

Australian Business Results: Asia Pacific SME Business Survey

A survey was **conducted by CPA Australia in November/December 2021** and covered more than 4,250 businesses employing 20 or fewer employees (with more than 500 SME's from Australia included in the survey).

Key findings

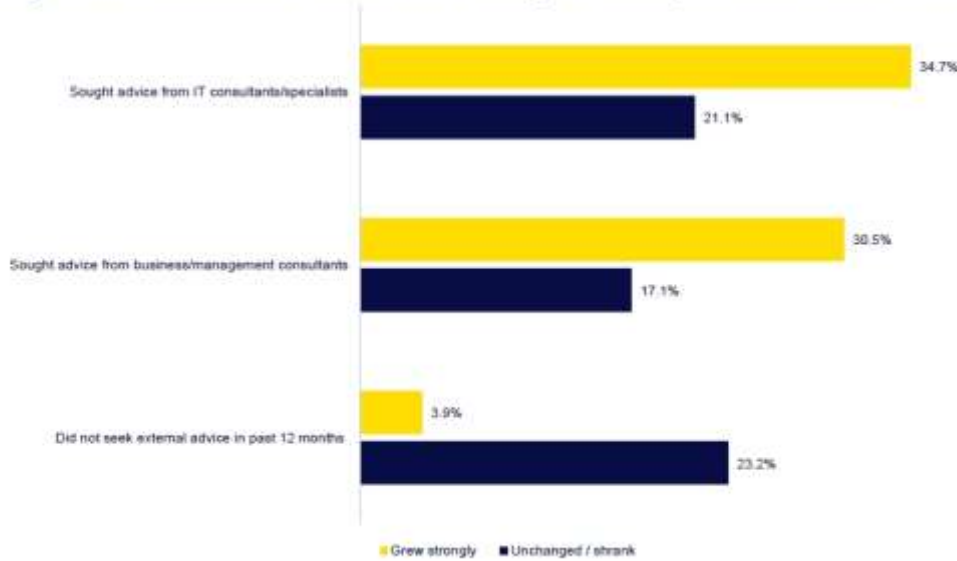
- Small businesses in all markets are more likely to expect to grow in 2022 than 2021.
- Less than half of small businesses reported that they grew in 2021, down from nearly two-thirds in 2019.
- Younger businesses and younger respondents were far more likely to report growing in 2021 and expect to grow in 2022.
- High growth small businesses are much more likely to be using technology, focusing on customer satisfaction, innovating, exporting and seeking professional advice.
- High growth small businesses were significantly more likely to have responded to COVID-19 by making major changes to their business plan, restructured or made big changes to their product or service offering.
- There is a clear generational gap in digital adoption. Respondents 50 and over are far less likely to be taking advantage of various digital technologies in their business.
- There has been no material increase in the percentage of businesses that found paying debts difficult during the pandemic (2020 and 2021) compared with pre-pandemic (2019). This most likely reflects the significant financial assistance many governments offered small business during the pandemic.
- Businesses in difficulty are less likely to seek professional advice.
- Businesses were more likely to have required finance for business survival than growth last year. It's the first time in the history of this survey that small businesses were more likely to seek external finance for survival than growth.

What do high-growth small businesses do differently?

As in previous years, high-growth small businesses across the region were much more likely in 2021 to be:

- using various technologies. This includes:
 - making online sales
 - receiving payments through technologies such as PayPal, buy now pay later technologies, WeChat Pay and Apple Pay
 - using social media to learn more about their customers and potential customers, monitor competitors and recruit employees
- investing in technology. Such investments are significantly more likely to quickly improve profitability
- focusing on customer satisfaction, improving business strategy and improving management
- innovating through the introduction of totally new products, services or processes
- expanding their sales into overseas markets
- seeking professional advice, especially from IT consultants and business consultants
- protecting their business from cyberattack

High growth businesses were more likely to seek professional advice

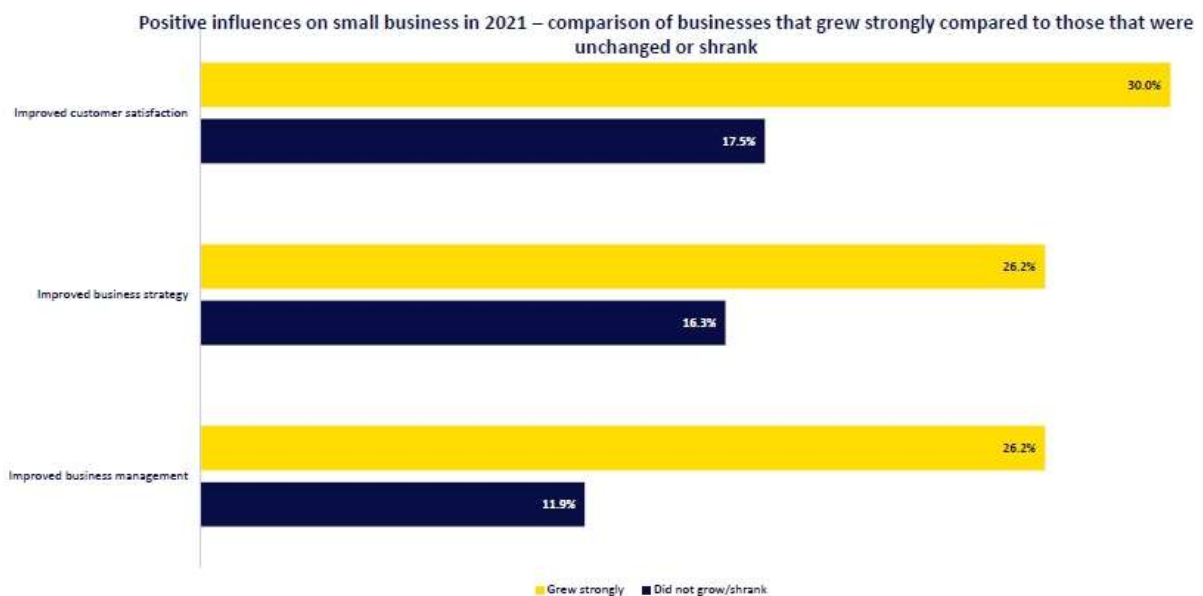


Small businesses that are not growing or shrinking are less likely to seek advice – right at the time they would benefit most from that advice.

Small business growth expectations for 2022

- Small business growth expectations for 2022 are mixed. The survey results for some markets show a large increase in the number of small business that expect to grow this year, including Philippines, Hong Kong, New Zealand and Australia. While other markets expect a decrease, led by India and the Philippines (although both markets still have very large numbers of businesses that expect to grow).
- Filipino and Indonesian small businesses are the most likely to expect to grow in 2022, while Hong Kong's small businesses remain the least likely to expect to grow, despite the improved result for that market.
- Consistent with reported growth for 2021, younger businesses, younger respondents and larger small businesses are more likely to expect to grow in 2022.
- It should be noted that the survey was conducted before the war in Ukraine and COVID-19 outbreaks in several markets, and this may impact these results. Experiences with COVID-19 in other markets show that economic activity rebounds quickly following the lifting of restrictions, however the uncertainty created by the virus does have some lasting impacts on business confidence. It's harder to predict what impact the war in Ukraine will have on business growth, although it's likely to hit fuel dependent businesses harder due to a higher price for oil.

High growth businesses are more focused on improving customer satisfaction, business strategy and business management



	Australia 2021	Survey average 2021	Rank 2021	Australia 2020	Rank 2020	Australia 2019	Australia 2018	Australia 2017
Businesses that grew in the last 12 months	32.2%	47.3%	11/11	22.3%	10/11	35.3%	42.2%	50.7%
Businesses that expect to grow in the next 12 months	53.1%	61.9%	9/11	41.4%	10/11	41.1%	47.3%	55.6%
Businesses that expect the local economy to grow in the next 12 months	55.1%	60.6%	8/11	44.2%	9/11	29.3%	34.7%	42.3%

To obtain a copy of the [full Asia-Pacific Small Business Survey report](#) - please click on the link [HERE](#).

To get a copy of the [Australian Small Business key findings extract](#), from the full report - please click on the link [HERE](#).

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