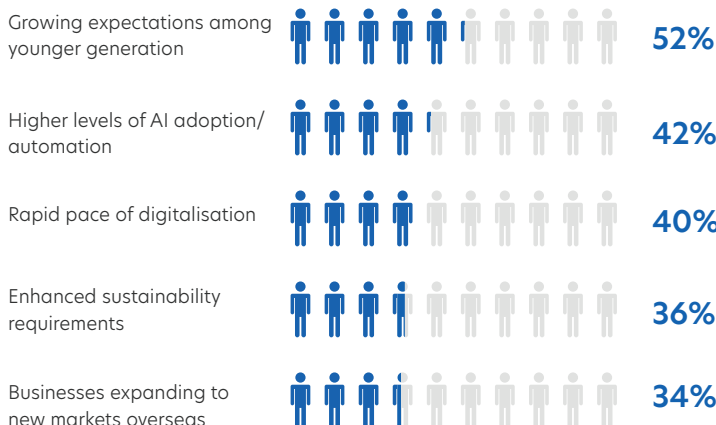
Most affected sectors



Rising expectations among the younger generation add to workforce challenges among businesses

Top external challenges in workforce management

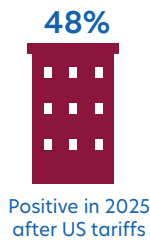
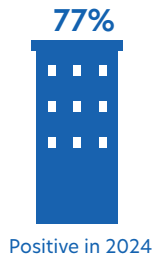
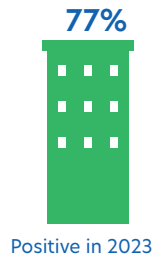
Total in 2024



Business sentiment has declined sharply in the region after the recent US tariffs



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



Markets affected by US tariffs



Thailand
Least affected



Indonesia
Most affected

Sectors affected by US tariffs



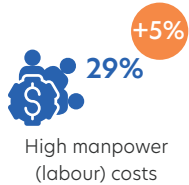
Community & Personal Services
Least affected



Manufacturing & Engineering
Most affected

Businesses face growing challenges from rising costs and geopolitical tensions

Increasing challenges



Declining challenges



■ 2024 ■ Change vs. 2023



1 in 2 businesses expect raw material and production costs to increase a lot after the recent US tariffs



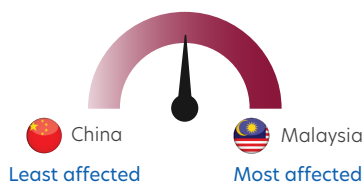
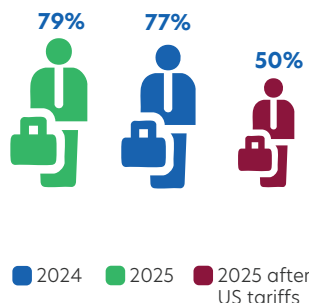
1 in 2 businesses expect the level of inflation to increase a lot after the recent US tariffs

Business outlook has dropped sharply in the region after the recent US tariffs

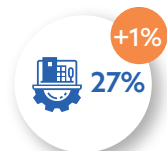


However, **1 in 2** businesses say the business outlook is positive after the recent US tariffs

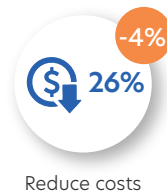
Markets affected by US tariffs



Businesses plan to prioritise growth and efficiency over cost reduction



■ 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



56%

Subsidies or tax exemption for certain sectors most hit by tariffs



54%

Financial aid to tackle loss or revenue/rising cost of doing business



54%

Financial products support/assistance



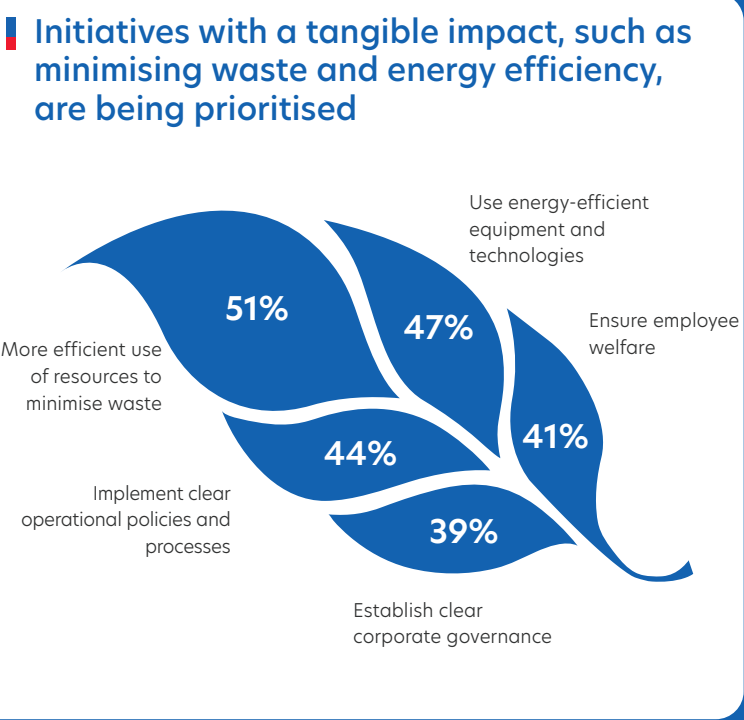
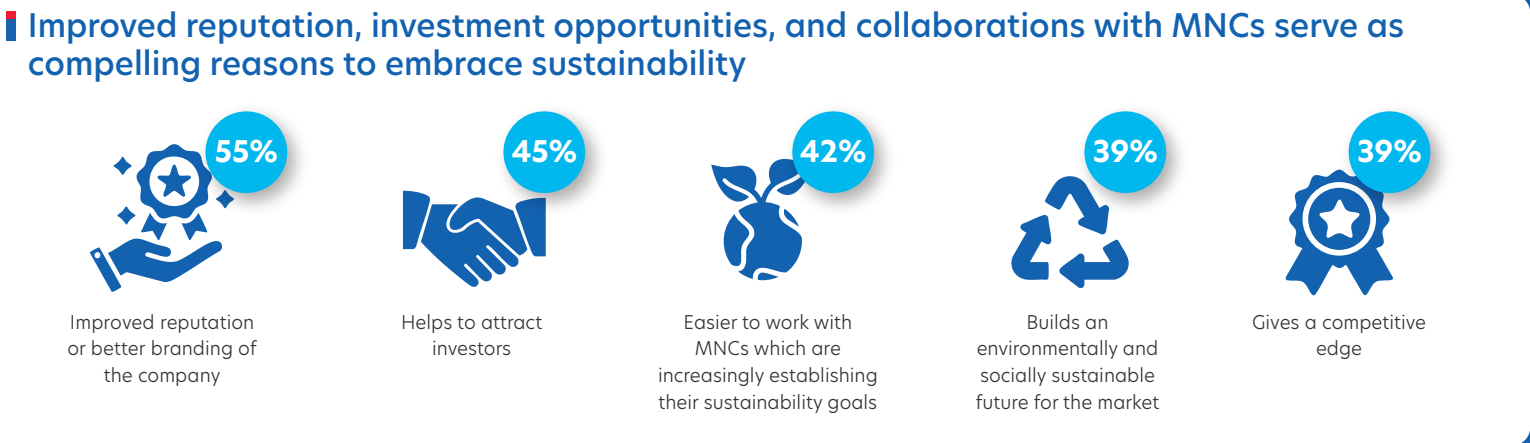
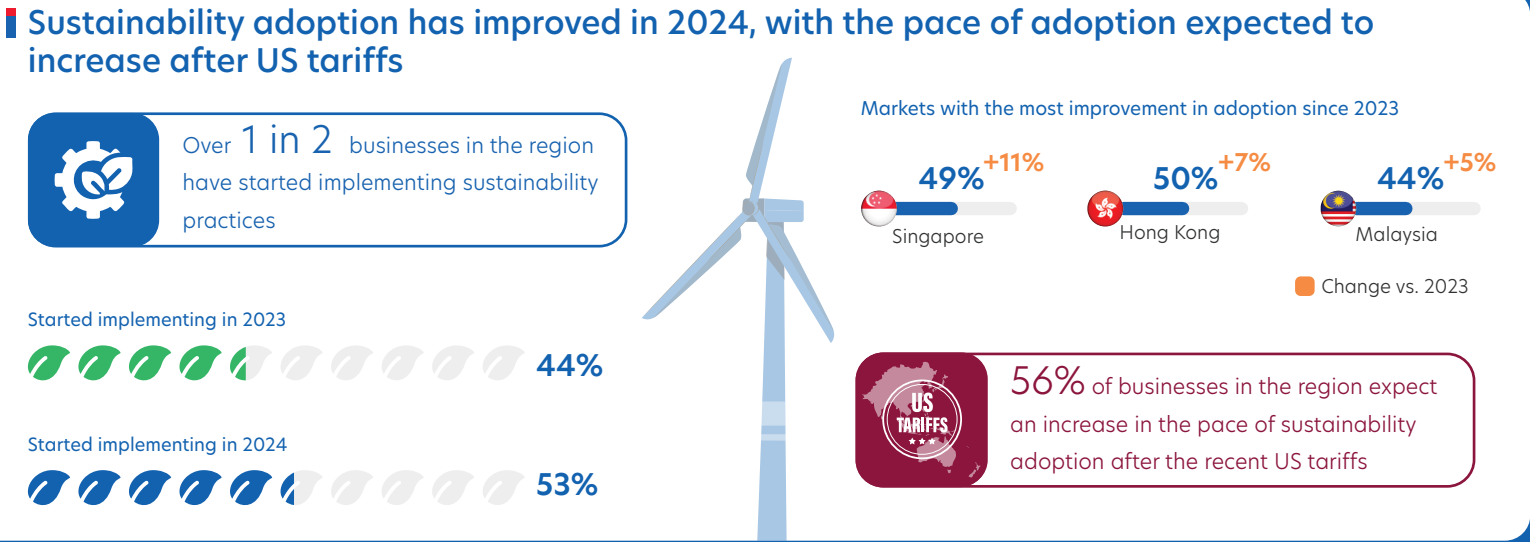
46%

Bilateral trade agreements with key markets



45%

Longer-term assistance for relocation of supply chains



Digitalisation is well adopted across the region, with adoption expected to accelerate due to US tariffs



Nearly 9 in 10 businesses in the region have digitalised at least one department



60% of businesses in the region expect an increase in the pace of digital adoption after the recent US tariffs

Digitalised in 2023



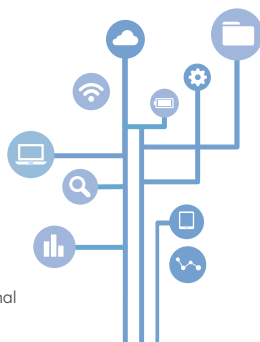
Digitalised in 2024



Most digitalised markets



Most digitalised sectors



62%



Success in 2023

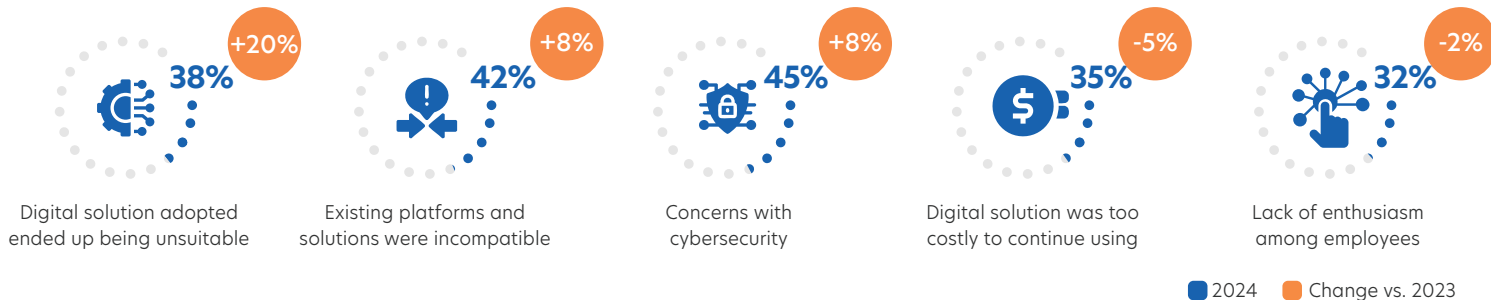
61%



Success in 2024

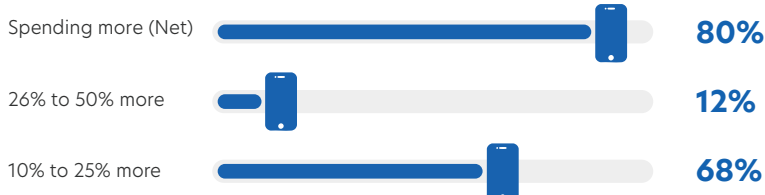
To accelerate digitalisation, businesses need help to choose the right solutions and reassurance on cybersecurity concerns

Factors behind lack of success



Businesses expect to spend more on digitalisation in 2025, with most having increased their budgets by 10% to 25% over 2024

Digital spending in 2025 vs. 2024



Markets with the most increase in digital spending (10% or more vs. 2024)

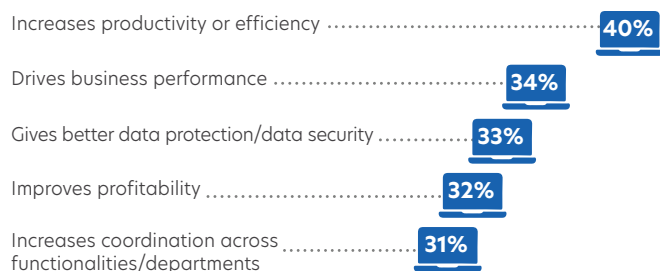


Sectors with the most increase in digital spending (10% or more vs. 2024)



Digitalisation plays a key role in helping businesses drive internal performance as well as supporting external business growth

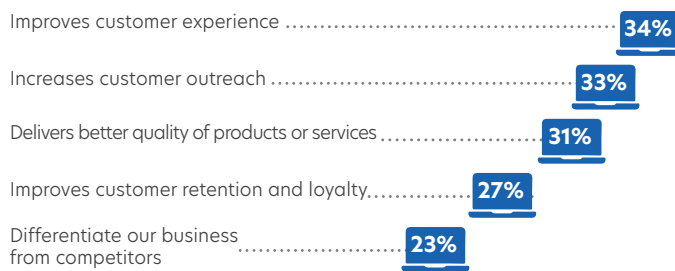
Internal impact of digitalisation



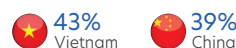
Markets that benefitted most from increased productivity or efficiency



External impact of digitalisation



Markets that benefitted most from improved customer experience



FinTech adoption is rising across the region driven by demand for finance, accounting, and investment solutions



9 in 10 businesses have adopted or planned to adopt FinTech

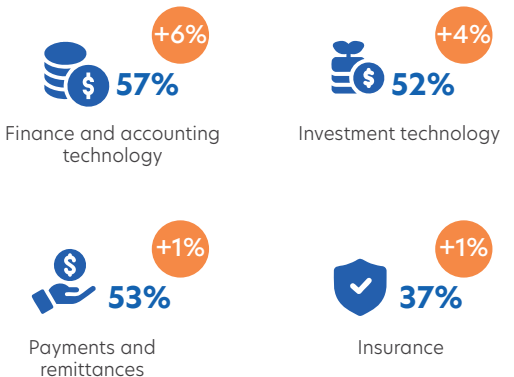
Adopted/Plan to adopt FinTech in 2023



Adopted/Plan to adopt FinTech in 2024



Top FinTech solutions adopted/planned



■ 2024 ■ Change vs. 2023

Markets with the most FinTech adoption



Sectors with the most FinTech adoption



Markets with the most adoption for finance and accounting



Sectors with the most adoption for finance and accounting



More businesses are adopting digital payments for scalability and accuracy



■ 2024 ■ Change vs. 2023

Scalability and accuracy of digital payments are more important to Medium and Large Enterprises

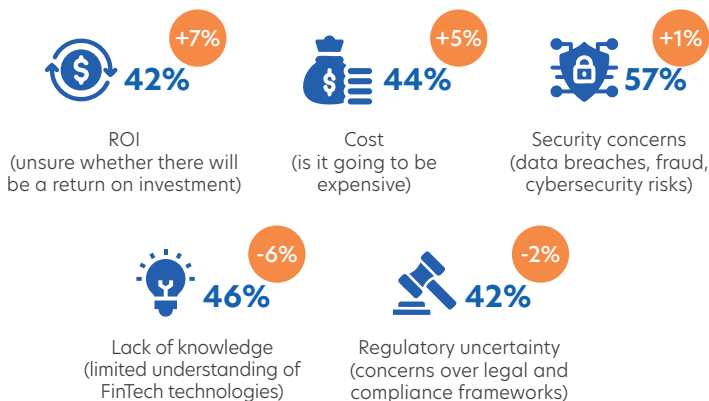
Differences by size (motivated by scalability)



Differences by size (motivated by accuracy)



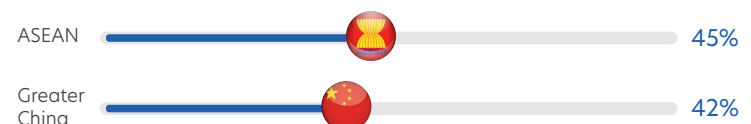
Businesses are increasingly worried about the return on investment and cost of FinTech solutions



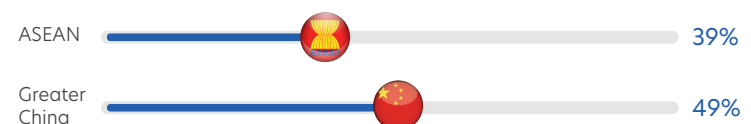
■ 2024 ■ Change vs. 2023

Businesses in Greater China region worry more about investment returns than those in ASEAN

Cost concerns



ROI concerns



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



Most impacted markets



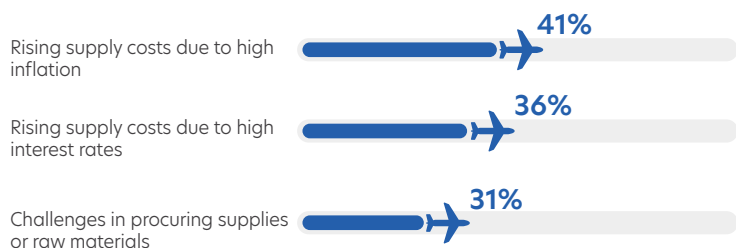
40% of businesses in the region expect supply chain disruptions to increase a lot after the recent US tariffs

Markets most affected by US tariffs



Besides cost and procurement challenges, supply chains are increasingly disrupted by limited networks and poor inventory management

Top 3 challenges in supply chain management



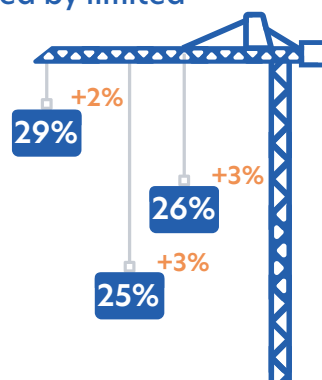
Emerging supply chain challenges in 2024

Disruptions to existing supply chains caused by geopolitical factors

Limited business networks to tap into for collaborations and supply chain solutions

Inventory management issues

■ 2024 ■ Change vs. 2023



Businesses are diversifying suppliers and digitalising their supply chains to achieve more stability

Top actions to stabilise supply chains



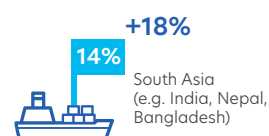
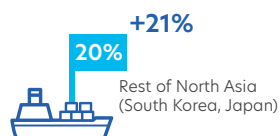
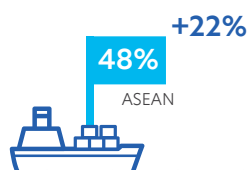
Markets diversifying their supply chains the most



Sectors diversifying their supply chains the most



With diversification, future sourcing will expand into ASEAN, the rest of North Asia, and South Asia



■ Current source markets ■ Future source markets

Businesses seek support through collaborations and industry connections to stabilise their supply chains

Preferred support for supply chain stability



Opportunities to collaborate with industry bodies, government-linked companies or large businesses

Connections to the right technology and solution providers

Tax incentives or rebates

Easier access to funding or grants

Connections to industry peers and ecosystem partners to learn best practices

Markets looking to collaborate the most



Sectors looking to collaborate the most



The pace of overseas expansion and the level of intra-ASEAN trade are set to increase after US tariffs



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



47% of businesses in the region expect an increase in the pace of overseas expansion after the recent US tariffs



Very interested



Slightly interested

Total 82%



64% of businesses in the region expect an increase in the level of intra-ASEAN trade after the recent US tariffs

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

Top 3 motivators for expansion



Improved profitability



Revenue growth



International reputation

Increasingly, businesses are pursuing expansion to diversify risk and capitalise on opportunities in other markets

Overseas expansion to diversify business risks

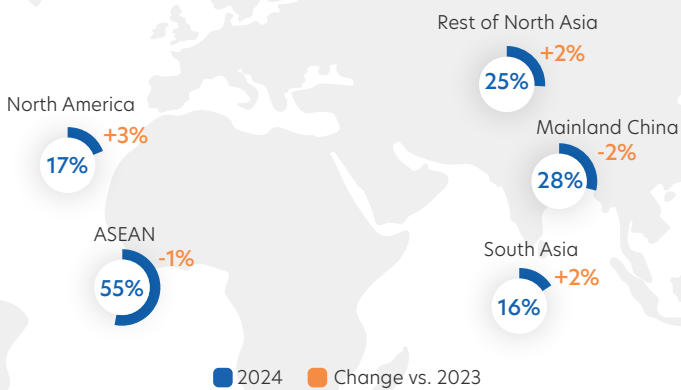


Take advantage of opportunities in other markets

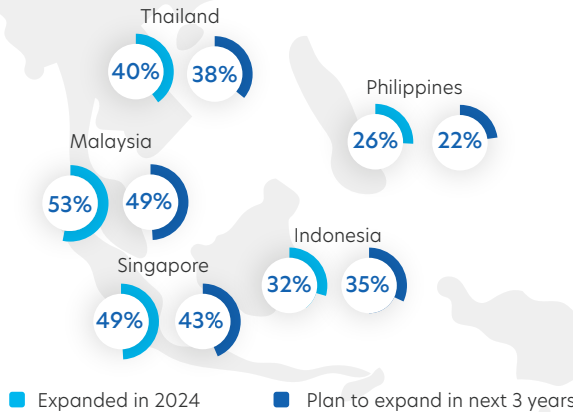


2024 Change vs. 2023

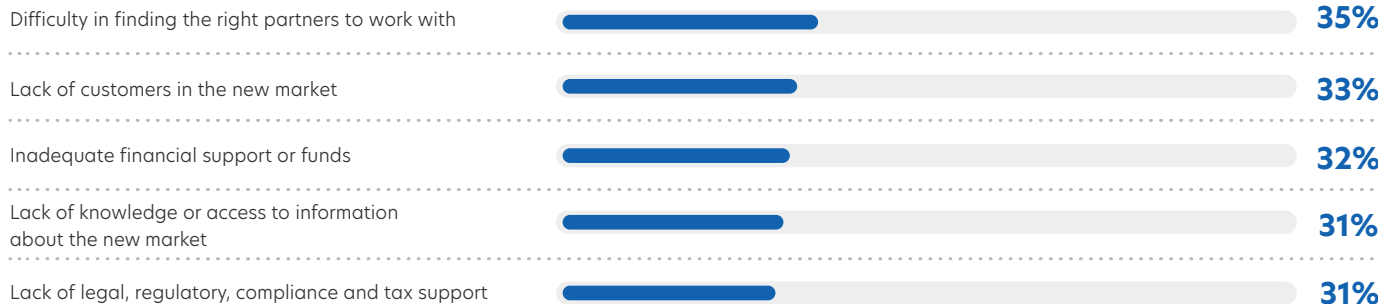
ASEAN and Mainland China remain top expansion destinations, with increasing interest in North America



Malaysia, Singapore, and Thailand are priority markets for expansion within the ASEAN region



Weak local partnerships, a small customer base, and insufficient financial backing hinder overseas expansion



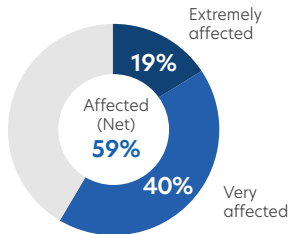
Businesses are experiencing manpower challenges, which are expected to escalate after US tariffs



Close to **6 in 10** businesses are affected by workforce or manpower-related issues



37% of businesses in the region expect workforce challenges to increase a lot after the recent US tariffs driven by inflation and higher cost to business



Most affected markets



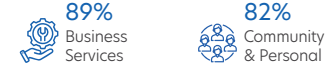
Most affected sectors



Markets most affected by US tariffs

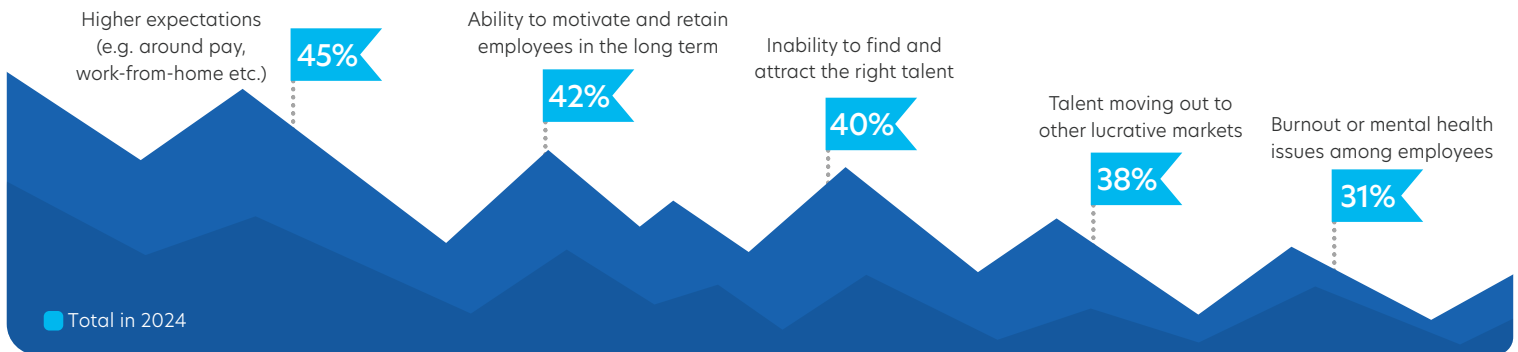


Sectors most affected by US tariffs



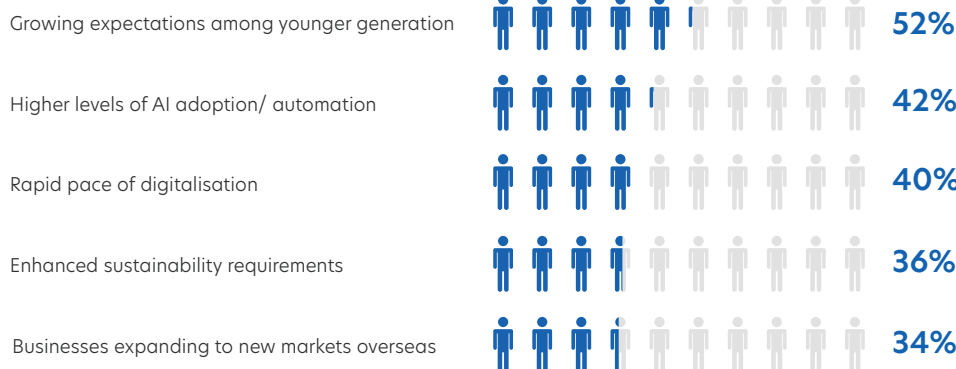
Higher expectations from employees, along with the ability to retain and attract the right talent, are key workforce challenges

Top internal challenges in workforce management



Rising expectations among the younger generation add to workforce challenges among businesses

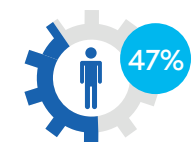
Top external challenges in workforce management



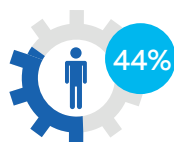
Fresh graduates like to be rotated across departments and locations as they are hungry for exposure. This, however, puts a huge pressure on the team leaders that are managing them. They seek perks beyond remuneration.

- CEO, Tech sector, Hong Kong

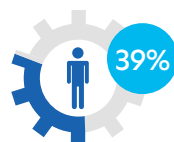
To tackle workforce challenges, businesses focus on higher pay, employee training, and digital transformation



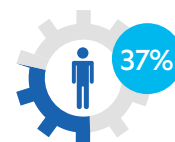
Offering higher pay and benefits



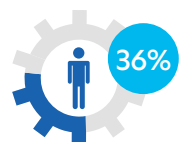
Providing reskilling/upskilling



Initiating digital transformation/automation

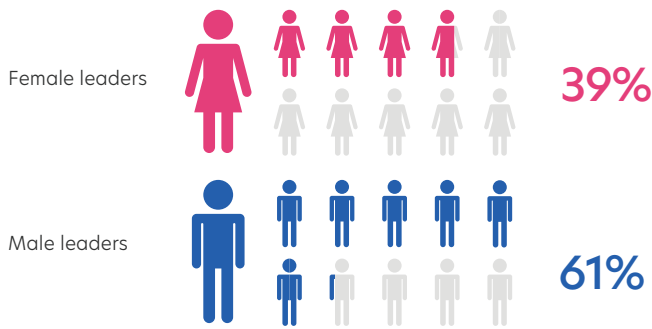


Offering flexi-work arrangements



Offering roles/job rotation opportunities across departments or markets

Close to 2 in 5 business leaders are women, with a stronger presence in customer-facing or service industries



Spread by sectors

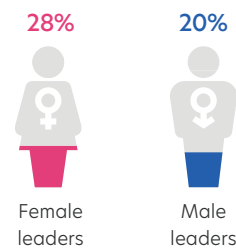


Spread by business size

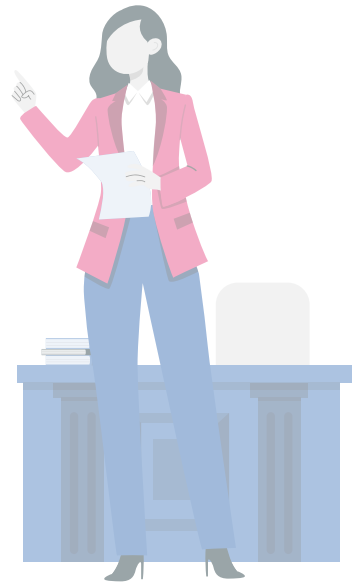
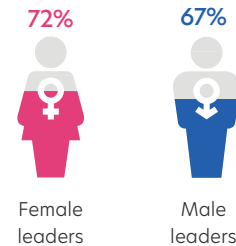


Women leaders outperformed men in revenue growth in 2024 and are set for business success in 2025

Improved revenue in 2024



Revenue growth in 2025



Women leaders excel in sustainability and workforce management but need support in acquiring customers and diversifying revenue

Women leaders are more prepared on

Employee health and well-being programmes



Reducing carbon emissions



Enabling flexible work arrangements

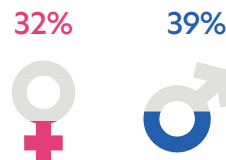


Reskilling or upskilling talent

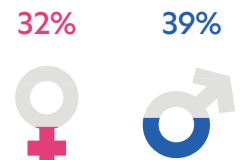


But less prepared on

Finding new customer base



Developing new sources of revenue



Female leaders Male leaders

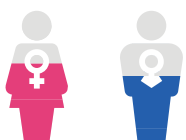
Women leaders are keen to develop a customer-centric business to meet changing customer expectations

Capabilities to be improved

User-friendly channels for customer interactions

67% Female leaders

59% Male leaders

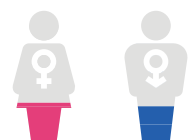


Female leaders Male leaders

Hyper-personalised services/offers to customers

34% Female leaders

28% Male leaders



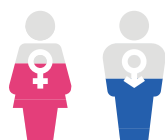
Female leaders Male leaders

Women leaders are more interested in overseas expansion and see cross-border digital trade platforms as enablers of expansion

Expanded overseas in 2024

67% Female leaders

56% Male leaders

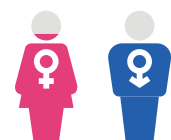


Female leaders Male leaders

Interested in future expansion

86% Female leaders

82% Male leaders

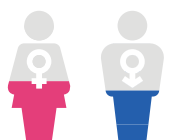


Female leaders Male leaders

Very Interested in cross-border trade platforms

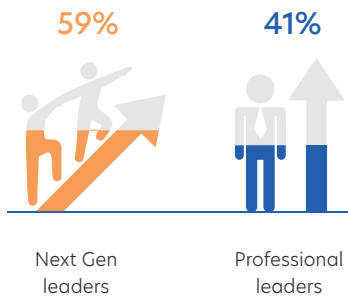
55% Female leaders

47% Male leaders

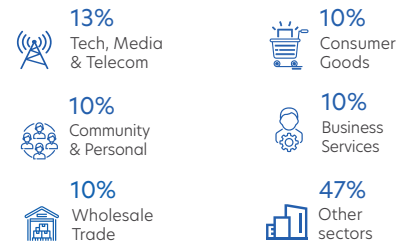


Female leaders Male leaders

More than half of the business leaders are Next Gen leaders, with the majority in SMEs and in the Tech, Media & Telecom sector



Spread by sectors

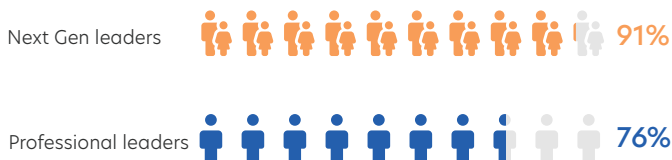


Spread by business size



Next Gen leaders are more optimistic, driven by higher revenues in 2024 and higher expectations in 2025

Improved revenue in 2024



I think we will keep on growing the Indonesian economy very fast over the next two to three years. Chinese companies will start producing and establishing themselves in Indonesia as we have seen already. We also expect more focus on Indonesia from foreign investors, which will also contribute to further economic growth.

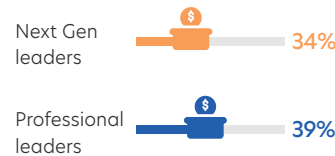
- Next Gen (CEO), Consumer Goods sector, Indonesia



Next Gen leaders prioritise strategic challenges over short-term concerns

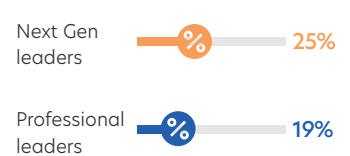
Short term concerns

Rising operations cost

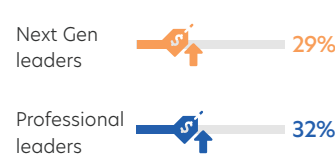


Strategic concerns

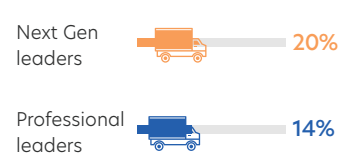
High interest rates



High inflation

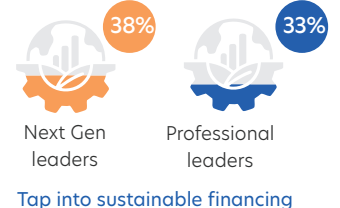


Global supply chain disruptions



Next Gen leaders prioritise procurement, employee wellness, and financing practices that drive clear sustainability goals

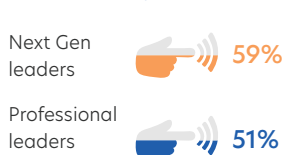
Sustainability practices



Next Gen leaders are at the forefront of tech adoption

Technologies used

Artificial Intelligence



Automation



Blockchain



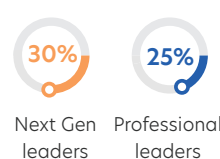
Augmented reality



They are dedicated to digitalisation across both internal and customer-facing processes

Areas of deployment

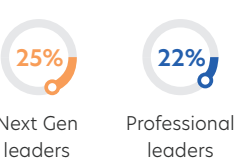
Logistics and supply chain management



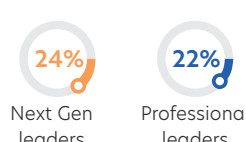
Partner Relationship Management



Front-end fulfilment



Customer service



Procurement

