

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

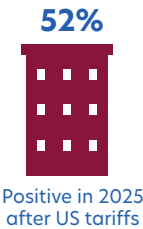


31
Industrials, Oil & Gas

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



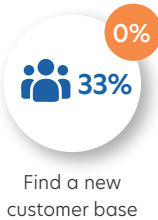
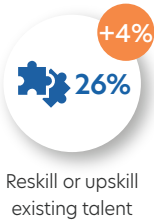
Business outlook has dropped sharply after the recent US tariffs



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



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



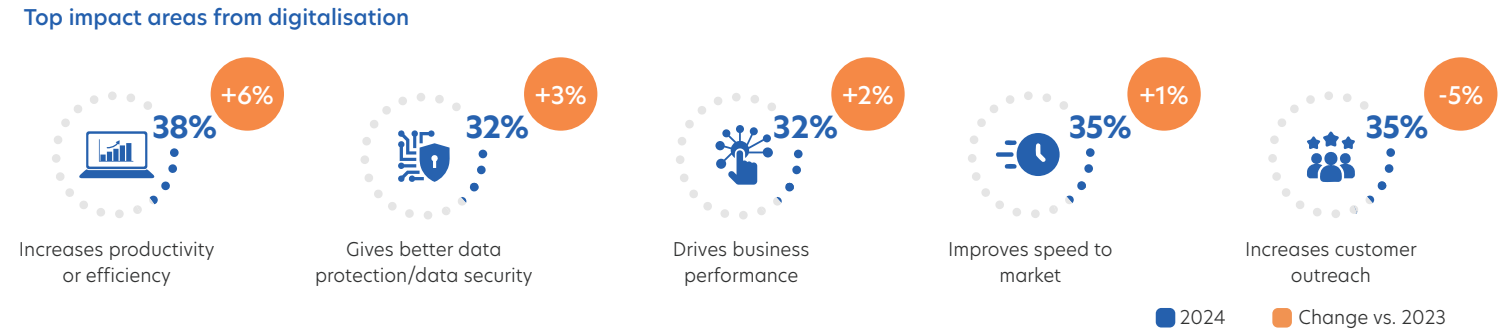
Cities where sustainability is most implemented



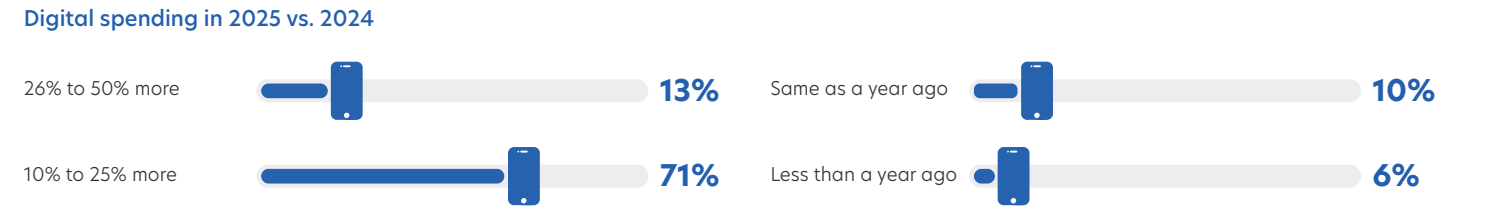
Sustainability is recognised as a lever to boost reputation, build a responsible future, and align with the sustainability standards of MNCs



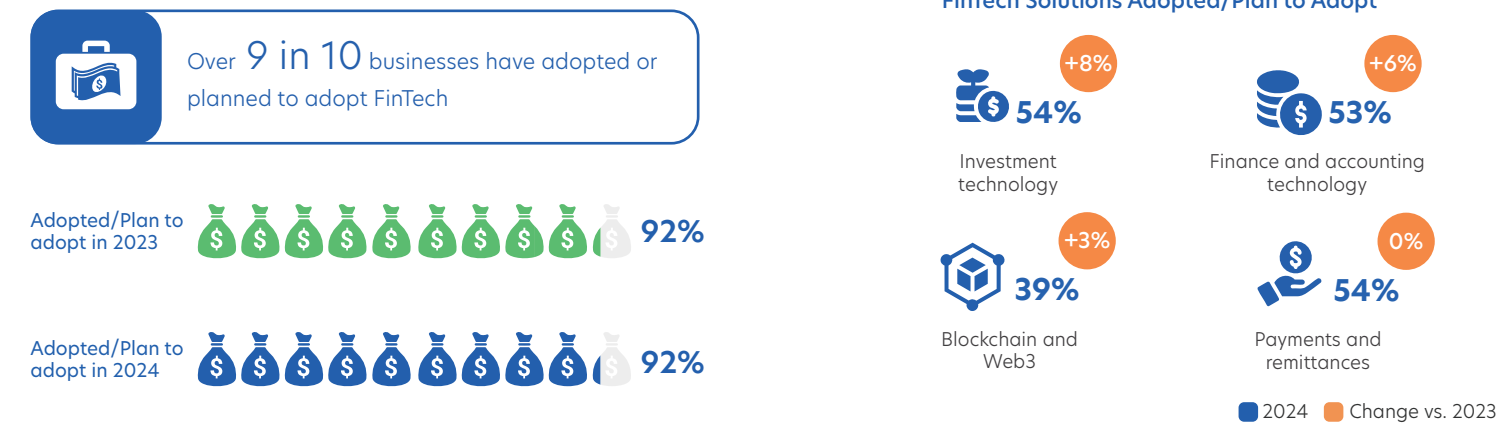
Digitalisation is driving internal efficiencies and security, yielding improved outcomes for businesses



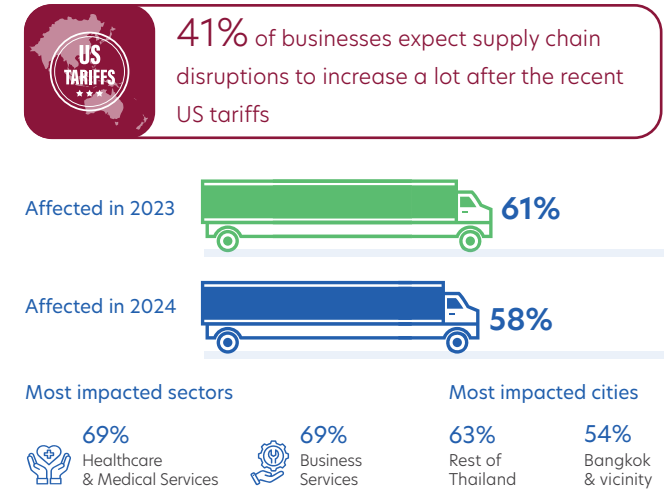
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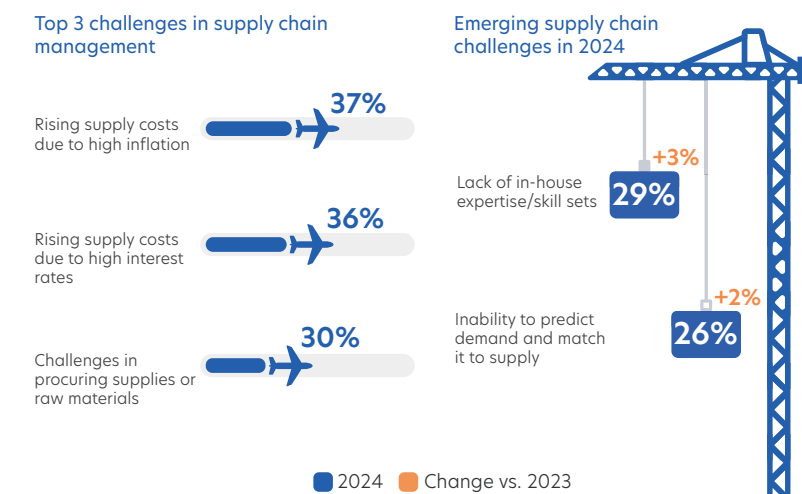
FinTech solutions for investment, finance, and accounting are driving overall FinTech adoption growth



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



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



Most interested sectors



Most interested cities

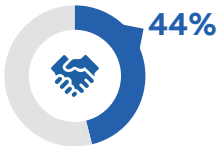
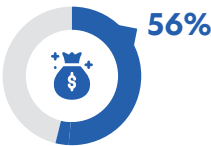


Differences by business size



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



Most affected sectors



Most affected city

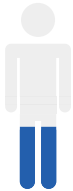


17% Extremely affected



Extremely affected

37% Very affected



Very affected

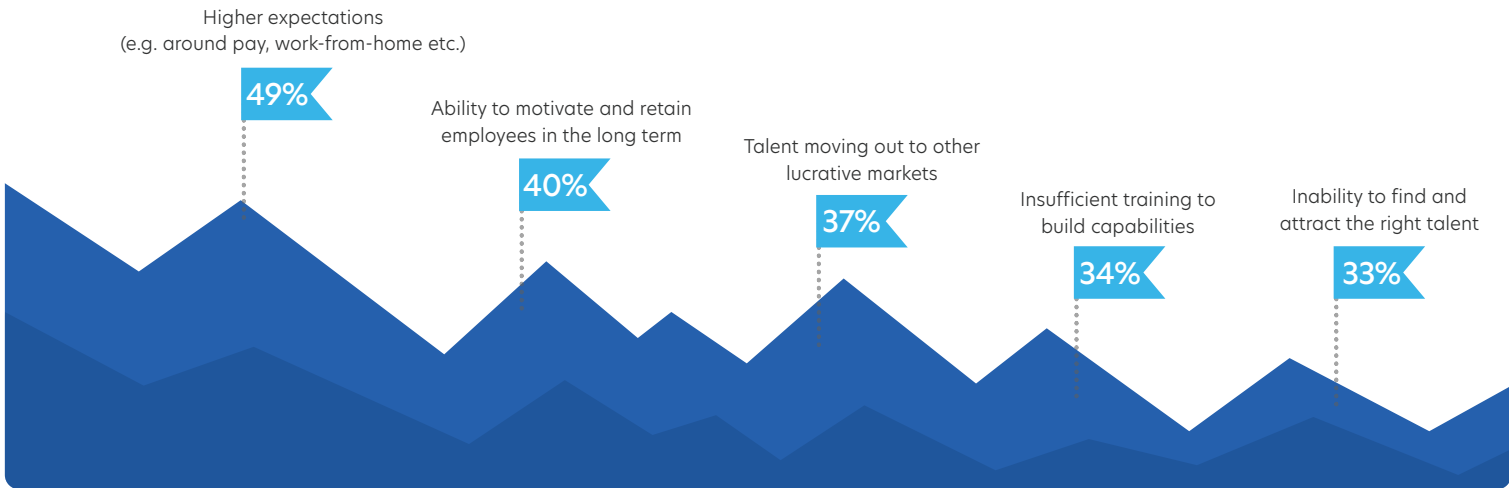
54% Total



Total

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

62%



Positive in 2023

58%



Positive in 2024

52%



Positive in 2025 after 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

78%



2024

81%



2025

55%



2025 after US tariffs

Businesses face challenges with rising business and manpower costs



High levels of inflation



Rising operational cost



Recovering from overall economic slowdown



High manpower costs



Hike in utility prices

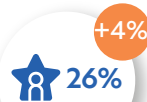


60% of businesses expect raw material and production costs to increase a lot after the recent US tariffs



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



Reskilling/upskilling existing talent



Find new business partnerships for collaboration



Find a new customer base



Digitalise to achieve business efficiencies



Reduce costs

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



55%

Subsidies or tax exemption for certain sectors most hit by tariffs



52%

Financial products support/assistance



45%

Longer-term assistance for relocation of supply chains



44%

Advisory, legal/administrative support on how to navigate the tariffs



44%

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

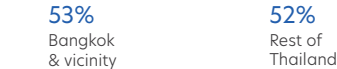
Sustainability adoption remained steady in 2024, with the pace of adoption expected to increase after US tariffs



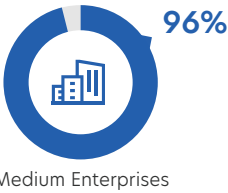
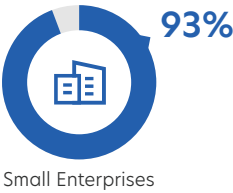
Sectors where sustainability is most implemented




Cities where sustainability is most implemented



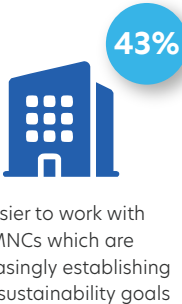
Importance of sustainability is high in both Small and Medium Enterprises



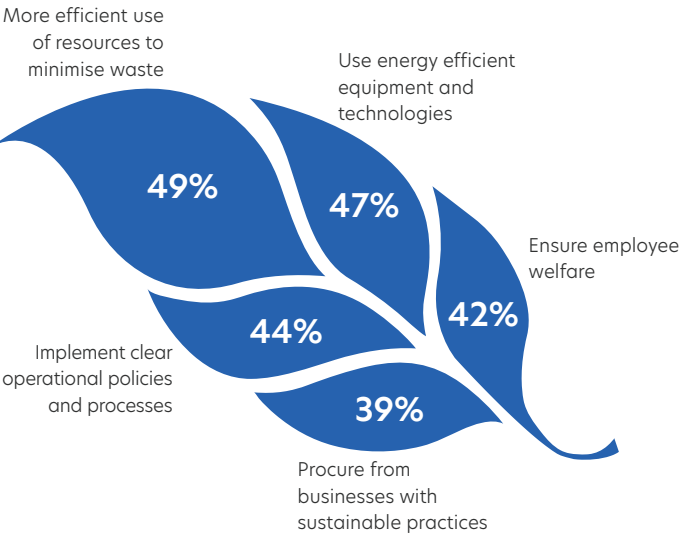
 Professional Services being more human capital-centric, find it easier to implement sustainable practices (e.g. WFH, energy efficiency at the workplace, etc.).

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.

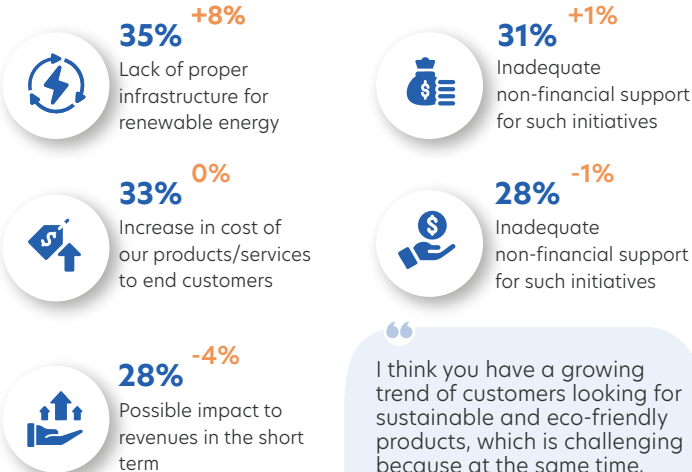
Sustainability is recognised as a lever to boost reputation, build a responsible future, and align with the sustainability standards of MNCs



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



Businesses remain conscious of the impact on costs and revenues



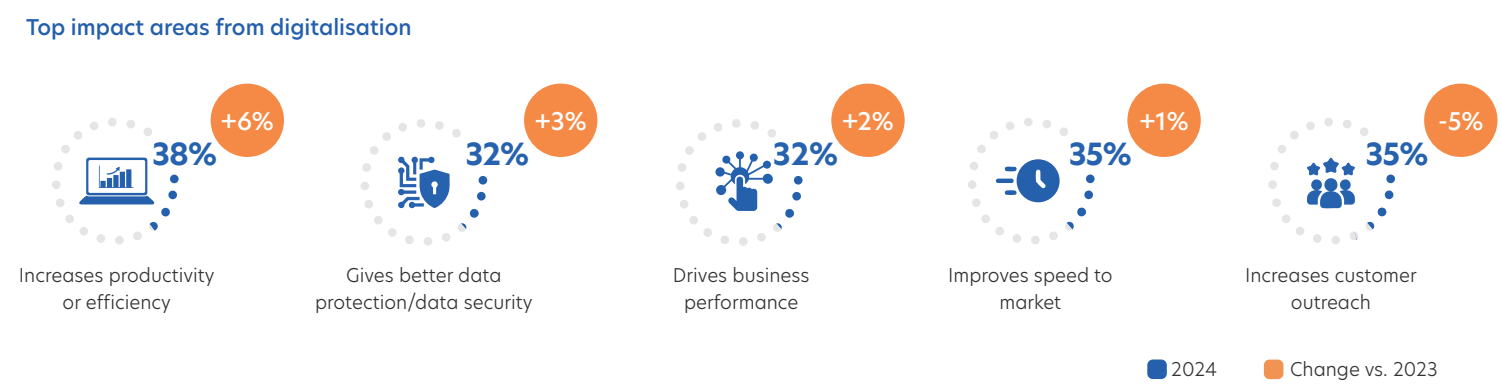
I think you have a growing trend of customers looking for sustainable and eco-friendly products, which is challenging because at the same time, those products, which are by definition not mass products, are more expensive.

- CEO, Tech, Media & Telecom

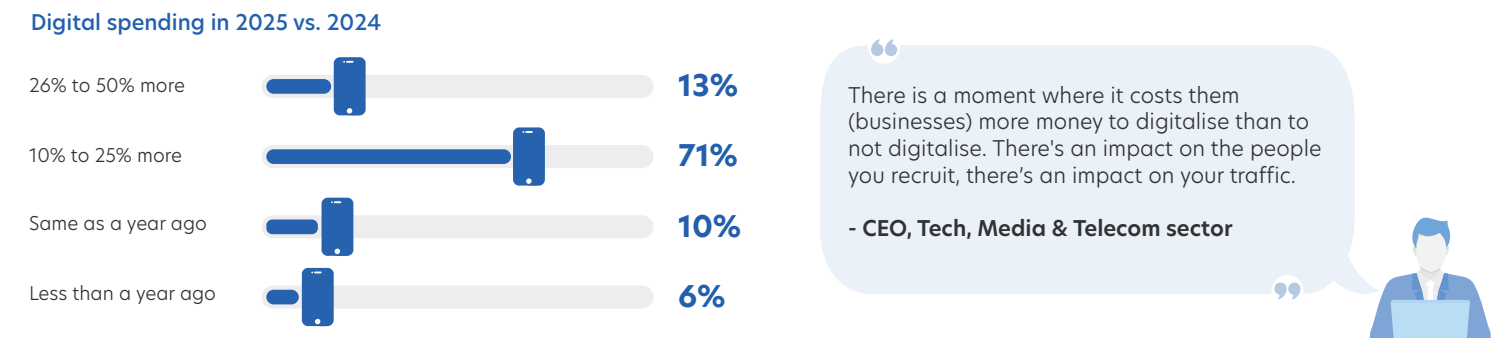
Digital adoption is high and expected to accelerate due to US tariffs



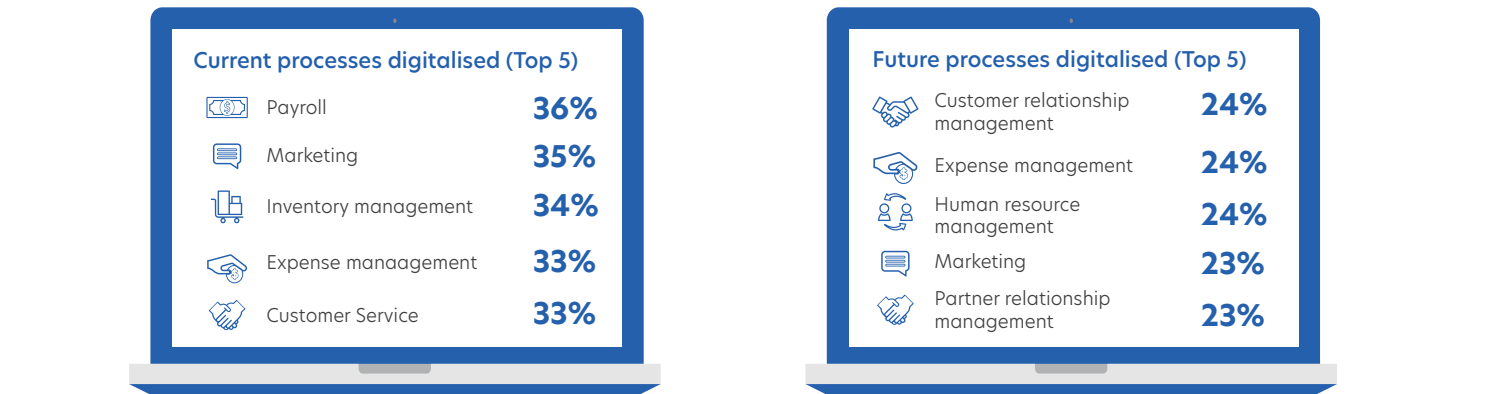
Digitalisation is driving internal efficiencies and security, yielding improved outcomes for businesses



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



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



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

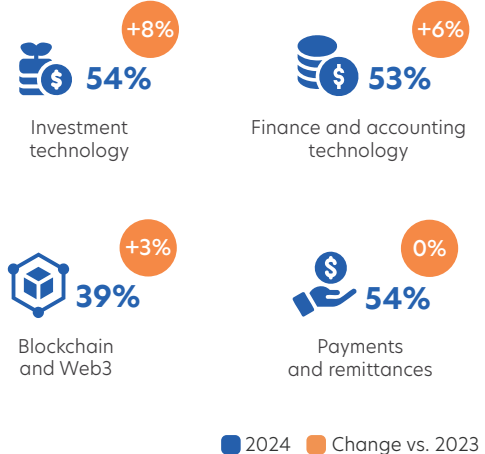
Adopted/Plan to adopt in 2023



Adopted/Plan to adopt in 2024

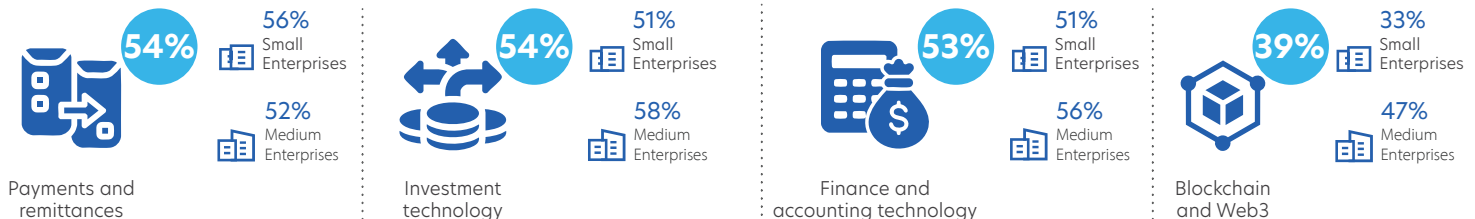


FinTech Solutions Adopted/Plan to Adopt

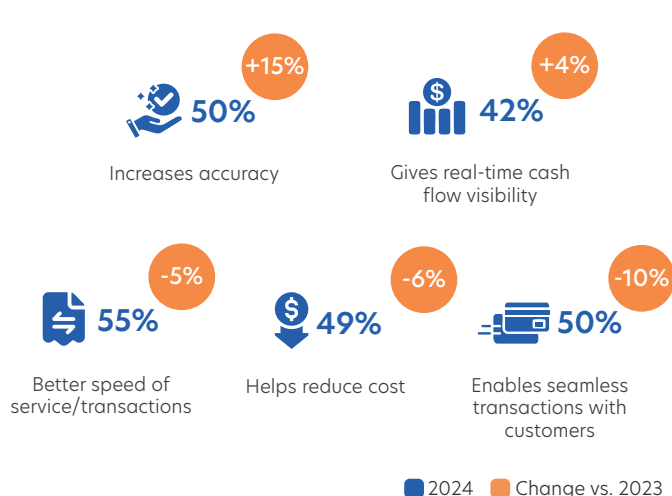


Medium Enterprises lead adoption of investment, finance, and blockchain solutions, while smaller businesses focus on payment solutions

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



Nearly **3 in 5** businesses say their supply chain has been affected



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

Rising supply costs due to high inflation



Rising supply costs due to high interest rates



Challenges in procuring supplies or raw materials



Emerging supply chain challenges in 2024

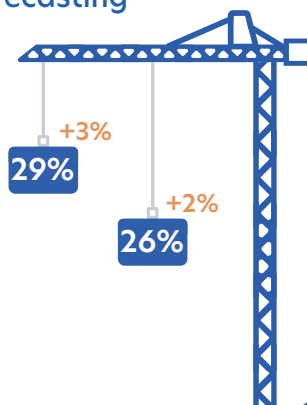
Lack of in-house expertise/skill sets



Inability to predict demand and match it to supply



■ 2024 ■ Change vs. 2023



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



Use data analytics and insights for faster decision-making and execution **38%**



Source alternative raw materials to diversify risk **31%**



Digitalise supply chain management for real-time information on inventory status **30%**

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



Diverse sources of suppliers **30%**

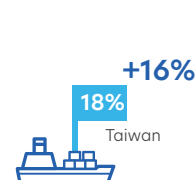
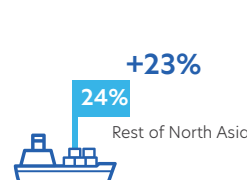
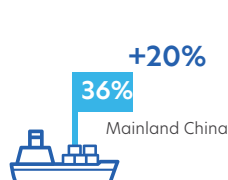
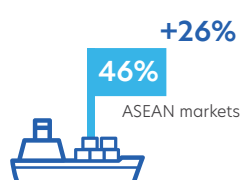
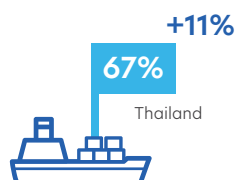


Use e-commerce platforms to source raw materials/vendors **28%**



Find local suppliers within my market **26%**

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



■ Current source markets ■ Future source markets

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



45%

Tax incentives or rebates



42%

Connections to the right technology and solution providers



41%

Connections to industry peers and ecosystem partners to learn best practices



41%

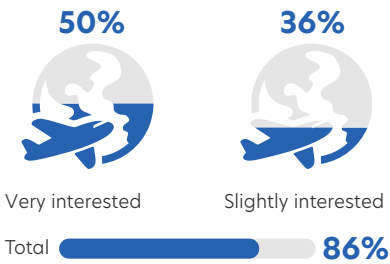
Training programmes to reskill/upskill employees



41%

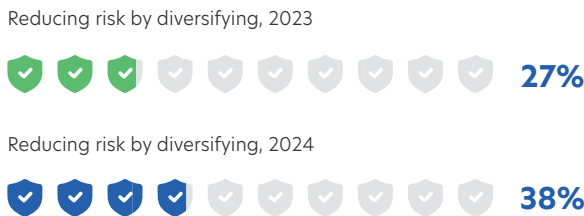
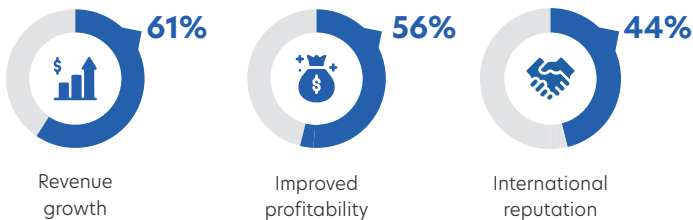
Opportunities to collaborate with industry bodies, government-linked companies or large businesses

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



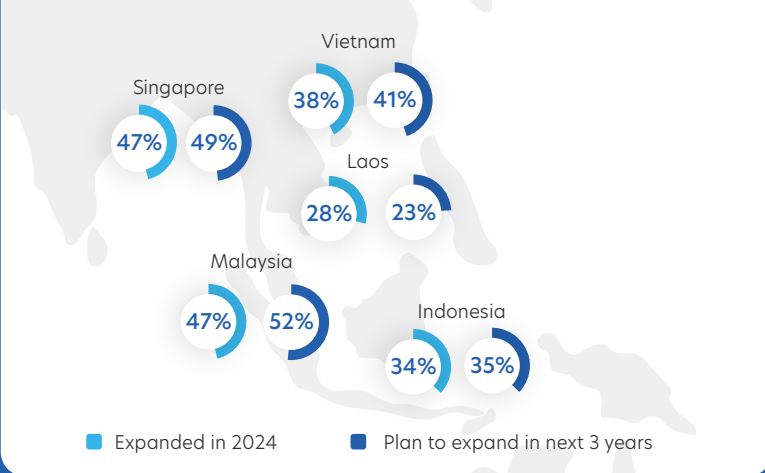
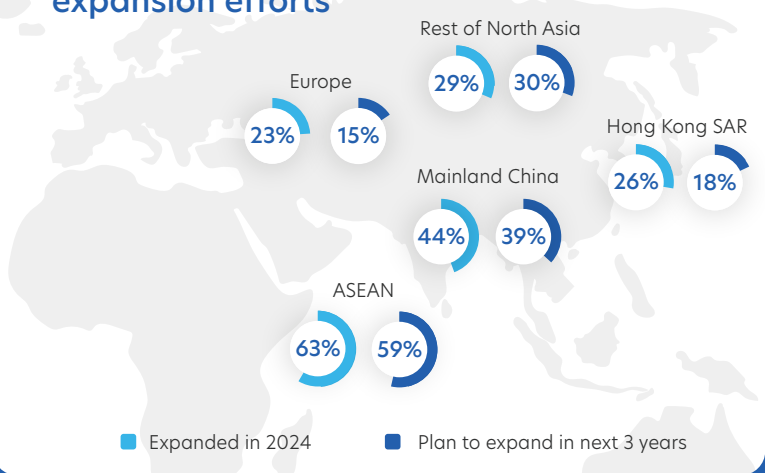
Revenue, profits, and reputation are key drivers for overseas expansion

Reducing risk by diversification is also creating greater interest in expansion

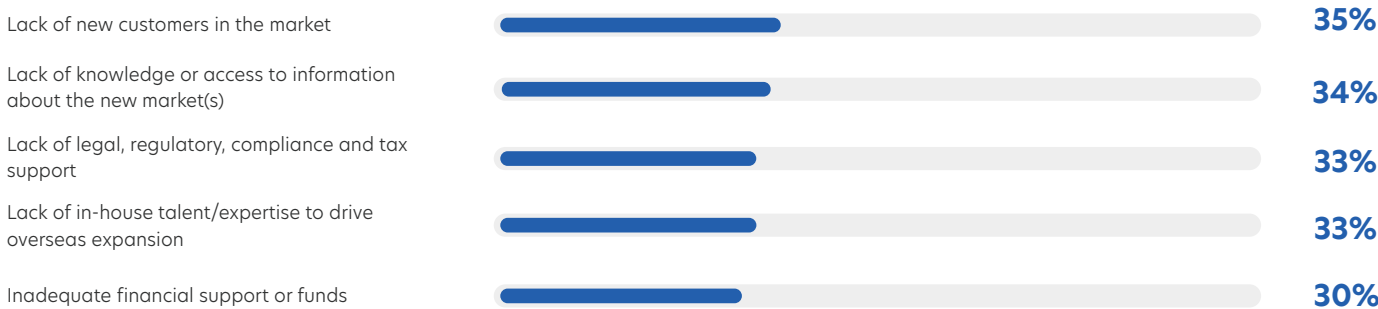


ASEAN and Mainland China continue to be the focus for current and future expansion efforts

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



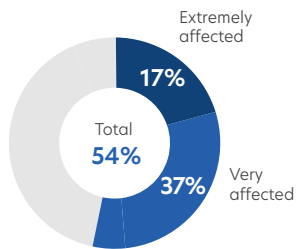
Businesses are experiencing workforce challenges, which are expected to escalate after US tariffs



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

69%
Business Services

65%
Healthcare & Medical Services

Most affected city

61%
Rest of Thailand

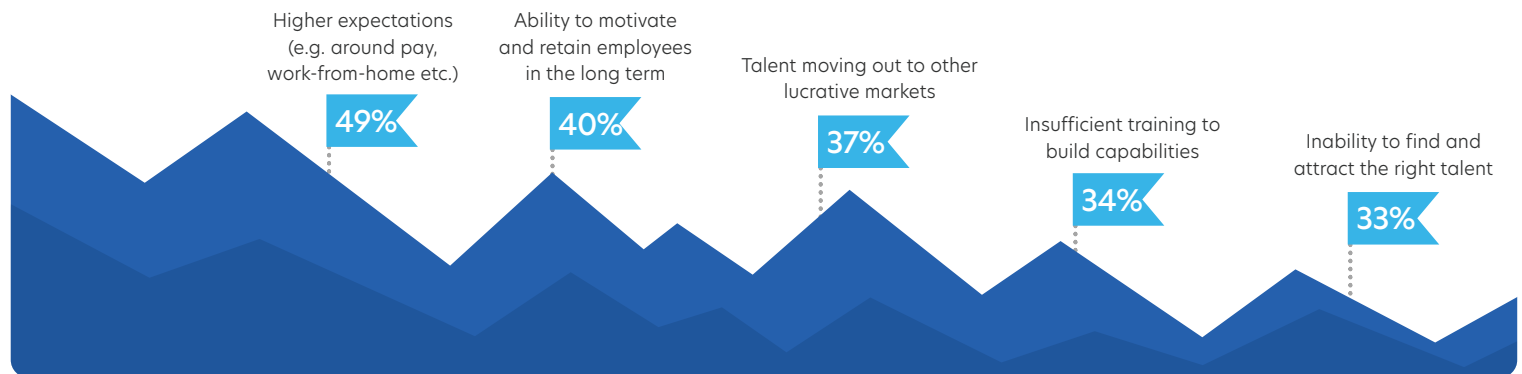
Differences by business size

51%
Small Enterprises

57%
Medium Enterprises

Higher expectations and talent retention are key workforce challenges

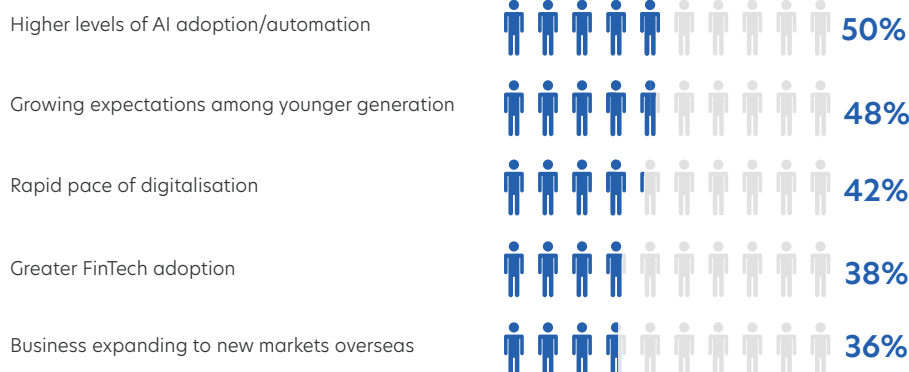
Top internal challenges in workforce management



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



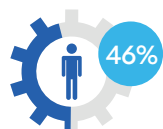
“While the younger generation is very agile, they have different skills. You cannot replace the kind of experience developed by having spent time over the years in those businesses.”

- CMO, Business Services sector

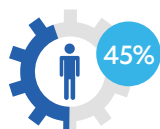


Businesses are addressing workforce challenges through higher pay, skill development, and digital transformation

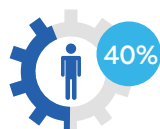
Top actions to address workforce challenges



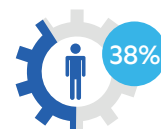
Offering higher pay and benefits



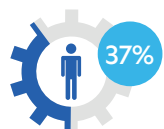
Providing reskilling/upskilling



Initiating digital transformation/automation



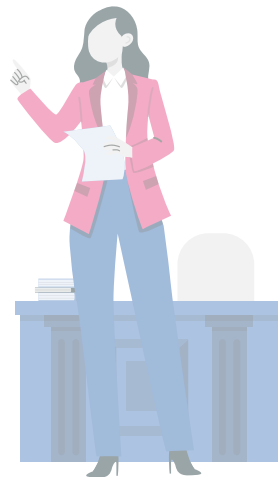
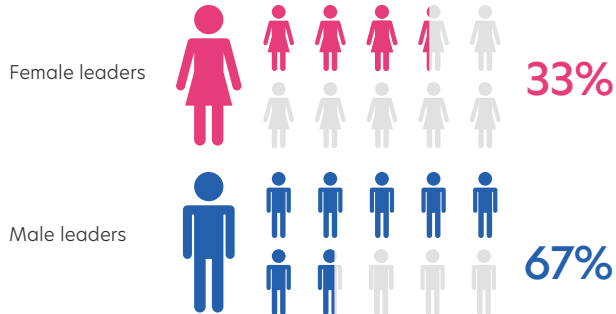
Offering flexi-work arrangements (including work-from-home)



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

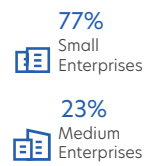
Nearly **8 in 10** women in leadership roles within the business world are leading Small Enterprises



Spread by sectors



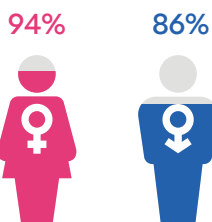
Spread by business size



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

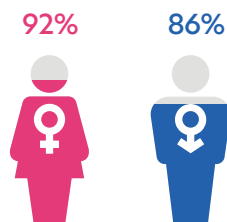
Women are more prepared on

Finding a new customer base



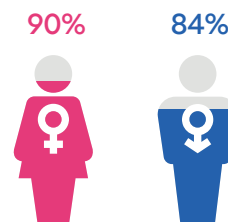
Female Male

Reviewing business strategy to differentiate from competitors



Female Male

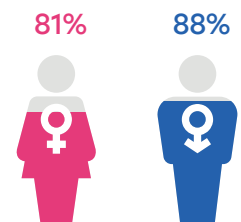
Diversifying supply chains



Female Male

But less prepared on

Building a purpose-driven business

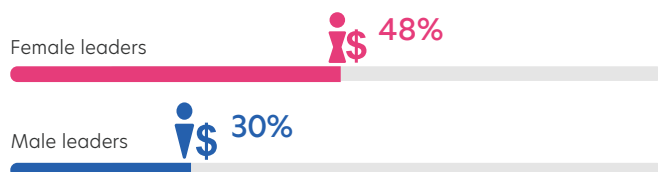


Female Male

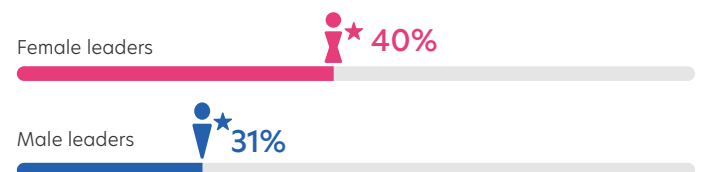
Women leaders use sustainability to engage investors and attract talent

Sustainability drivers

Helps attract investors



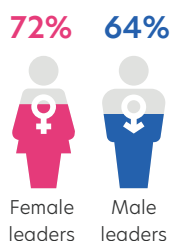
Enables talent retention



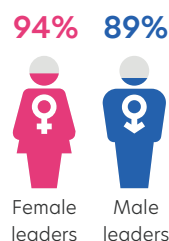
Driven by overseas expansion, women-led businesses are leveraging trade platforms and seeking networking opportunities

Expansion interest

Expanded in 2024

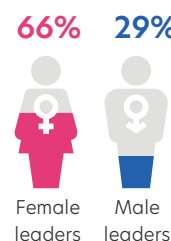


Interested in future expansion

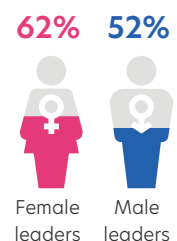


Cross-border trade platforms

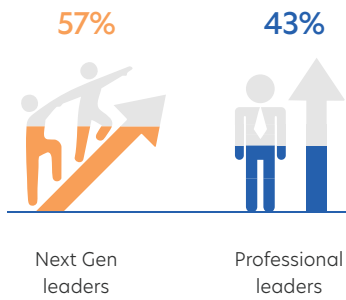
Very interested in cross-border trade platform



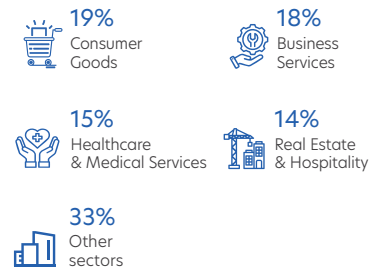
Opportunities to network with overseas business



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



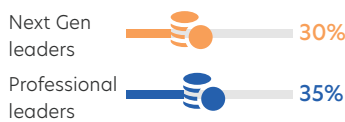
Spread by business size



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

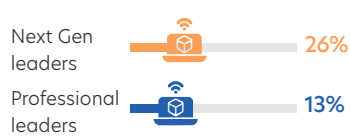


Strategic concerns

High manpower costs

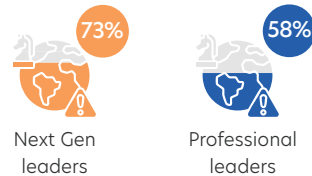


Digitalise to achieve business efficiency

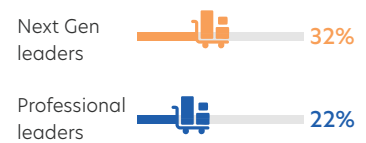


Next Gen leaders address supply chain concerns through strategic planning and alternative sourcing

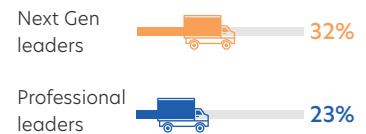
Affected by geopolitical impact on supply chains



Adopt better inventory management practices

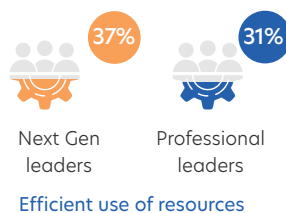


Source alternative raw materials to diversify risk



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

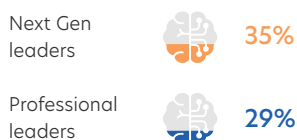
Artificial Intelligence



Automation



Machine Learning



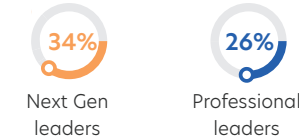
Augmented reality



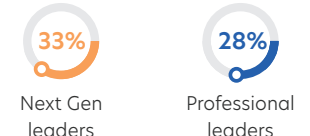
They pursue customer-centricity through automation and digitalisation

Areas of deployment

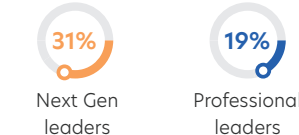
Automation for customer service



Digitalisation of procurement



Automation for payroll



Digitalisation of Partner Relationship Management

