

Hong Kong SMEs: Navigating Opportunities and Risks

SMEs upbeat, but cite weak economy and cost pressures

54%

in Hong Kong **expect the local economy to worsen in the year ahead**, attributing it to...

67% increasing international trade disputes

54% operating costs

46% global competition

However...

74%

forecast their revenue to **remain stable or even increase** this year

In contrast...

7%

cite **international trade disputes** as the biggest challenge to their business



Missing out on international expansion and growth opportunities

59%

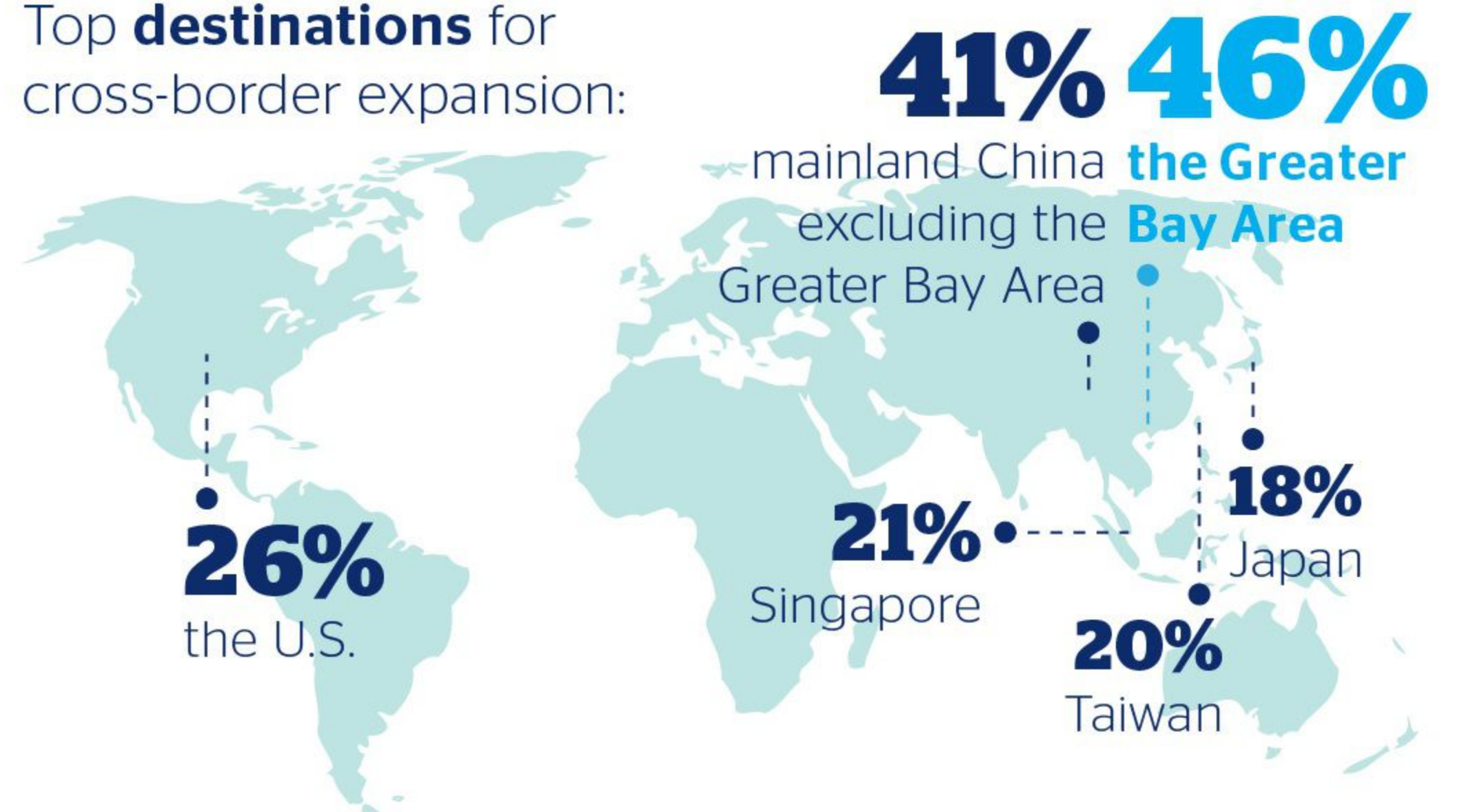
operate in **Hong Kong only**



47%

have **no interest** in expanding their footprint beyond Hong Kong

Top **destinations** for cross-border expansion:



Under-protected against cybersecurity risks

86%

are **aware** of cybersecurity risks



But...

72%

do not have relevant insurance protection

80%

are using or looking to invest in digital technologies to...



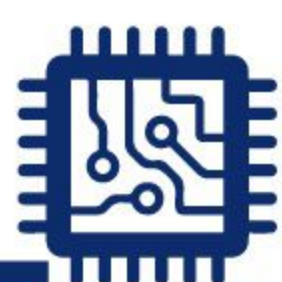
35%

make processes more efficient



33%

reduce reliance on manpower



39%

raise productivity



35%

reduce internal costs

Barriers to international expansion:



31%

insufficient staff or skills to expand international footprints



30%

lack of knowledge of overseas markets



25%

insufficient funds



21%

unfamiliar with overseas law

Underprepared amid global and market volatility

73%

experienced at least one **business issue** in the past year



yet...

14%

do not have any insurance protection at all

SMEs do not have relevant insurance protection against



91%

Directors' & Officers' management liability



84%

Liabilities to third-parties



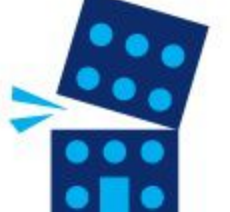
79%

Loss of income due to business interruptions



74%

Loss due to equipment breakdown



70%

Damage to business properties

The "SMEs: Navigating Opportunities and Risks" research study was conducted by ORC International on behalf of QBE Hong Kong. The study drew on an online survey of 415 Hong Kong SMEs in November 2018. Among the SMEs surveyed, 76% were in the service industry offering wholesale/retail, health, arts and creation, IT, finance, education, real estate, professional services, transport, F&B, accommodation and more. The remaining 24% came from the non-service industry, mainly manufacturing, construction and engineering. The SMEs in manufacturing sector employ up to 99 employees, while the non-manufacturing ones have up to 49 employees.

Made possible

