



## Taiwan

31 March 2021

### **CPA Australia: Taiwanese small businesses resilient and digital breakthrough expected**

- Taiwanese small businesses were less impacted by COVID-19 than other Asia-Pacific markets.
- Fifty-six per cent of Taiwan's small businesses expect to grow in 2021, survey finds.
- Small businesses are neglecting opportunities to adopt digital payment technologies.

Small businesses in Taiwan remain moderately resilient in the face of COVID-19-related uncertainties. In a recent survey by CPA Australia, 46 per cent of small businesses reported growing in 2020, while 56 per cent expect to grow in 2021.

The survey canvassed the views of 4,227 small businesses in 11 markets across the Asia-Pacific region, including Mainland China, Malaysia, Vietnam and Australia, to understand their business strategies and outlook. Three hundred and three Taiwanese small businesses took part.

"Taiwan's small businesses demonstrated resilience and adaptability in their operations last year. They are cautiously optimistic about their growth prospects in 2021 due to Taiwan's effective COVID-19 response and improvements in the global economy," said Honorary Taiwan Adviser to CPA Australia, Mr Elic Lam FCPA.

Among surveyed markets, small businesses in Taiwan were the least likely to be negatively impacted by COVID-19. Only 45 per cent of respondents reported that COVID-19 had a major negative impact on their businesses in 2020, compared to the survey average of 57 per cent. In fact, Taiwanese respondents were the most likely to report that COVID-19 had a positive influence on their business in 2020.

"COVID-19 positively impacted some industries and adversely affected others. For example, the social distancing measures enforced around the world led to a surge in demand for IT and electronic products which may have benefited some of Taiwan's small businesses," Lam explained.

Among the advanced economies surveyed (Australia, Hong Kong, New Zealand, Singapore and Taiwan), small businesses in Taiwan are the most likely to use social media to communicate with existing customers and promote their business to potential customers (42 per cent).

However, there is room for improvement when it comes to using new payment technologies. Only 38 per cent reported generating more than 10 per cent of their sales through digital or online payment technologies in 2020. This is much lower than the survey average of 64 per cent.

"Over the past three years, the use of digital payment technologies among small businesses in Taiwan has not shown any significant growth, and the percentage offering such payment options to customers is noticeably lower than other Asia-Pacific markets. Nevertheless, some local developments point to the possibility of a breakthrough in digital payment usage this year.

"COVID-19 has accelerated digitalisation in the region, with more markets adopting digital or online payment options. As an export-driven economy, where over one-third (34 per cent) of respondents



expect their revenue from overseas sales to grow in 2021, I predict more Taiwanese small businesses will start to or accelerate their digitalisation strategy.

“This will enable them to take advantage of growing domestic and overseas digital transactions. In addition, the development of the FinTech sector in Taiwan such as virtual banks is likely to lead to the promotion of financial innovation among small businesses.

“Our survey indicates that small businesses that grew strongly in 2020 were much more likely to have invested in technology, and there is a strong link between innovation and business growth. To maintain their competitiveness, small businesses in Taiwan must keep up with the latest technology trends so they are ready to grasp the opportunities presented by new innovations,” said Lam.

CPA Australia recommends the following key measures for small businesses in Taiwan:

- Consult a trusted professional adviser to improve recovery prospects.
- Implement technologies to help business grow and evaluate its effectiveness in phases.
- Enhance cybersecurity protections and review IT systems regularly.
- Explore opportunities to expand online and diversify into new markets in the region.
- Keep abreast of the latest technology developments and changes in consumer behaviour.

Download [CPA Australia Asia-Pacific Small Business Survey 2020-21](#)

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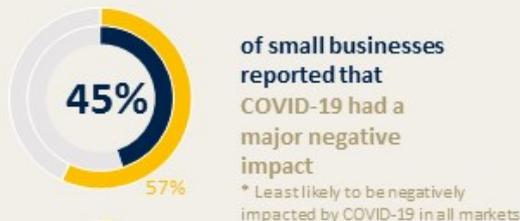
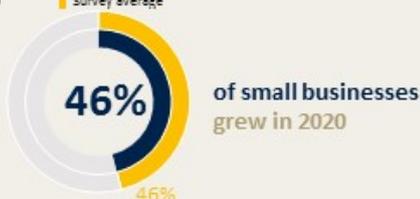
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# CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2020-21 TAIWAN

## SMALL BUSINESSES PERFORMANCE IN 2020

Taiwan 2020

Survey average



## COVID-19

POSITIVE FACTORS



NEGATIVE FACTORS

## BUSINESS OUTLOOK IN 2021



## RECOMMENDATIONS FOR SMALL BUSINESSES



Identify and implement technologies that will help your business grow



Explore new opportunities to diversify and expand your business online



Keep abreast of the latest technology development and meet the needs of changing consumer behaviour