About the survey

• This is CPA Australia’s 13th annual survey of small business issues and sentiment across 11 Asia-Pacific markets. From the commencement of the survey in 2009, we have surveyed over 35,000 small businesses across the region.

• The survey was conducted from 22 November to 17 December 2021 among a random sample of small business owners/managers from organisations with fewer than 20 employees.

• The findings for the survey come from 4,252 small businesses in 11 markets across Australia, Mainland China, Hong Kong, India, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Vietnam.

• There were 301 from Indonesia, 304 from Malaysia, 302 from the Philippines, 305 from Singapore, and 309 from Vietnam.
Small business performance in 2021
The past two years have been difficult for many of the region’s small businesses. No market has been immune from the negative economic impacts of COVID-19.
Small business performance in 2021 by market

Grew

- Survey average: 47%
- Australia: 32%
- Mainland China: 49%
- Hong Kong: 36%
- India: 62%
- Indonesia: 70%
- Malaysia: 38%
- New Zealand: 33%
- Philippines: 65%
- Singapore: 36%
- Taiwan: 50%
- Vietnam: 45%

Unchanged

- Survey average: 24%
- Australia: 32%
- Mainland China: 45%
- Hong Kong: 24%
- India: 4%
- Indonesia: 9%
- Malaysia: 20%
- New Zealand: 25%
- Philippines: 11%
- Singapore: 24%
- Taiwan: 19%
- Vietnam: 27%

Shrank

- Survey average: 28%
- Australia: 35%
- Mainland China: 4%
- Hong Kong: 38%
- India: 34%
- Indonesia: 21%
- Malaysia: 41%
- New Zealand: 42%
- Philippines: 23%
- Singapore: 40%
- Taiwan: 30%
- Vietnam: 28%

*Note: Excludes “Don’t know” responses*

Asia Pacific Small Business Survey 2021-22
Reflecting a weaker than expected 2021, most markets did not meet their expectations for adding to their headcount.
## Top-three positive influences on business in 2021 – by market

<table>
<thead>
<tr>
<th>Country</th>
<th>First</th>
<th>Second</th>
<th>Third</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Customer loyalty (37.8%)</td>
<td>COVID-19 (20.2%)</td>
<td>Good staff (21.2%)</td>
</tr>
<tr>
<td>Mainland China</td>
<td>Entering new markets (22.2%)</td>
<td>Improved customer satisfaction (22.2%)</td>
<td>Improved business management (20.5%)</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Cost control (36.1%)</td>
<td>Customer loyalty (32.9%)</td>
<td>Good staff (21.6%)</td>
</tr>
<tr>
<td>India</td>
<td>Improved customer satisfaction (38.7%)</td>
<td>COVID-19 (35.6%)</td>
<td>Cost control (34.7%)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Customer loyalty (37.2%)</td>
<td>Improved customer satisfaction (36.9%)</td>
<td>Improved business strategy (36.5%)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Customer loyalty (38.2%)</td>
<td>E-commerce (31.9%)</td>
<td>COVID-19 (28.3%)</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Customer loyalty (38.7%)</td>
<td>Good staff (22.9%)</td>
<td>COVID-19 (17.1%)</td>
</tr>
<tr>
<td>Philippines</td>
<td>Customer loyalty (37.4%)</td>
<td>Improved customer satisfaction (30.5%)</td>
<td>Good staff (30.1%)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Government support/incentives (25.6%)</td>
<td>Customer loyalty (25.2%)</td>
<td>Cost control (23.3%)</td>
</tr>
<tr>
<td>Taiwan</td>
<td>COVID-19 (38.4%)</td>
<td>Customer loyalty (24.8%)</td>
<td>Cost control (21.9%)</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Technology (46.0%)</td>
<td>Government support/incentives (34.0%)</td>
<td>E-commerce (32.7%)</td>
</tr>
</tbody>
</table>
### Top-three negative influences on business in 2021 – by market

<table>
<thead>
<tr>
<th>Country</th>
<th>First</th>
<th>Second</th>
<th>Third</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>COVID-19 (58.4%)</td>
<td>Increasing costs (24.9%)</td>
<td>Poor overall economic environment (22.5%)</td>
</tr>
<tr>
<td>Mainland China</td>
<td>Increasing costs (24.3%)</td>
<td>COVID-19 (19.6%)</td>
<td>Difficulty expanding into new markets (18.9%)</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>COVID-19 (50.6%)</td>
<td>Increasing costs (31.0%)</td>
<td>Poor overall economic environment (30.3%)</td>
</tr>
<tr>
<td>India</td>
<td>COVID-19 (44.6%)</td>
<td>Increasing costs (39.4%)</td>
<td>Increasing competition (36.4%)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>COVID-19 (72.4%)</td>
<td>Increasing competition (32.2%)</td>
<td>Increasing costs (24.9%)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>COVID-19 (65.1%)</td>
<td>Poor overall economic environment (34.2%)</td>
<td>Increasing costs (33.2%)</td>
</tr>
<tr>
<td>New Zealand</td>
<td>COVID-19 (53.5%)</td>
<td>Increasing costs (28.7%)</td>
<td>Government regulation (21.3%)</td>
</tr>
<tr>
<td>Philippines</td>
<td>COVID-19 (56.0%)</td>
<td>Increasing costs (30.5%)</td>
<td>Increasing competition (28.5%)</td>
</tr>
<tr>
<td>Singapore</td>
<td>COVID-19 (58.4%)</td>
<td>Increasing costs (28.5%)</td>
<td>Poor overall economic environment (23.0%)</td>
</tr>
<tr>
<td>Taiwan</td>
<td>COVID-19 (51.6%)</td>
<td>Poor overall economic environment (31.3%)</td>
<td>Increasing costs (27.1%)</td>
</tr>
<tr>
<td>Vietnam</td>
<td>COVID-19 (78.0%)</td>
<td>Increasing costs (32.0%)</td>
<td>Poor overall economic environment (29.4%)</td>
</tr>
</tbody>
</table>
Impact of COVID-19 on Asia-Pacific small businesses
COVID-19 and the measures taken to control it had a major negative impact on most small businesses across the region.

COVID-19 had a major negative on my business – by market

Survey average: 57.1%
Australia: 51.0%
Mainland China: 19.6%
Hong Kong: 50.0%
India: 44.6%
Indonesia: 72.4%
Malaysia: 66.9%
New Zealand: 60.0%
Philippines: 58.3%
Singapore: 54.7%
Taiwan: 44.9%
Vietnam: 81.3%
Using online sales is the top action small businesses undertook in response to COVID-19

**Major actions small businesses undertook in response to COVID-19**

- Began or increased your focus on online sales: 24%
- Reduced capital expenditure: 23%
- Sought government support and subsidies: 21%
- Increased investment in technology: 20%
- Made substantial changes to the product/service you sell: 19%

**The top action small businesses was most likely to have undertaken in response to COVID-19 – by market**

- Malaysia: 31%
- Hong Kong: 29%
- Taiwan: 27%
- Singapore: 21%
- New Zealand: 25%
- Singapore: 21%
- Vietnam: 44%
- Mainland China: 22%
- Indonesia: 45%
- Philippines: 33%
- India: 39%
- Australia: 35%
- New Zealand: 25%

- Reduced capital expenditure
- Sought government support and subsidies
- Increased investment in technology
- Began or increased focus on online sales
- Made substantial changes to the product/service you sell
- Made no major changes

Asia Pacific Small Business Survey 2021-22
Businesses with older respondents and less employees were much more likely to take no action in response to COVID-19 in 2021.

**Business that didn’t act in response to COVID-19 in 2021 – by age of respondent**

- Under 30: 7.6%
- 30 to 39: 10.4%
- 40 to 49: 9.1%
- 50 to 59: 19.1%
- 60+: 37.7%

**Businesses that made no major change to their business in response to COVID-19 in 2021 – by number of employees**

- No employees: 27.8%
- 1 to 4 employees: 15.6%
- 5 to 9 employees: 5.8%
- 10 to 19 employees: 8.3%
Small business and technology
Percentage of business earning more than 10 per cent of revenue online – by market in 2021 compared with 2020 and 2019

Survey average 2019 (51%)
Survey average 2020 (58%)
Survey average 2021 (61%)
Percentage of businesses receiving more than 10 per cent of their sales through digital payment options – by market in 2021 compared with 2020 and 2019
Percentage of businesses receiving more than 50 per cent or more of their sales through cash—by market in 2021 compared with 2020 and 2019
Percentage of businesses using social media for business purposes – by market in 2021 compared with 2020 and 2019
What small businesses use social media for – comparison of businesses that reported growing in 2021 with those that were unchanged or shrank

- To promote your business to potential customers: 51.2% grew, 42.3% unchanged/shrank
- To sell products or services: 45.6% grew, 36.5% unchanged/shrank
- To communicate with existing customers: 44.5% grew, 39.8% unchanged/shrank
- To learn about the behaviours of your customers and potential customers: 36.6% grew, 25.4% unchanged/shrank
- To receive/monitor customer feedback: 37.3% grew, 29.9% unchanged/shrank
- To monitor competitors: 27.9% grew, 20.3% unchanged/shrank
- To recruit staff: 19.9% grew, 13.6% unchanged/shrank
- Did not use social media: 20.7% grew, 13.6% unchanged/shrank
Investment in technology in 2021 made the business more profitable – by market
Comparison of those who believe a cyberattack is likely in 2022 against those that reviewed their cybersecurity in past six months – by market
Small business and innovation
Small businesses that state they will innovate in the next 12 months - by market and year
Small business expectations in 2022
Small businesses that expect to grow in the next 12 months – a comparison by market and over time
Expect to increase employee numbers over the next 12 months from the previous 12 months – by market and over time

Survey average
Australia
Mainland China
Hong Kong
India
Indonesia
Malaysia
New Zealand
Philippines
Singapore
Taiwan
Vietnam

2020
2021
2022
Small businesses expecting revenue from overseas sales will grow in 2022 - by market

- Philippines: 23.2% Grow a little, 39.1% Grow strongly
- India: 13.1% Grow a little, 44.6% Grow strongly
- Mainland China: 36.0% Grow strongly, 19.8% Grow strongly
- Vietnam: 38.9% Grow strongly, 12.3% Grow strongly
- Malaysia: 29.9% Grow strongly, 14.8% Grow strongly
- Indonesia: 28.2% Grow strongly, 15.9% Grow strongly
- Singapore: 30.2% Grow strongly, 12.8% Grow strongly
- Hong Kong: 29.4% Grow strongly, 11.3% Grow strongly
- New Zealand: 18.7% Grow strongly, 17.1% Grow strongly
- Taiwan: 21.0% Grow strongly, 11.0% Grow strongly
- Australia: 18.4% Grow a little, 5.1% Grow strongly
- Survey average: 26.0% Grow a little, 19.3% Grow strongly
Access to finance
Business experience in accessing finance in 2021 – by market

Survey average
Australia
Mainland China
Hong Kong
India
Indonesia
Malaysia
New Zealand
Philippines
Singapore
Taiwan
Vietnam

Easy/very easy
Difficult/very difficult
Reasons for seeking external finance in the past 12 months – by year

- For business survival
- Business growth
- To cover increasing expenses
- To purchase capital assets
- To cover increasing rental expenses
- To cover late payment from debtors
- To service increasing cost on bank loans
- To fund stock purchases
- To cover tax payments

2019, 2020, 2021

- To cover tax payments
- To purchase capital assets
- To cover late payment from debtors
- To service increasing cost on bank loans
- To fund stock purchases
- To cover increasing expenses
- Business growth
- For business survival
## Top-three sources of external finance in 2021 by market

<table>
<thead>
<tr>
<th>Region</th>
<th>Most popular</th>
<th>Second most popular</th>
<th>Third most popular</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Survey average</strong></td>
<td>Bank (34.2%)</td>
<td>Friends or family (15.8%)</td>
<td>Personal resources (13.8%)</td>
</tr>
<tr>
<td>Australia</td>
<td>Bank (44.2%)</td>
<td>Government grant/funds (15.9%)</td>
<td>Friends or family (11.6%)</td>
</tr>
<tr>
<td>Mainland China</td>
<td>Bank (43.2%)</td>
<td>Investor (14.5%)</td>
<td>Non-bank financial institution (10.6%)</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Bank (39.8%)</td>
<td>Investor (19.9%)</td>
<td>Government grant/funds (13.8%)</td>
</tr>
<tr>
<td>India</td>
<td>Friends or family (36.7%)</td>
<td>Personal resources (25.8%)</td>
<td>Bank (16.5%)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Bank (34.0%)</td>
<td>Friends or family (14.5%)</td>
<td>Personal resources (13.7%)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Bank (36.3%)</td>
<td>Government grant/funds (17.8%)</td>
<td>Personal resources (12.1%)</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Government grant/funds (28.4%)</td>
<td>Bank (24.1%)</td>
<td>Personal resources (10.6%)</td>
</tr>
<tr>
<td>Philippines</td>
<td>Friends or family (44.5%)</td>
<td>Personal resources (20.5%)</td>
<td>Bank (13.0%)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Bank (27.5%)</td>
<td>Government grant/funds (17.4%)</td>
<td>Personal resources (13.8%)</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Bank (28.0%)</td>
<td>Government grant/funds (18.2%)</td>
<td>Personal resources (16.1%)</td>
</tr>
</tbody>
</table>
| Vietnam         | Bank (66.3%)            | Friends or family (10.3%)   | Personal resources (5.3%)     | Investor (5.3%)
The percentage of businesses that expect to require external finance in 2022 - by market
## Top three anticipated reasons for seeking external finance in 2022 – by market

<table>
<thead>
<tr>
<th>Market</th>
<th>Most anticipated reason</th>
<th>Second most anticipated reason</th>
<th>Third most anticipated reason</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Survey average</strong></td>
<td>Business growth (52.4%)</td>
<td>Business survival (42.7%)</td>
<td>Cover increasing expenses (33.6%)</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td>Business growth (52.6%)</td>
<td>Cover increasing expenses (28.9%)</td>
<td>Business survival (26.8%)</td>
</tr>
<tr>
<td><strong>Mainland China</strong></td>
<td>Business growth (44.6%)</td>
<td>Business survival (32.4%)</td>
<td>Cover increasing expenses (28.0%)</td>
</tr>
<tr>
<td><strong>Hong Kong</strong></td>
<td>Business survival (53.8%)</td>
<td>Business growth (48.9%)</td>
<td>Cover increasing expenses (45.2%)</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>Business growth (63.4%)</td>
<td>Cover increasing expenses (53.7%)</td>
<td>Purchase capital assets (52.5%)</td>
</tr>
<tr>
<td><strong>Indonesia</strong></td>
<td>Business growth (68.1%)</td>
<td>Business survival (53.8%)</td>
<td>Purchase capital assets (28.2%)</td>
</tr>
<tr>
<td><strong>Malaysia</strong></td>
<td>Business growth (60.3%)</td>
<td>Business survival (45.4%)</td>
<td>Cover increasing expenses (32.4%)</td>
</tr>
<tr>
<td><strong>New Zealand</strong></td>
<td>Business survival (37.4%)</td>
<td>Cover increasing expenses (36.1%)</td>
<td>Business growth (35.4%)</td>
</tr>
<tr>
<td><strong>Philippines</strong></td>
<td>Business growth (53.1%)</td>
<td>Business survival (33.6%)</td>
<td>Cover increasing expenses (32.4%)</td>
</tr>
<tr>
<td><strong>Singapore</strong></td>
<td>Business growth (50.0%)</td>
<td>Business survival (35.2%)</td>
<td>Cover increasing expenses (34.0%)</td>
</tr>
<tr>
<td><strong>Taiwan</strong></td>
<td>Business growth (49.5%)</td>
<td>Business survival (41.7%)</td>
<td>Cover increasing expenses (22.5%)</td>
</tr>
<tr>
<td><strong>Vietnam</strong></td>
<td>Business survival (57.9%)</td>
<td>Business growth (44.3%)</td>
<td>Cover increasing expenses (22.1%)</td>
</tr>
</tbody>
</table>
Of those that expect to access external finance in 2022, the percentage that expect easy or very easy financing conditions compared with those expecting difficult conditions

<table>
<thead>
<tr>
<th>Country</th>
<th>Easy/very easy</th>
<th>Difficult/very difficult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey average</td>
<td>40.6%</td>
<td>35.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>27.4%</td>
<td>28.9%</td>
</tr>
<tr>
<td>Mainland China</td>
<td>9.9%</td>
<td>38.0%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>22.1%</td>
<td>25.3%</td>
</tr>
<tr>
<td>India</td>
<td>69.2%</td>
<td>21.0%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>41.5%</td>
<td>37.8%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>42.8%</td>
<td>27.9%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>31.1%</td>
<td>53.1%</td>
</tr>
<tr>
<td>Philippines</td>
<td>14.2%</td>
<td>34.3%</td>
</tr>
<tr>
<td>Singapore</td>
<td>21.1%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Taiwan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Asia Pacific Small Business Survey 2021-22
Sources of business advice
Most popular sources of business advice in 2021 – by market

<table>
<thead>
<tr>
<th>Survey average</th>
<th>Most popular</th>
<th>Second most popular</th>
<th>Third most popular</th>
<th>Did not seek advice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Friends or family (27.1%)</td>
<td>Business partner or mentor (25.4%)</td>
<td>IT consultants/specialists (23.8%)</td>
<td>16.4%</td>
</tr>
<tr>
<td>Australia</td>
<td>Accountants (35.3%)</td>
<td>Friends and family (15.3%)</td>
<td>A bank or finance company (11.0%)</td>
<td>34.1%</td>
</tr>
<tr>
<td>Mainland China</td>
<td>IT consultants/specialists (29.5%)</td>
<td>A bank or finance company (26.0%)</td>
<td>Business partner or mentor (23.2%)</td>
<td>9.4%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>A bank or finance company (32.6%)</td>
<td>Accountants (26.1%)</td>
<td>IT consultants/specialists (21.6%)</td>
<td>21.9%</td>
</tr>
<tr>
<td>India</td>
<td>IT consultants/specialists (48.6%)</td>
<td>Friends and family (48.4%)</td>
<td>Business partner or mentor (41.9%)</td>
<td>3.2%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Business partner or mentor (42.2%)</td>
<td>Friends and family (37.9%)</td>
<td>Business/management consultants (27.9%)</td>
<td>5.6%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Friends and family (33.9%)</td>
<td>Business partner or mentor (31.6%)</td>
<td>A bank or finance company (27.0%)</td>
<td>18.8%</td>
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<td>Business partner or mentor (31.8%)</td>
<td>Business/management consultants (24.5%)</td>
<td>9.3%</td>
</tr>
<tr>
<td>Singapore</td>
<td>Friends and family (20.7%)</td>
<td>Business partner or mentor (20.0%)</td>
<td>Business/management consultants (17.4%)</td>
<td>29.2%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Friends and family (31.9%)</td>
<td>Accountants (22.3%)</td>
<td>Business partner or mentor (19.0%)</td>
<td>22.3%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>A bank or finance company (46.9%)</td>
<td>IT consultants/specialists (42.1%)</td>
<td>Business partner or mentor (24.9%)</td>
<td>9.4%</td>
</tr>
</tbody>
</table>
High growth businesses were more likely to seek professional advice

- Sought advice from IT consultants/specialists: 34.7% grew strongly, 21.1% unchanged/shrank
- Sought advice from business/management consultants: 30.5% grew strongly, 17.1% unchanged/shrank
- Did not seek external advice in past 12 months: 3.9% grew strongly, 23.2% unchanged/shrank
Lessons from high-growth small businesses in the Asia-Pacific
Top four actions high-growth businesses undertook in response to COVID-19 in 2020 and 2021

- Began or increased focus on online sales: 29%
- Made substantial changes to the product/services you sell: 26%
- Made major changes to your business plan or restructured: 26%
- Increased investment into technology: 25%
High-growth small businesses are more likely to adopt technology and e-commerce.

- Investment in technology was profitable: 83% for businesses that grew strongly in 2020/2021.
- Earned revenue from online sales: 91% for businesses that grew strongly in 2020/2021.
- Sought advice from IT consultant/specialist: 35% for businesses that grew strongly in 2020/2021.
- Reviewed cybersecurity protections in past 6 months: 37% for businesses that grew strongly in 2020/2021.
- Received sales from digital payment: 76% for businesses that grew strongly in 2020/2021.

Asia Pacific Small Business Survey 2021-22
High-growth small businesses focused more on customer satisfaction and improving business strategy.
Businesses that expect to grow strongly in 2022 are more likely to expect to innovate and sell overseas.
Thank you