

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 Mainland China. Conducted in January 2025, this annual survey encompasses Medium and Large Enterprises, providing valuable insights into the current economic climate and future expectations among business decision-makers.

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

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 Mainland China's dynamic economy.



Mainland China

WHAT



Total of 600 interviews, 15-minute online survey, conducted in January 2025



Total of 111 interviews, 10-minute online survey, conducted in April 2025 after the US tariffs were announced

WHO



Covers both Medium and Large Enterprises across key industry verticals



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



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

INDUSTRIES



63
Real Estate
& Hospitality



63
Business
Services



62
Tech, Media
& Telecom



62
Manufacturing
& Engineering



61
Construction
& Infrastructure



60
Consumer
Goods



60
Industrials,
Oil & Gas



60
Healthcare &
Medical Services



49
Professional
Services



30
Wholesale
Trade



30
Community &
Personal Services

Business sentiment has declined sharply after the recent US tariffs



However, nearly **3 in 5** businesses say the business sentiment is positive after the recent US tariffs



Business outlook has dropped sharply after the recent US tariffs



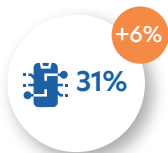
However, over **1 in 2** businesses say the business outlook is positive after the recent US tariffs



Businesses are prioritising cost reduction, digitalisation, and collaboration in the next 1-3 years



Reduce costs



Digitalise to achieve business efficiencies



Find new business partnerships for collaboration



Develop new sources of revenue



Find a new customer base

2024 Change vs. 2023

Sustainability adoption has improved, with Industrials, Oil & Gas sector taking the lead



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



Sectors where sustainability is most implemented



Cities where sustainability is most implemented



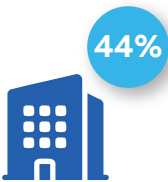
Sustainability is recognised as a lever for reputation building, future readiness, and MNC collaboration



Improved reputation or 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 my business fit better into the ecosystem



Helps to attract investors

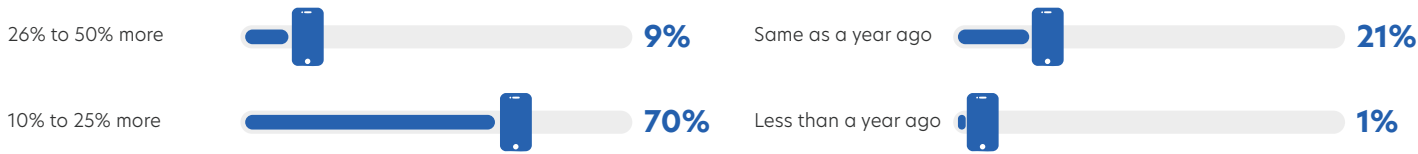
Digitalisation enhances internal efficiencies, service quality, and data protection

Top impact areas from digitalisation



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

Digital spending in 2025 vs. 2024



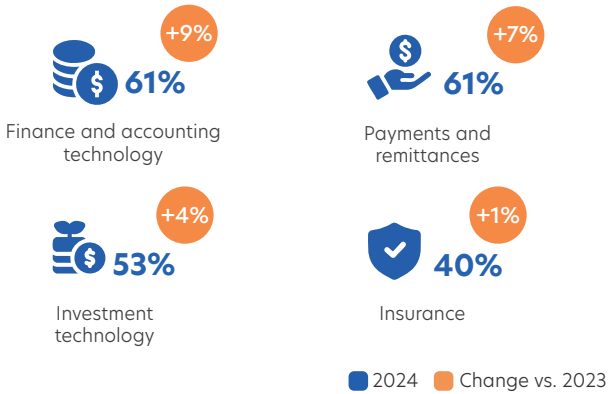
FinTech solutions for finance, accounting, and payments are driving overall FinTech adoption growth

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

Adopted/Plan to adopt in 2023 **95%**

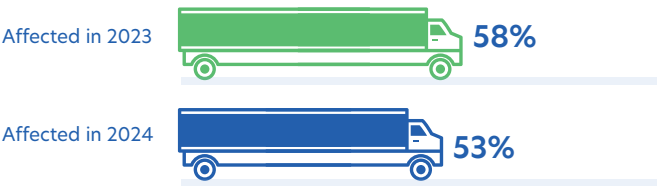
Adopted/Plan to adopt in 2024 **92%**

FinTech Solutions Adopted/Plan to Adopt



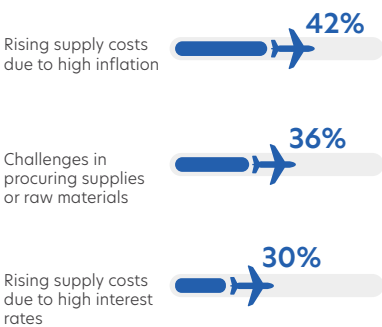
Supply chain disruptions continue to impact businesses and are expected to intensify after the recent US tariffs

28% of businesses expect supply chain disruptions to increase a lot after the recent US tariffs

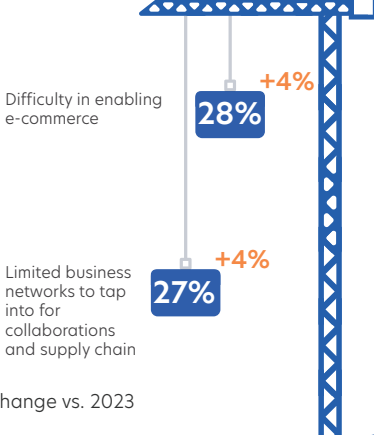



Beyond cost and procurement, businesses also face e-commerce and network-related concerns

Top 3 challenges in supply chain management




Emerging supply chain challenges in 2024






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

42%



Very interested

44%




Slightly interested

Total

86%


Most interested sectors

97%



Manufacturing & Engineering

97%



Wholesale Trade

Most interested cities

89%

Guangzhou

89%

Shenzhen

Profitability, revenue growth, and reducing business risks are key drivers for overseas expansion

Top 3 motivators for expansion

67%



Improved profitability

49%



Revenue growth

42%



Reducing business risk by diversifying into other markets

Opportunities in other markets are also creating greater interest in expansion

Taking advantage of opportunities in other markets, 2023

25%

Taking advantage of opportunities in other markets, 2024

30%



Nearly 3 in 5 businesses are affected by workforce or manpower related issues

Most affected sectors

71%



Manufacturing & Engineering

70%



Community & Personal

Most affected cities

65%

Beijing

64%

Guangzhou

20%



Extremely affected

40%



Very affected

59%



Total

Talent retention, attraction, and higher expectations are key workforce challenges

Top internal challenges in workforce management

Ability to motivate and retain employees in the long term

50%

Talent moving out to other lucrative markets

44%

Inability to find and attract the right talent

44%

Higher expectations (e.g. around pay, work-from-home etc.)

44%

Burnout or mental health issues among employees

35%

Results from the UOB Business Outlook Study 2025, covering business owners and key decision-makers from 600 Medium and Large Enterprises in Mainland China.

Business sentiment has declined sharply after the recent US tariffs

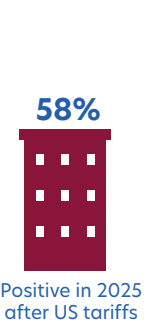


However, nearly **3 in 5** businesses say the business sentiment is positive after the recent US tariffs

Business outlook has dropped sharply after the recent US tariffs



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



Businesses face challenges with rising business and manpower costs

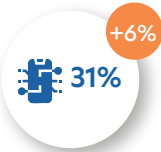


39% of businesses expect the level of inflation to increase a lot after the recent US tariffs



32% of businesses expect raw material and production costs to increase a lot after the recent US tariffs

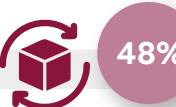
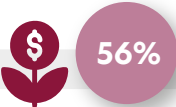
Businesses are increasingly collaborating and digitalising to achieve business priorities



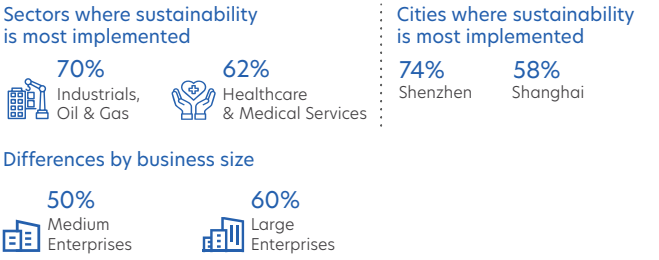
2024 Change vs. 2023

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

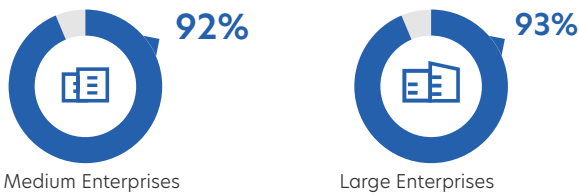
Support needed after the US tariffs were announced



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



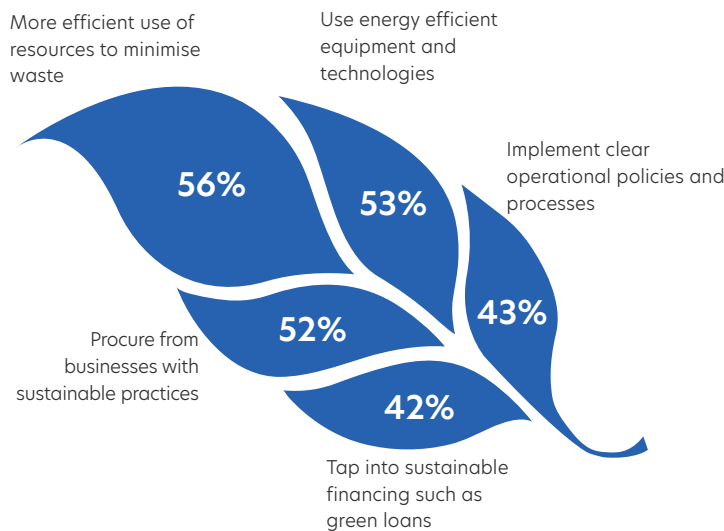
Sustainability is equally important for Medium and Large Enterprises



Sustainability is recognised as a lever for reputation building, future readiness, and MNC collaboration



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



Businesses remain conscious of the impact on end-customer costs and limited funding options

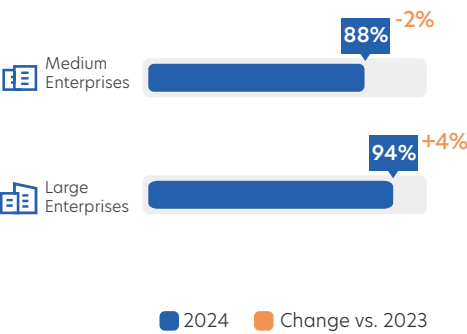


Large Enterprises have higher digital adoption, with adoption expected to accelerate due to US tariffs

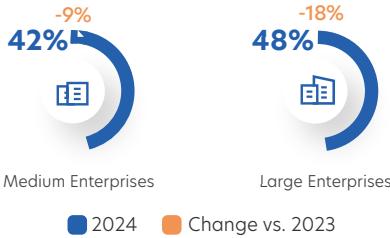
Digitalised at least one department



59% of businesses expect an increase in the pace of digital adoption after the recent US tariffs



Success with digitalisation



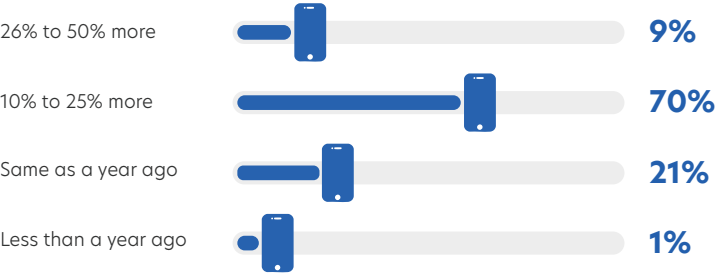
Digitalisation enhances internal efficiencies, service quality, and data protection

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



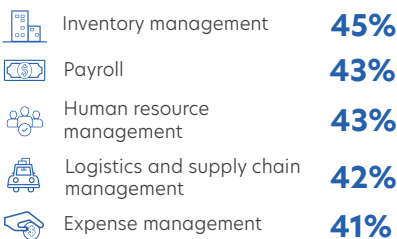
Five years before, our digitalisation made revenue grow by 5% from the existing customer base. However, this year, we expect digitalisation to improve our revenue by 15%-16%.

- Managing Director, Business Services sector

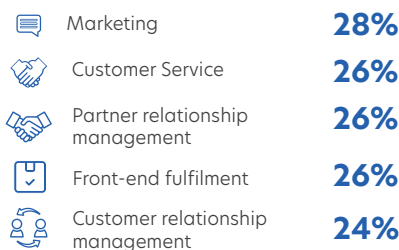


Having digitalised inventory management, future digitalisation will focus on marketing and relationship management processes

Current processes digitalised (Top 5)



Future processes digitalised (Top 5)



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



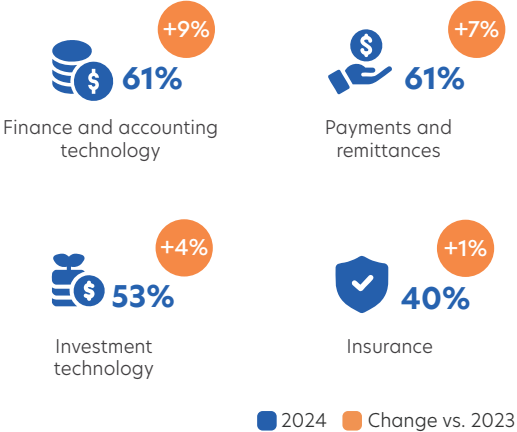
Over **9 in 10** businesses have adopted or planned to adopt FinTech



Cities with highest FinTech adoption

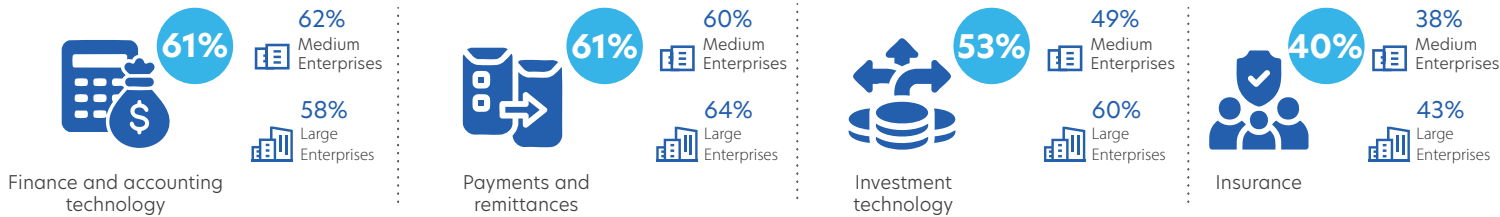


FinTech Solutions Adopted/Plan to Adopt

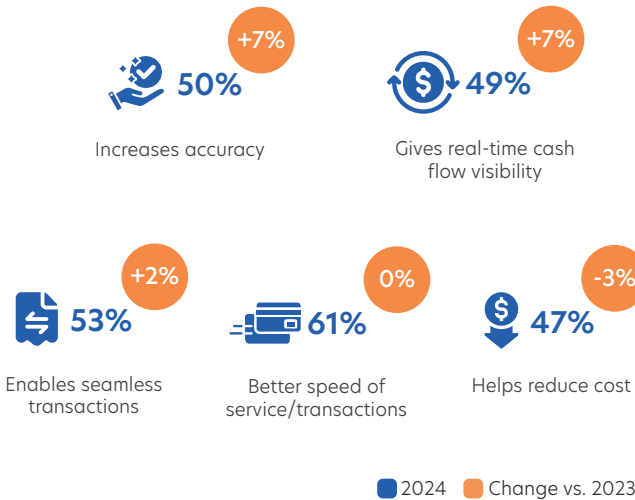


Large Enterprises favour payments, investment, and insurance solutions more than Medium Enterprises

FinTech Solutions Adopted



More businesses adopt digital payments for accuracy and real-time tracking



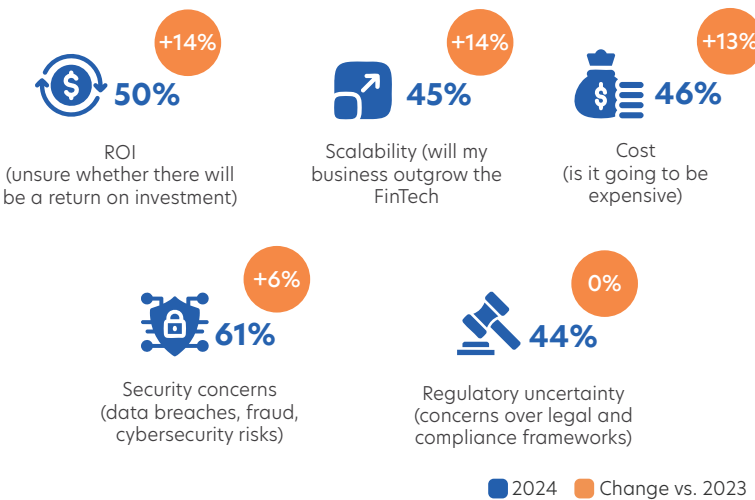
Sectors where accuracy is more important



Cities where accuracy is more important



Businesses are more worried about ROI and scalability with FinTech adoption



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



Over **1 in 2** businesses say their supply chain has been affected



28% of businesses expect supply chain disruptions to increase a lot after the recent US tariffs

Affected in 2023



Affected in 2024



Most impacted sectors



Most impacted cities

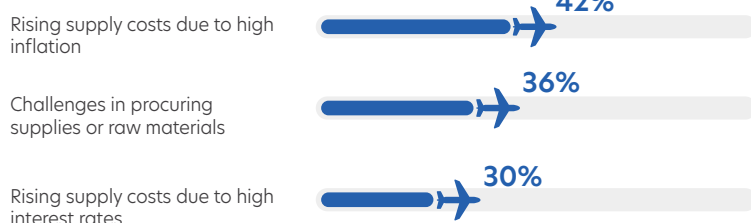


Differences by business size

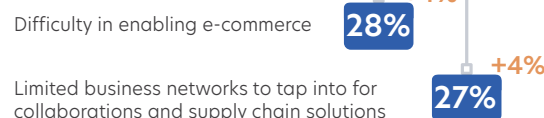


Beyond cost and procurement, businesses also face e-commerce and network related concerns

Top 3 challenges in supply chain management

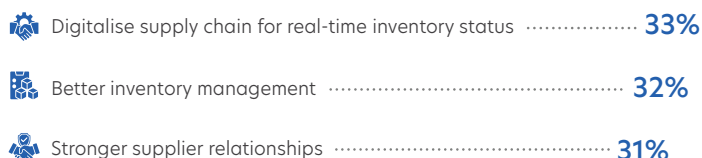


Emerging supply chain challenges in 2024

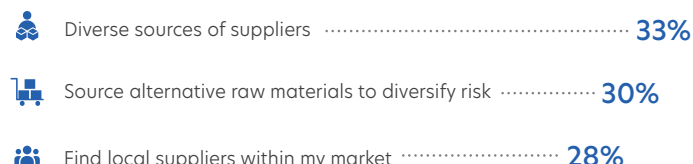


■ 2024 ■ Change vs. 2023

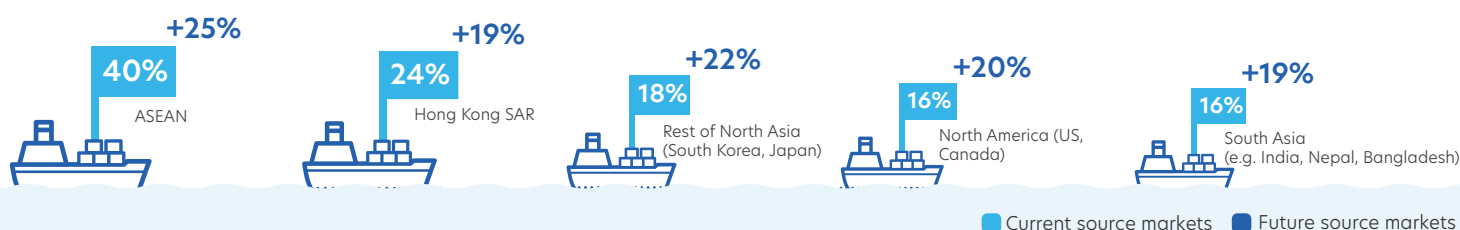
To stabilise supply chains, businesses focus on digitalisation and inventory management



Diversification and raw material substitution are key strategies to ensure supply chain stability



With diversification, future sourcing will expand into ASEAN, Hong Kong, and rest of North Asia



■ Current source markets ■ Future source markets

Businesses seek opportunities to collaborate with industry bodies and connect with suitable tech providers for supply chain stability



46%

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



45%

Connections to the right technology and solution providers



40%

Easier access to funding or grants



40%

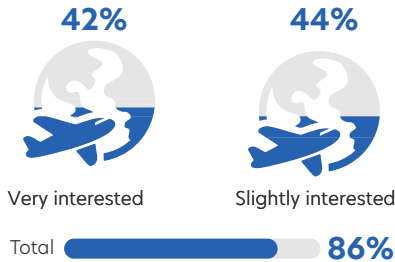
Tax incentives or rebates



39%

Access to business analytics and insights relevant to my industry

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



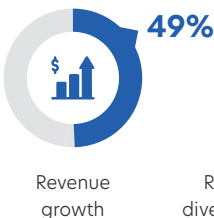
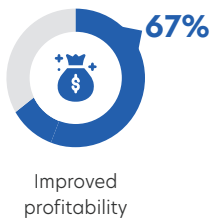
Most impacted sectors



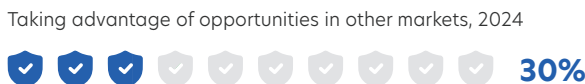
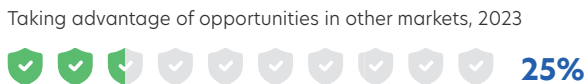
Most impacted cities



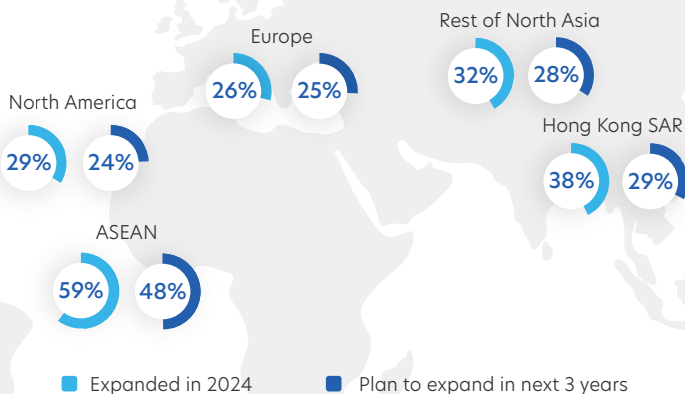
Profit, growth, and risk reduction drive overseas expansion



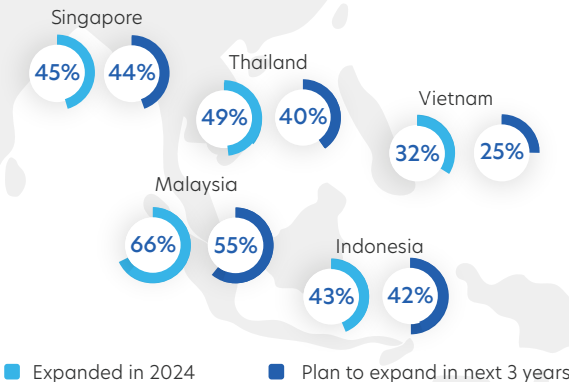
Opportunities in other markets are also creating greater interest in expansion



ASEAN and Hong Kong continue to be the focus for current and future expansion efforts



Within ASEAN, Malaysia and Singapore are key priority markets



Difficulty in partner identification and customer acquisition are key barriers to overseas expansion



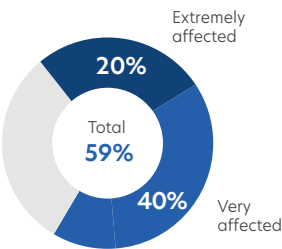
Businesses are experiencing workforce challenges, which are expected to escalate after US tariffs



Nearly 3 in 5 businesses are affected by workforce or manpower related issues



24% 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

71% Manufacturing & Engineering

70% Community & Personal

Most affected cities

65% Beijing

64% Guangzhou

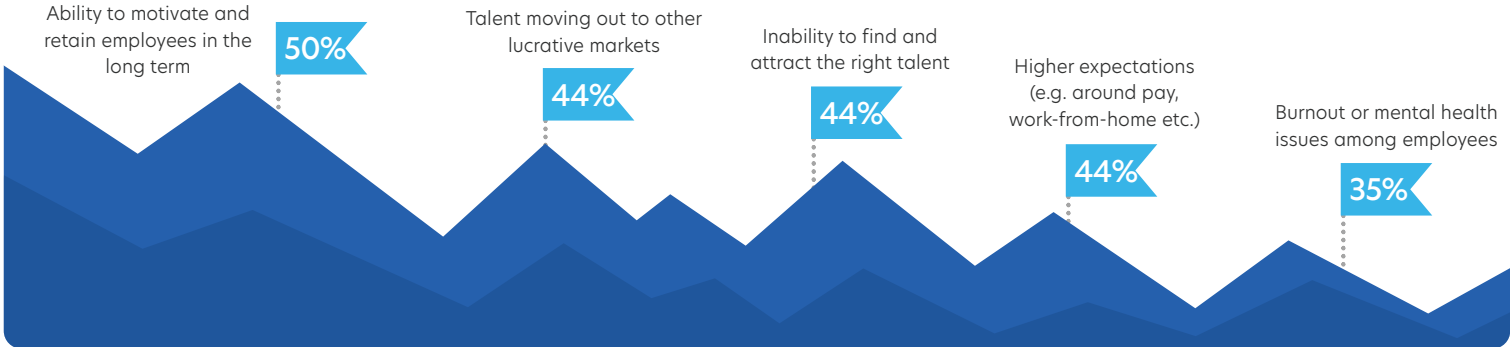
Differences by size

58% Medium Enterprises

62% Large Enterprises

Talent retention, attraction, and higher expectations are key workforce challenges

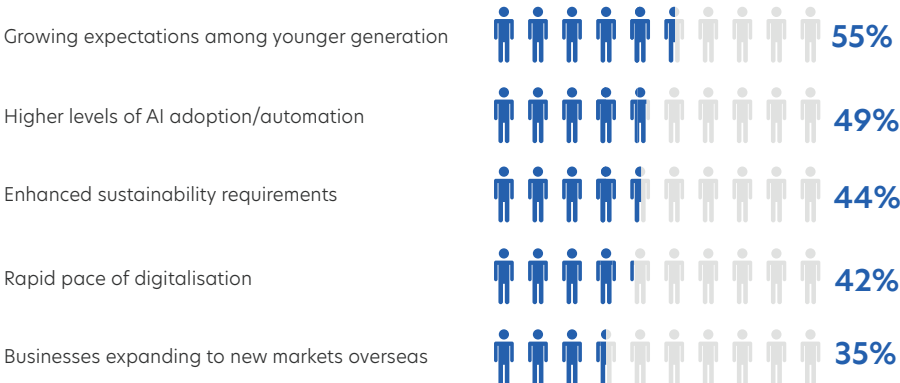
Top internal challenges in workforce management



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

Top external challenges in workforce management

Total in 2024



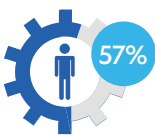
“For the younger generation in our company, change in managing style is required. They have different needs in terms of money, more holiday, more freedom etc.”

- Managing Director, Business Services sector

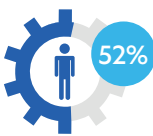


Businesses are addressing workforce challenges through better pay, skill development, and digital transformation

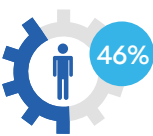
Top actions to address workforce challenges



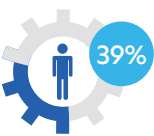
Offering higher pay and benefits



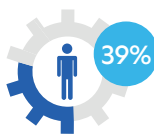
Providing reskilling/upskilling



Initiating digital transformation/automation



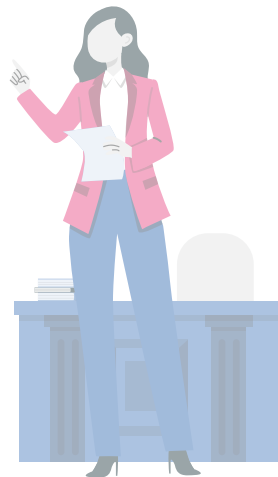
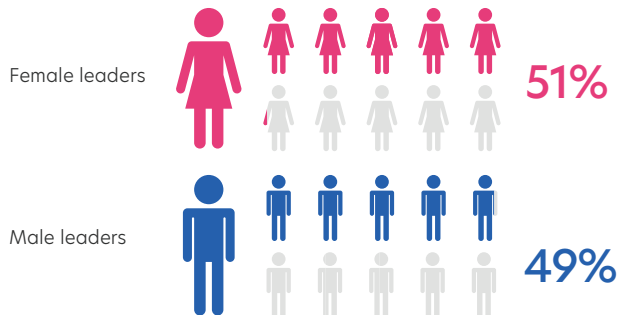
Offering roles/job rotation opportunities across departments or markets



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

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

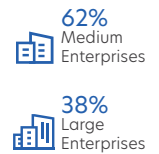
More than **3 in 5** women in leadership roles within the business world are leading Medium Enterprises



Spread by sectors

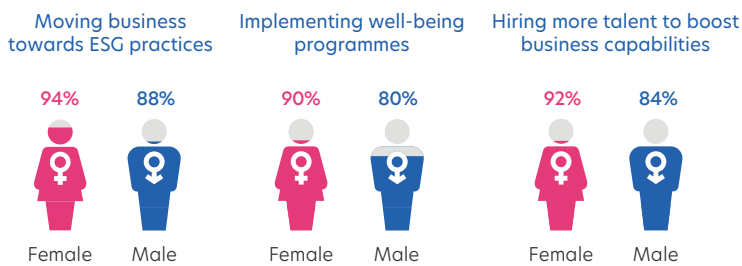


Spread by business size



Women in business focus on sustainability, employee well-being, and strengthening business capabilities

Women in business are more prepared on



Women leaders view sustainability essential to improve reputation, attract investors, and retain employees

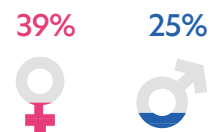
Improve reputation of company



Helps attract investors



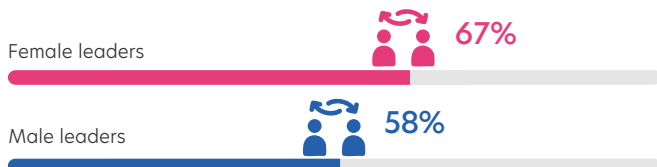
Enables talent retention/attraction



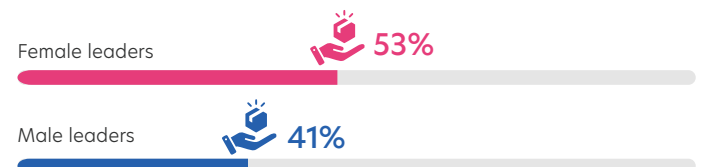
Female leaders Male leaders

Women leaders are more driven to improve their customer-centric capabilities to meet changing customer expectations

User-friendly channels for customer interaction



Hyper-personalised services/offers to customers

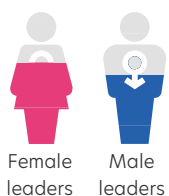


Women-led businesses have expanded overseas and are seeking training and financial support to leverage trade platforms

Expansion Interest

Had expanded in 2024

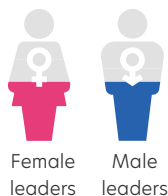
73% 66%



Cross-border trade platforms

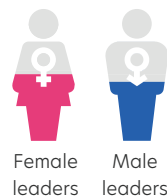
Very interested in cross-border trade platforms

50% 50%



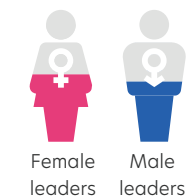
Training to use digital platforms

60% 55%

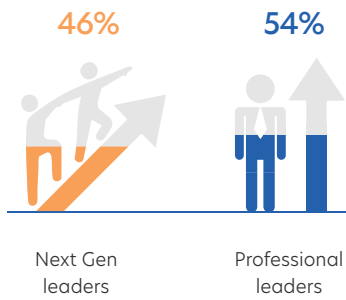


Financial support to invest in platforms

54% 49%



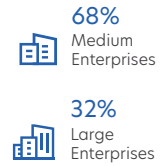
Close to half of all business leaders are Next Gen, with a stronger presence in the Healthcare & Medical Services sector



Spread by sectors



Spread by business size



Next Gen leaders prioritise recovering from the economic slowdown and declining demand

Short term concerns

Rising operational cost

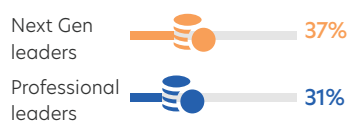


Cost reduction

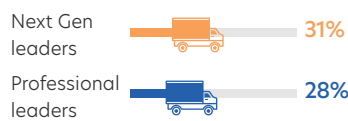


Strategic concerns

Recovering from overall economic slowdown

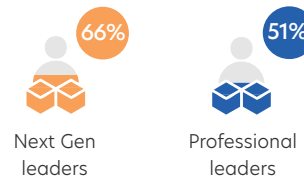


Drop in customer demand/revenues

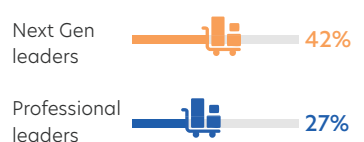


Next Gen leaders address supply chain concerns through localisation and strategic planning

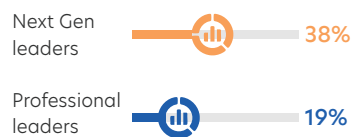
Affected by geopolitical impact on supply chains



Source from local suppliers



Stock ahead of time



Next Gen leaders integrate sustainability through clear policies and governance, and employee wellness support

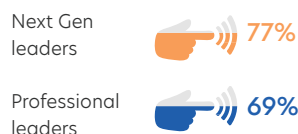
Sustainability practices



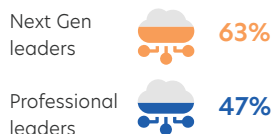
Next Gen leaders are at the forefront of tech adoption

Technologies used

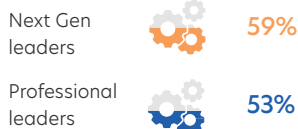
Artificial Intelligence



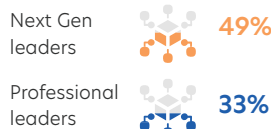
Cloud Computing



Automation



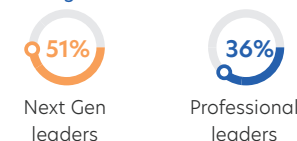
Blockchain



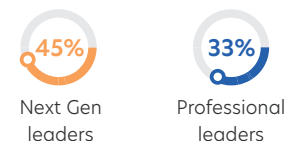
They adopt technology to improve operational efficiency and manage relationships

Areas of deployment

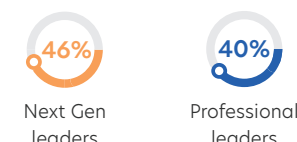
Logistics and supply chain management



Partner relationship management



Inventory management



Customer service

