

# UOB Business Outlook Study 2026

(SMEs & Large Enterprises)



H1 2026

 Hong Kong SAR



## Introduction

The UOB Business Outlook Study, now in its seventh year, provides a comprehensive view of the business landscape in Hong Kong SAR, covering both Medium and Large Enterprises.

From 2026 onwards, the survey is being conducted every six months to better capture rapid geopolitical and economic shifts and provide timely insights for decision-makers.

This H1 2026 report features core and pulse topics. Core topics include Business Sentiment, Sustainability, Digitalisation, Supply Chain Management, and Overseas Expansion, which are tracked over time to gauge evolving conditions and how businesses respond to them.


Pulse topics such as AI Adoption, Energy Management, and Supply Chain Resilience focus on emerging areas that are expected to grow in significance for businesses. They offer a forward-looking view, helping firms anticipate their needs and better equip themselves in the future.

By examining these areas, the study aims to equip businesses with the insights needed to navigate challenges and seize opportunities in the years ahead.

## What

 Total of 255 interviews, 15 mins online interviews conducted in January'2026


## Who

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

 Medium Enterprises, Large Enterprises

## Classification

 **Medium Enterprises**  
HKD 100m to < 4b

 **Large Enterprises**  
≥ HKD 4b

## Coverage

 Manufacturing, Engineering & Industrials

 Construction & Real Estate

 Professional & Business Services

 Consumer Goods & Wholesale Trade

 Health, Community & Personal Services

 Tech, Media & Telecom

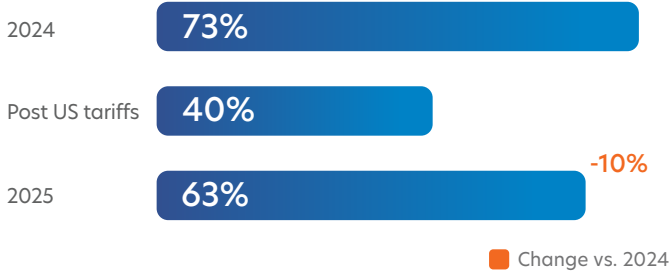


"In a more measured business environment, Hong Kong companies are placing greater emphasis on resilience, while continuing to pursue selective growth through diversification, digitalisation and sustainability. As they look to opportunities in Mainland China and ASEAN, Hong Kong's role as a strategic gateway connecting these markets remains critical. Leveraging our strong regional network and deep market expertise, we are well placed to support customers in navigating uncertainties and capturing cross-border opportunities with confidence."

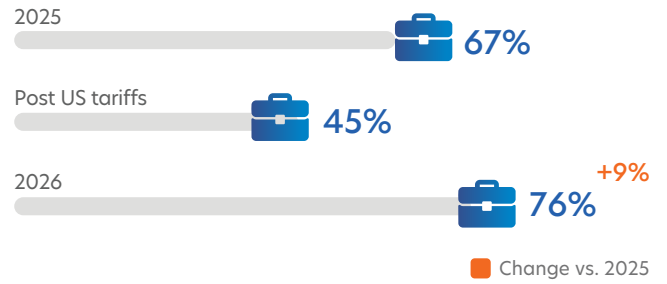
**George Tung**  
CEO, UOB Hong Kong

### Business sentiment is weaker, but a stronger outlook versus last year suggests growing optimism

#### Positive about current business environment



#### Positive about business outlook



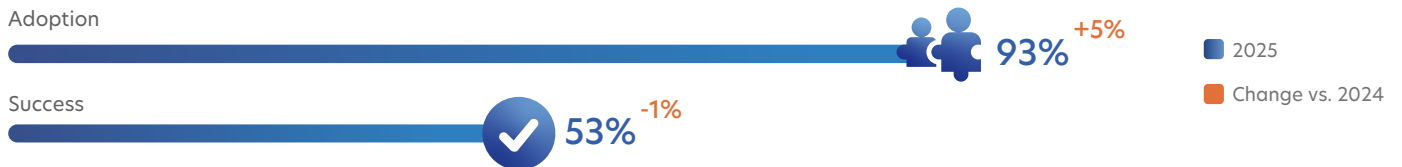
### Uncertainty is prompting businesses to prioritise customer base expansion to sustain growth

#### Top business priorities in next 1-3 years



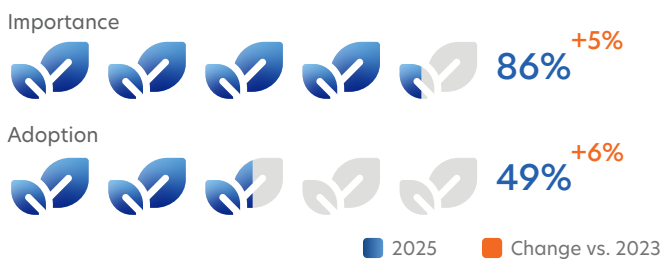
### Digital adoption has increased, but sustaining success is becoming harder as digitalisation matures

#### Digital adoption and success

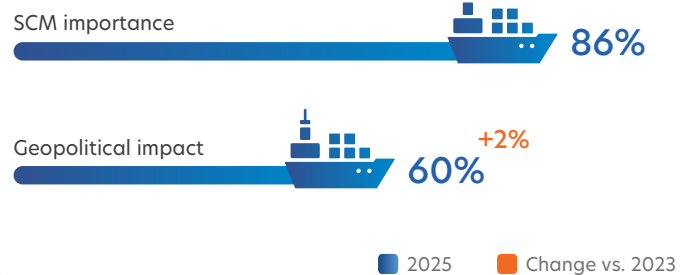


### Sustainability continues to be a key business priority, with adoption seen among 1 in 2 businesses

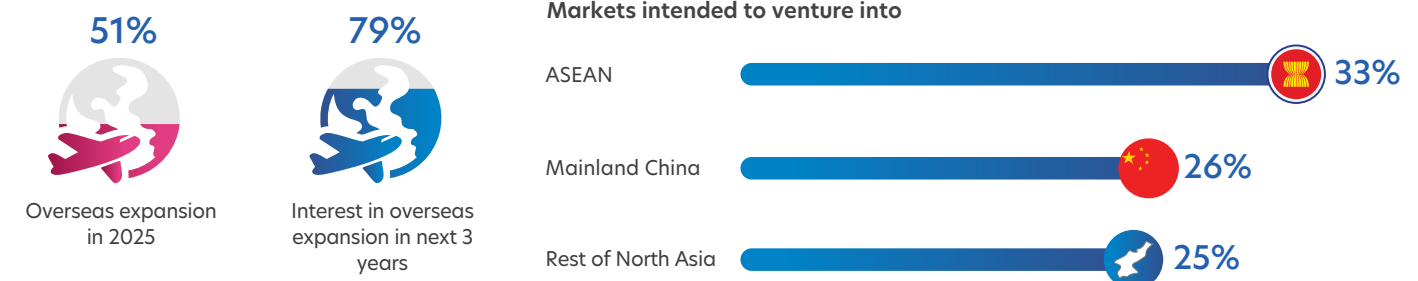
#### Sustainability implementation



### Supply chain management remains a strategic priority amid geopolitical disruptions

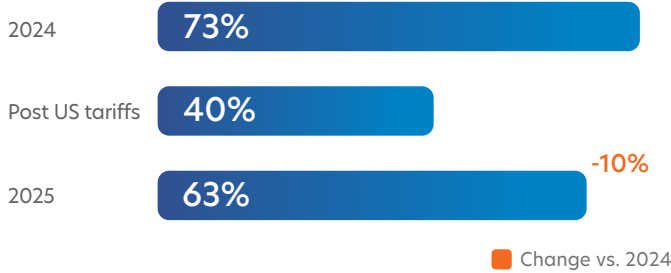


### Intent to expand overseas is stronger than the level of actual expansion seen in 2025

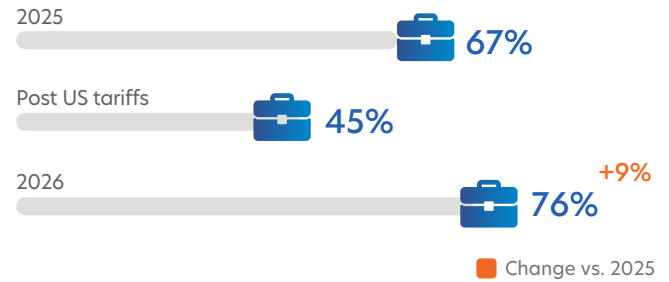


## Business sentiment is weaker, but a stronger outlook versus last year suggests growing optimism

### Positive about current business environment



### Positive about business outlook



## Businesses face economic uncertainty and slowing growth, though operational cost pressures have eased

### Macro factors impacting businesses in 2025



## Uncertainty is prompting businesses to prioritise customer base expansion to sustain growth

### Top business priorities in next 1-3 years



## Businesses need integrated support to manage talent, drive transformation, and optimise expenses

### Support sought for business success in 2026 and beyond



Businesses facing the greatest impact from increased OpEx require funding or grants for retention, while sectors affected by declining customer demand need support for business transformation

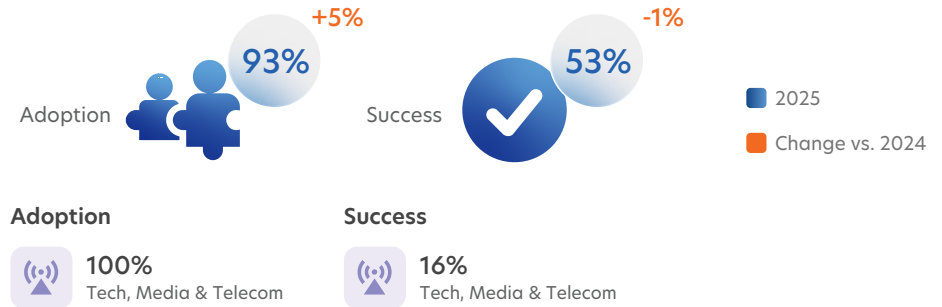


The Tech, Media & Telecom sector shows near universal intent and adoption, yet records the lowest success, likely due to cost pressures and multiple disruptions



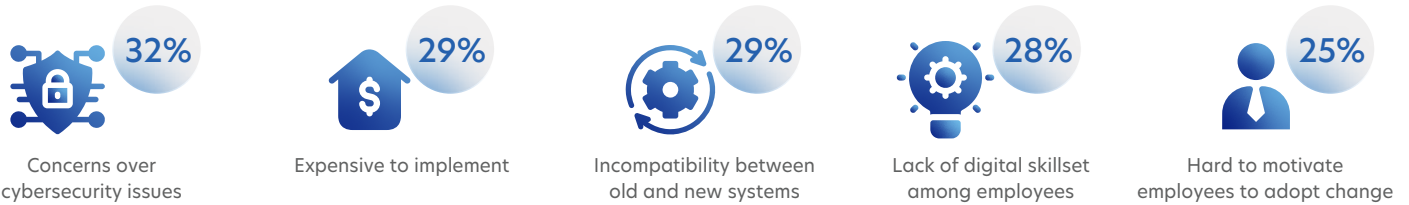
### Digital adoption has increased, but sustaining success is becoming harder as digitalisation matures

Digital adoption and success



### Cybersecurity risks, high implementation costs, and incompatible systems are limiting the success of digitalisation

Reasons for limited success of digital efforts



### Digitalisation has played a major role in enhancing productivity, improving customer experience, and decision making

Impact of digitalisation



### About 8 in 10 businesses plan to increase their digital spending in 2026

Future expenditure on digital solutions vs previous year

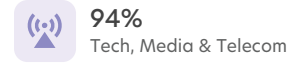


AI adoption is still in its early stages, driven primarily by Tech, Media & Telecom sector

AI adoption

Higher in

Total adoption



Early adoption



Advanced adoption



Total adoption

Advanced adoption is taking place among businesses with direct or hands-on leadership by top management

Top management involvement



Early AI adopters



Advanced AI adopters



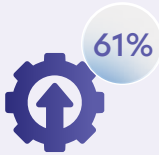
Total AI adopters



Top management is closely involved in AI implementation in 75% of Large Enterprises and 68% of businesses in the Construction & Real Estate sector

Businesses expect clear returns from AI adoption, driven by productivity gains, cost advantage, and customer engagement

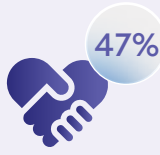
Expected ROI from AI deployment



Productivity gains



Cost reduction



Improved customer satisfaction and customer engagement



Revenue increase

Around 9 in 10 Tech, Media & Telecom businesses see productivity and cost optimisation as key focus areas for AI adoption

Confidence in positive outcomes is driving higher AI budgets in 2026

AI budget planned for 2026

Total increase



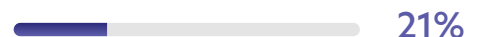
Increase by up to 25%



Increase by 26% to 50%



Increase more than 50%



Sustainability continues to be a key business priority, with adoption seen among 1 in 2 businesses

Sustainability implementation

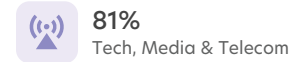
Importance



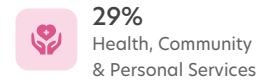
Adoption



Top adopter



Bottom adopter



■ 2025 ■ Change vs. 2023

Sustainability is no longer just about image, but also about competitive edge, investment appeal, and long-term value

Top reasons for sustainability importance



Gives a competitive edge



Improves reputation and branding of the company



Builds an environmentally and socially sustainable future



Helps to attract investors

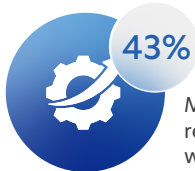


Helps my business fit better into the ecosystem

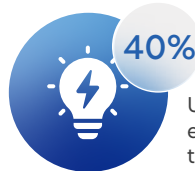
■ 2025 ■ Change vs. 2023

Energy efficiency practices are a key sustainability focus for 2 in 5 businesses

Sustainable practices incorporated



More efficient use of resources to minimise waste



Use energy efficient equipment and technologies



Tap into sustainable financing such as green loans

Limited financial and non-financial support is a key barrier to sustainability adoption

Top barriers



Inadequate financial support from government and banks for such initiatives

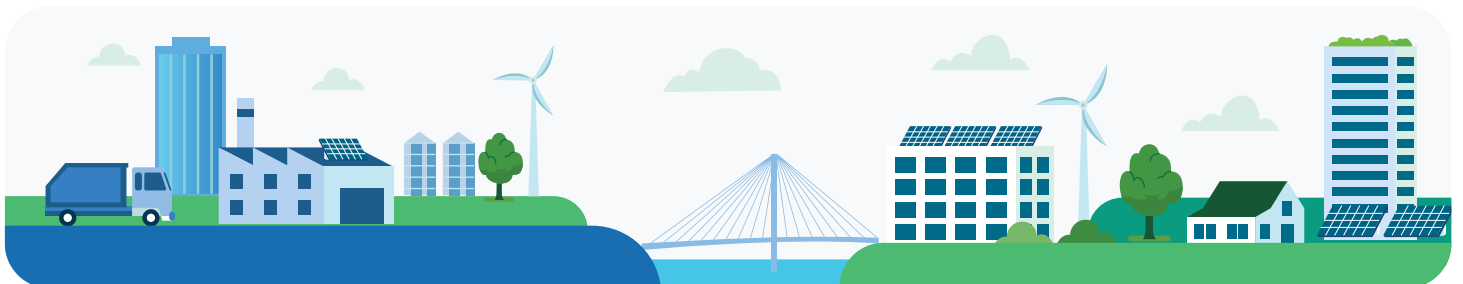


Inadequate non-financial support for such initiatives



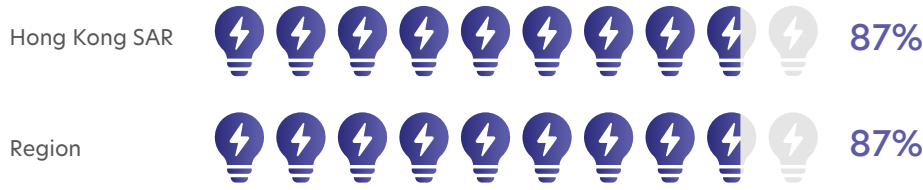
Increase in cost of products and services to end customers

Despite high intent, the Tech, Media & Telecom sector needs substantially more non-financial support (48%) for sustainability implementation, while Mfg, Engg., & Industrials are more sensitive to the associated financial implications (44%)



Energy management is important to around 9 in 10 businesses, in line with the regional average

Very or somewhat important

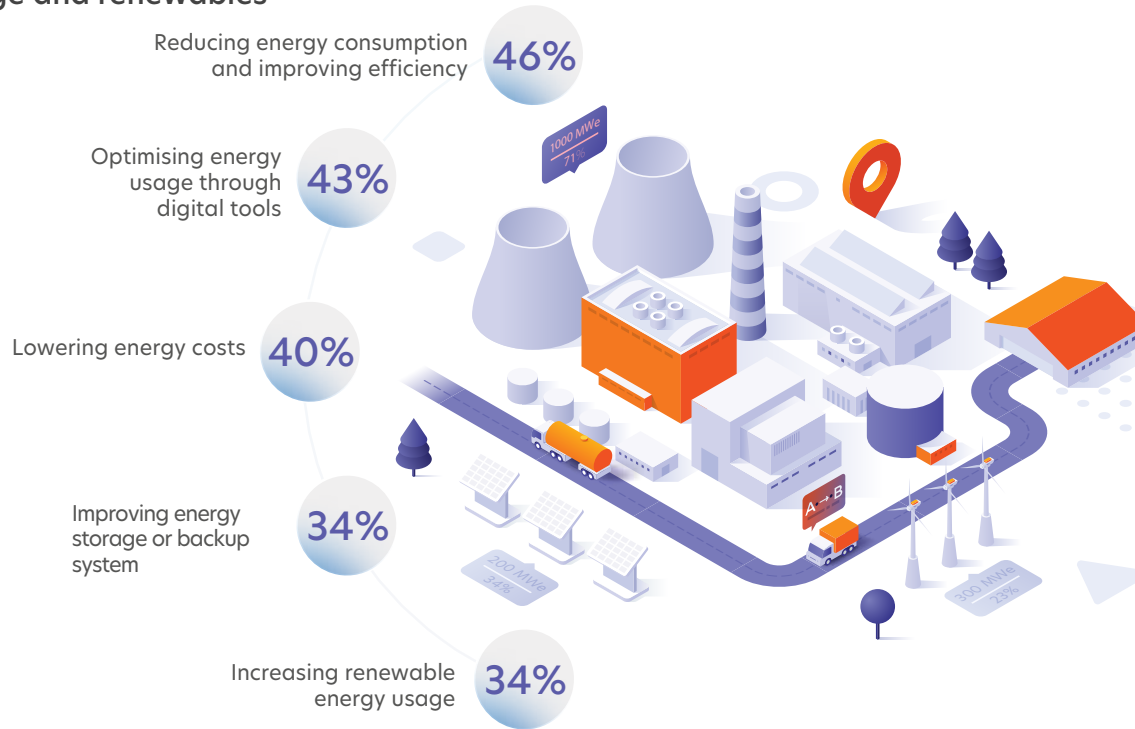


95% of businesses in the MFG, Engg., & Industrials sector prioritise energy management and efficiency

Energy efficiency and cost reduction are the top priorities, with one in three businesses also focusing on energy storage and renewables

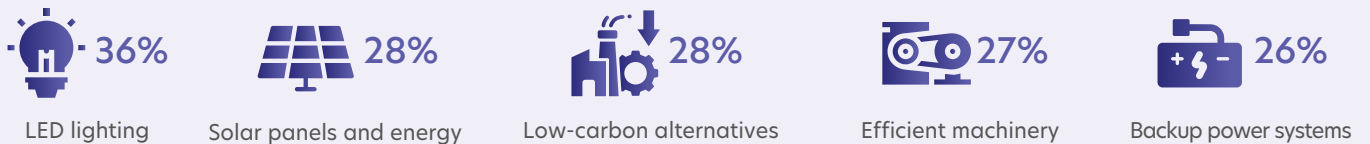
Top interest areas

Around half of businesses in the MFG, Engg., & Industrials sector are interested in lowering energy consumption and boosting efficiency



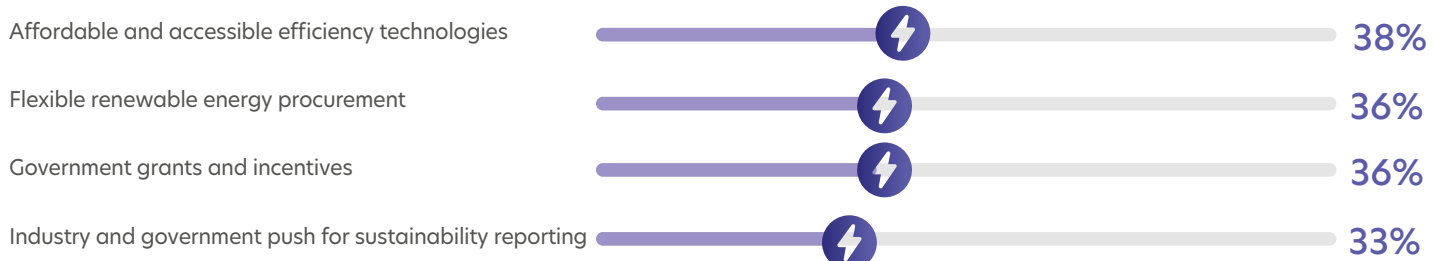
1 in 3 businesses have adopted LED lighting, driven by its tangible benefit of lowering energy consumption

Energy Management solutions adopted



Businesses need technology, procurement ease, and policy support to meet energy management goals

Top support areas



## Supply chain management remains a strategic priority amid ongoing geopolitical disruptions

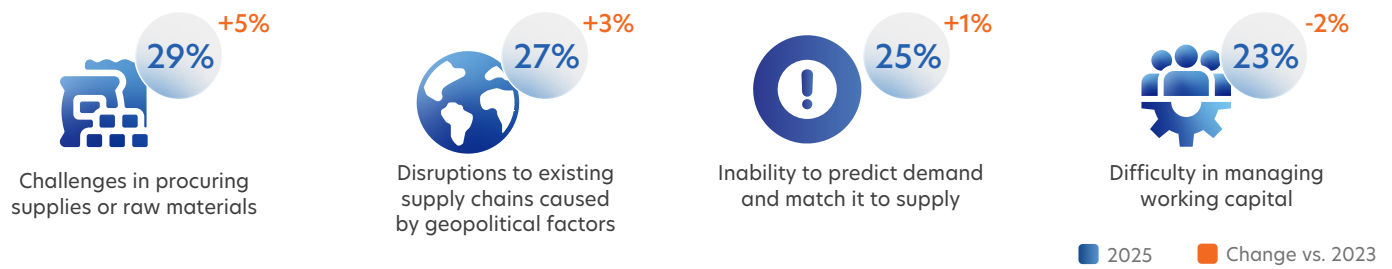


First-hand experience with supply chain disruptions has increased the importance of SCM, especially for businesses that rely on raw materials or expertise from other countries

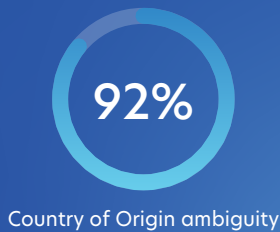


## Procurement, persistent supply chain disruptions, and demand supply mismatches are the top challenges

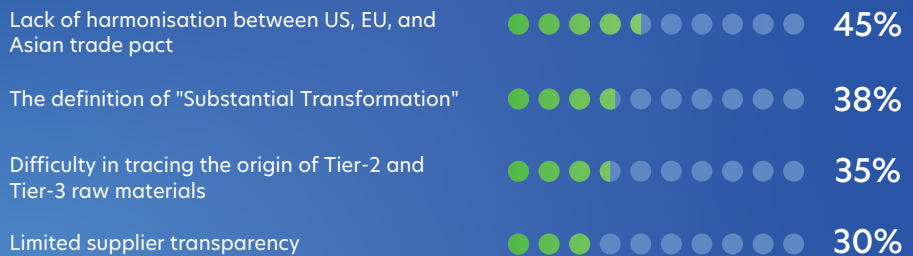
### Top challenges in supply chain management



## In addition, country of origin ambiguity remains high, driven by unclear rules, weak harmonisation, and limited raw material traceability

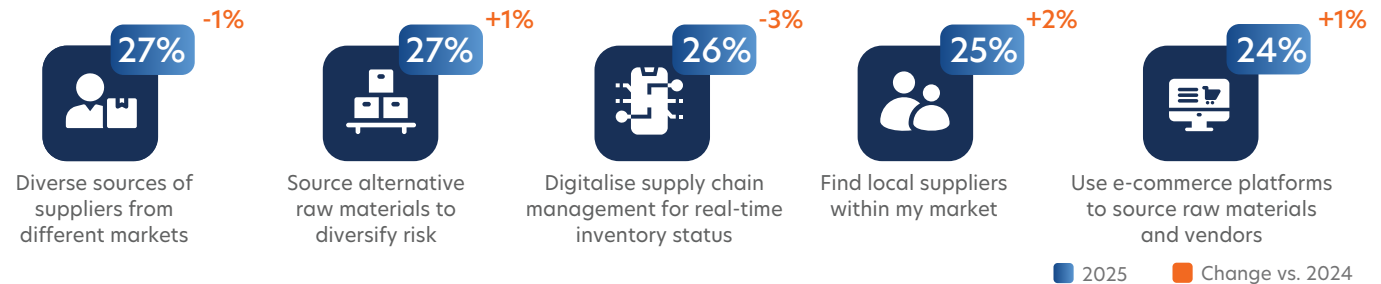


### Drivers of ambiguity



## Supplier diversification, raw material alternatives, and real-time inventory status are key to supply chain stability

### Steps to stabilise supply chain management



Supplier diversification is a stronger priority than manufacturing expansion for businesses in Hong Kong SAR

Supplier diversification plans



Manufacturing expansion



Primary goal of expansion



More within the ASEAN region



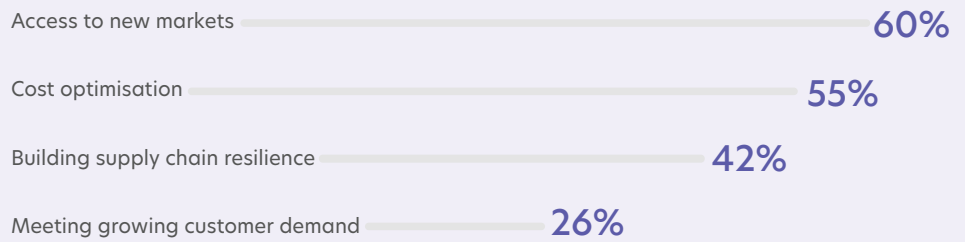
More within the country

Suppliers Manufacturing

Supply chain expansion is driven mainly by access to new markets and cost optimisation

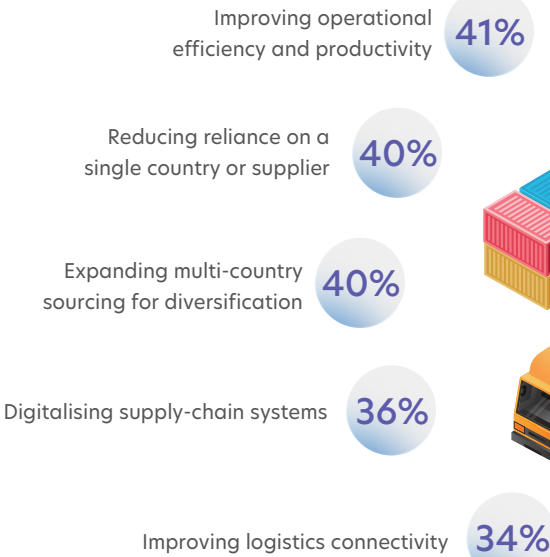
MFG, Engg., & Industrials, Construction & Real Estate, and Consumer Goods & Wholesale Trade show stronger intent to expand into new markets through supply chain expansion, with supply chain resilience as a key driver

Reasons for supply chain expansion



Operational efficiency and supplier diversification are key resilience strategies for 2 in 5 businesses

Top supply chain resilience strategies



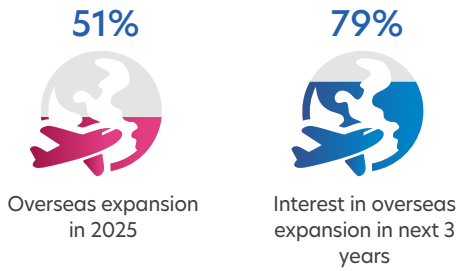
Around 1 in 2 businesses consider digital innovation critical to supply chain resilience

Digital innovation in supply chain resilience



More than half of businesses in the Construction and Tech sectors see digital innovation as critical to building supply chain resilience

## Intent to expand overseas is stronger than the level of actual expansion seen in 2025



### Markets intended to venture into



## Businesses are increasingly expanding overseas to access new opportunities and mitigate risk through diversification

### Top drivers for overseas expansion



■ 2025 ■ Change vs. 2022

## About 2 in 3 businesses plan to invest overseas, primarily in ASEAN and Mainland China

### FDI plans



### Markets



## Supply chain de-risking and reducing operating costs are key drivers for FDI

### Reasons for FDI



Trade access

