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HSBC report shows Asia's entrepreneurs diverge on preferred routes for business exit

HSBC Global Private Banking today released a new report titled '[Family-owned businesses in Asia: Harmony through succession planning](#)', which analyses how prepared family-owned businesses in Asia are for the future of their businesses and their wealth.

Family business owners in Asia are keen to maintain their legacy and wealth across future generations; however, few are actively preparing for succession, including those who are themselves second- or third-generation owners. This gap between intention and reality is particularly apparent when compared to Western markets.

Globally, 78 per cent of entrepreneurs would like to keep their business in the family. However, over half (52 per cent) have not planned for this future. Asian business owners lag even further behind, with approximately two-thirds of respondents from mainland China, Hong Kong and Taiwan not having planned for how their businesses might continue after them.

Key regional differences in business owners' motivations and preferences for exit include:

- India has the highest percentage of entrepreneurs who intend to pass their business on to a family member, with 79 per cent intending to do so, which puts Indian business owners on a level with their counterparts in the UK (77 per cent) and Switzerland (76 per cent). However, fewer than half of the respondents in Hong Kong share this intention (44 per cent), along with just 56 per cent in mainland China and 61 per cent in Taiwan.
- Entrepreneurs in mainland China (25 per cent), Hong Kong (29 per cent) and Taiwan (27 per cent), plus to a slightly lesser extent Singapore (22 per cent), show the most interest in selling their business as the exit route of the 10 surveyed markets. The sector most favoured for sale globally is electronics (21 per cent), a sector in which Asia accounts for almost two-thirds of world exports.
- This varied appetite for selling may also be connected to the lived experience and motivations of respondents who themselves inherited the family business. Among the second- and third-generation entrepreneurs surveyed, almost 60 per cent of respondents in mainland China say they felt a sense of obligation to take on the family business, compared to only 7 per cent in India.
- Nevertheless, many multi-generational entrepreneurs across the region feel supported by older generations in the family. In Singapore, this stands at 83 per

cent, and even in Taiwan, which sits at the bottom of the Asian pack, it still remains high at 70 per cent.

Although families in Asia are planning for succession less than their global counterparts, they increasingly recognise the need to formalise their wealth structures. The importance of succession planning for family businesses in Asia is also underscored by their economic contribution. These enterprises account for about 79 per cent of GDP in India, one of the highest ratios globally, and around 50 per cent of GDP in mainland China, dominating the private sector.

Lok Yim, Regional Head, Global Private Banking, Asia Pacific, HSBC, said: "It is important to consider the value of family-owned businesses as a part of the global economy. Acknowledging this means accepting that we are now in the depths of a record transition of businesses between generations, or to new management. We have seen that the views and family dynamics of the founders can have significant consequences."

There is importance attached to legacy, but not necessarily to keeping the business in the family. HSBC's report found that, despite wanting and trusting the next generation to carry on the family business, many Asian entrepreneurs recognise their children may have different aspirations and a significant proportion are open to them exploring these.

Edith Ang, Head of Family Advisory, Asia Pacific, HSBC Global Private Banking, commented: "Asian entrepreneurs and their families can better prepare for the future by embracing a dynamic, forward-thinking approach to extending business longevity and protecting wealth."

"Having these conversations early allows family members to clarify their expectations, professionals working alongside to develop a deeper understanding of the family. Everyone benefits from adequate time to learn and grow into roles. This can maximise the smoothness of eventual transitions. It does not have to be a decision to keep the business in the family or sell and formalise the wealth through a single family office. Sometimes the optimal solution could be a blend of the two."

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Notes to editors

About HSBC's 'Family -owned businesses in Asia: Harmony through succession planning' report

The findings are based on extensive research conducted by Ipsos UK on behalf of HSBC among 1,798 high net worth business owners with at least USD2 million of investable assets. The research was conducted online in mainland China, France, Hong Kong, India, Singapore, Switzerland, Taiwan, UAE, UK and US. See the report for the full methodology.

About HSBC Global Private Banking

HSBC Global Private Banking helps clients manage, grow and preserve their wealth for generations to come. Its network of global experts helps clients access investment opportunities around the

world, plan for the future with wealth and succession planning, manage their portfolio with tailored solutions, and find the right support for their philanthropy. www.privatebanking.hsbc.com

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HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 58 countries and territories. With assets of US\$3,054bn at 31 March 2025, HSBC is one of the world's largest banking and financial services organisations.

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