



# DHL Hong Kong Air Trade Leading Index (DTI)

Q1 2025 REPORT

Commissioned by DHL Express (Hong Kong) Limited, DTI is implemented independently by the Hong Kong Productivity Council to measure air traders' forward-looking business outlook, presented in the form of an Index. Please visit [u.hkpc.org/dti\\_eng](http://u.hkpc.org/dti_eng) for details.

## Background

Hong Kong is one of the major regional aviation hubs in Asia Pacific. Hong Kong International Airport is globally recognised as one of the busiest airports or its international cargo throughput. The city's dynamic air trade industry generates a total revenue of over HK\$150.3 billion annually, with HK\$45.2 billion from freight revenue, and creates over 31,000 job opportunities <sup>(1)</sup>.

DHL Express (Hong Kong) Limited (DHL) has commissioned the Hong Kong Productivity Council (HKPC) to conduct independent air trade research – the result of which is the DHL Hong Kong Air Trade Leading Index (DTI).

DTI is developed, after months of preparation and preliminary studies, and compiled findings on air trade across multiple quarters. It reflects and investigates on respondents' outlook on Hong Kong's air trade, and its related attributes, market sentiment, as well as key types of commodities.

DTI is the first of its kind in Hong Kong, offering publicly accessible market intelligence for local enterprises to take reference from a comprehensive business review of the sector which they operate, especially SMEs that typically have scarce resources or limited access to information.

DTI first launched in the second quarter of 2014, and has been published on a quarterly basis since then.

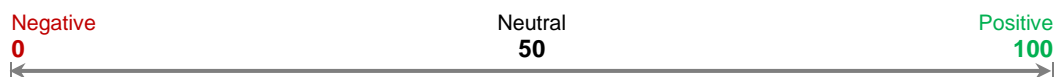
## Methodology

$DTI = [100 \times (\text{Percentage of samples responded "Positive"})] + [50 \times (\text{Percentage of samples responded "Neutral"})] + [0 \times (\text{Percentage of samples responded "Negative"})]$

## Readings

An index value above 50 indicates an overall positive outlook while a reading below 50 represents an overall negative outlook for the surveyed quarter.

As such, the further the reading deviates from 50, the more pronounced the positive or negative outlook becomes.



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<sup>1</sup> Key Statistics on Business Performance and Operating Characteristics of the Transportation, Storage and Courier Services Sector in 2023, Census and Statistics Department

## *Demographics*

Respondents are Hong Kong-based companies with either in-bound or out-bound air trade. Sectors cover air-freighted commodities including Watches, Clocks & Jewellery, Apparel & Clothing Accessories, Electronic Products & Parts, Gifts, Toys & Houseware, Food & Beverage and Others (including courier items and other items that do not belong to the categories listed above).

Since the first reading in the second quarter of 2014, over 600 samples have been randomly selected from over 10,000 targeted entries every quarter to reveal the respondents' expectations on air trade by telephone. Surveyed samples are based on company and air-freighted commodity without weighting adjustments for the business size of companies

## REPORT SUMMARY

***The Air Trade landscape in Q1 2025 slightly improved, particularly in the Asia Pacific region, despite ongoing challenges in the Americas and modest recovery in Europe. Additionally, 45% of local air traders perceived opportunities in the Middle East.***

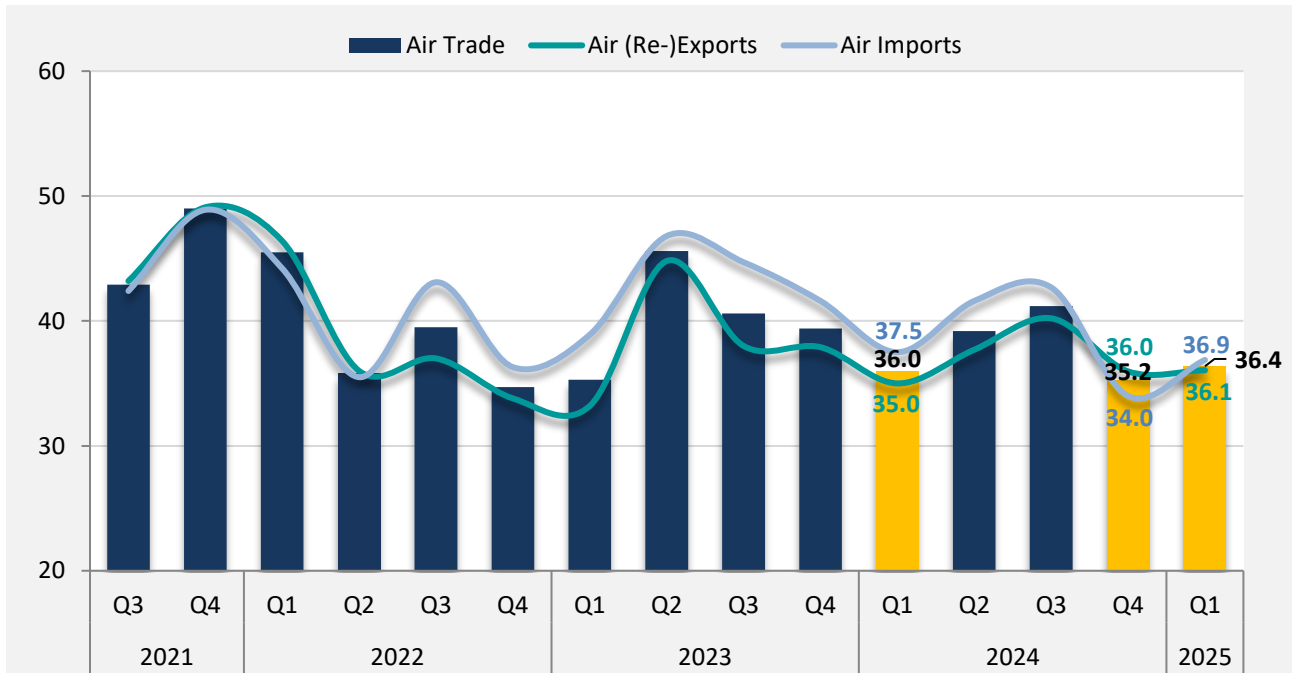
- The Overall Air Trade Index saw a slight improvement, primarily driven by growth in the Asia Pacific region, as well as Electronic Products & Parts, and Imports.
- The Asia Pacific and Europe indices recorded increases of 6 points and 1 point respectively when compared with Q4 2024, whereas the Americas index experienced a significant decline of 8 points.
- Although less than one-tenth of local air traders reported a better-than-expected traditional peak season in 2024, nearly one-fourth expected better number of orders in the pre-Chinese New Year period in 2025 compared to the previous year.
- As Donald Trump will be taking office as the US president on 20 January 2025. The China-US relations and the trade environment with the US remain uncertain. The results showed that 76% of local air traders decided to closely monitor the situation with no measures to make at this stage, while 21% of local air traders will explore other markets.
- Regarding the opportunities in new markets, 45% of local air traders saw potential in the Middle East market, followed by Eastern Europe (33%) and Latin America (31%).
- Additionally, 76% of local air traders are willing to engage in carbon reduction initiatives; among those, 12% indicated a willingness to pay more than 11% of their logistics costs to achieve this mission.
- The B2C index experienced a significant increase, rising from 40.5 to 45.9. Air traders anticipated stronger sales volumes and greater product variety, while shipment urgency remained stable.

Mr Edmond LAI, Chief Digital Officer of HKPC, commented, “The air trade index slightly picked up 1.2 points, driven by the improvement observed in imports. Despite fewer than 10% of local air traders experiencing a better-than-expected peak season in 2024, 22% anticipate improved order volumes for the pre-Chinese New Year period in 2025 compared to the previous year. Yet, amid the uncertainties arising from the transition of the US presidency, the Americas’ index dropped significantly by 8 points, with all commodity indices in the region experiencing declines of varying magnitudes, except for Gifts, Toys & Houseware. Most air traders (76%) have opted to closely monitor the situation without taking immediate action at this stage, while 21% are interested in exploring other markets. Among potential markets, air traders perceived the Middle East as having the most promise.

It is noteworthy that the Product Variety sub-index has ranked at the top since the second half of 2023, while Sales Volume remained flat. This reflects the emergence of a new trend ‘greater variety in fewer quantities’, where small order volume and customisation have become the new norm. This shift indicates that large-scale production is no longer the most effective strategy in today’s market. Air traders are advised to realign their strategies to adapt to this evolving trend to fit the market dynamics. HKPC will assist enterprises, particularly SMEs, navigate this transition by ensuring sustained competitiveness and growth in the dynamic global marketplace. This will be achieved through a series of support measures encompassing six key services to help SMEs address operational challenges, enhance confidence, and increase their overall competitiveness.”

## Air Trade Index

Following a significant decrease in the previous quarter, the Overall Air Trade Index rebounded by 1.2 points to 36.4 points in Q1 2025. This improvement was primarily driven by a 2.9-point increase in Imports, while (Re-)Exports remained relatively stable at 36.1.



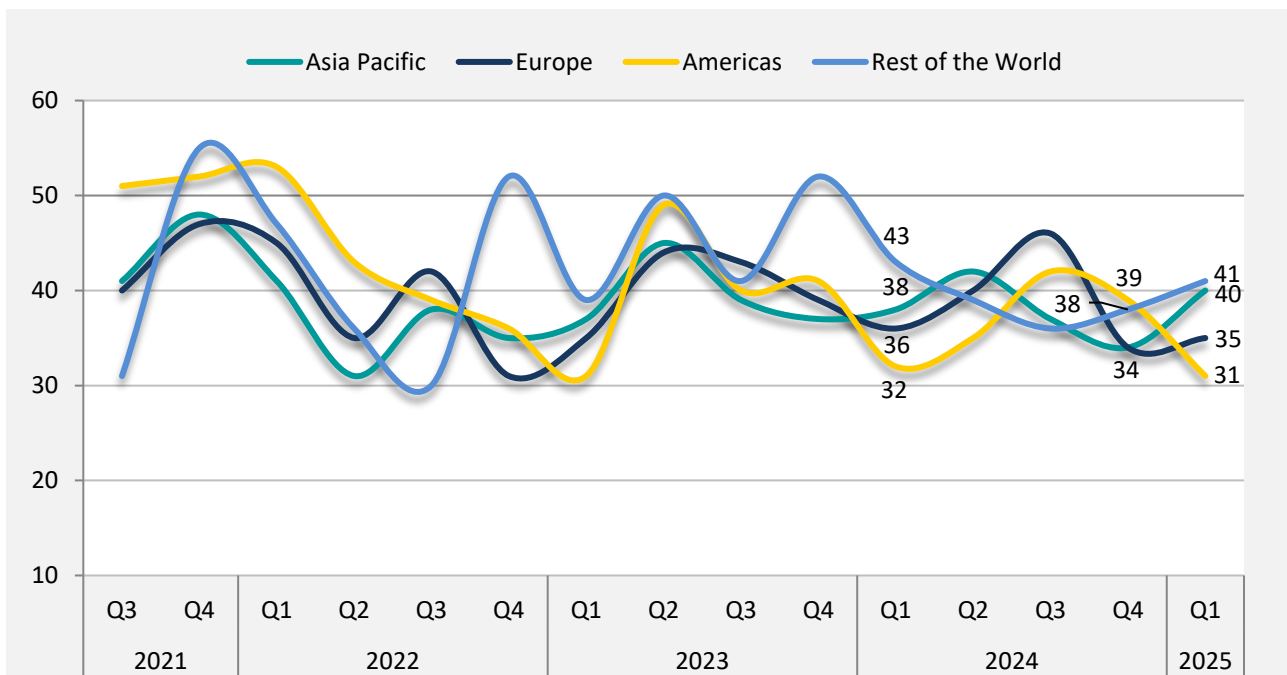
The **Overall Air Trade** Index experienced a slight increase in Q1 2025 (+1.2 points), largely due to the rise in imports, reaching a level similar to Q1 2024.

The **Air Imports** Index increased by 2.9 points to 36.9 points, recovering from the substantial decline in the previous quarter.

The **Air (Re-)Exports** Index remained stable at 36.1, outperforming its performance in the first quarter of 2024.

## Markets

*In Q1 2025, the Asia Pacific index experienced a considerable increase, mainly driven by the 10-point increment in China, which counteracted the significant decline observed in the Americas. This reflects that Americas-focused air traders were facing more complex and uncertain trading conditions.*



A robust recovery was observed in **Asia Pacific** Index (40 points, +6 points). All regions within the Asia Pacific experienced various degrees of increments:

- **China's** Index rose notably by 10 points to 42 points in Q1 2025, which was the key driver in the overall rise in Asia Pacific Index. Both imports and (re-)exports showed improvement, with the growth in imports being particularly pronounced (+11 points).
- **Japan's** index rebounded by 4 points to 38 points, with growth observed in both imports (+6 points) and (re-)exports (+5 points).
- The increment in **Other Asia Pacific regions** (+5 points) was primarily driven by the significant rise in imports (+11 points), while (re-)exports experienced a slight increase (+1 point).

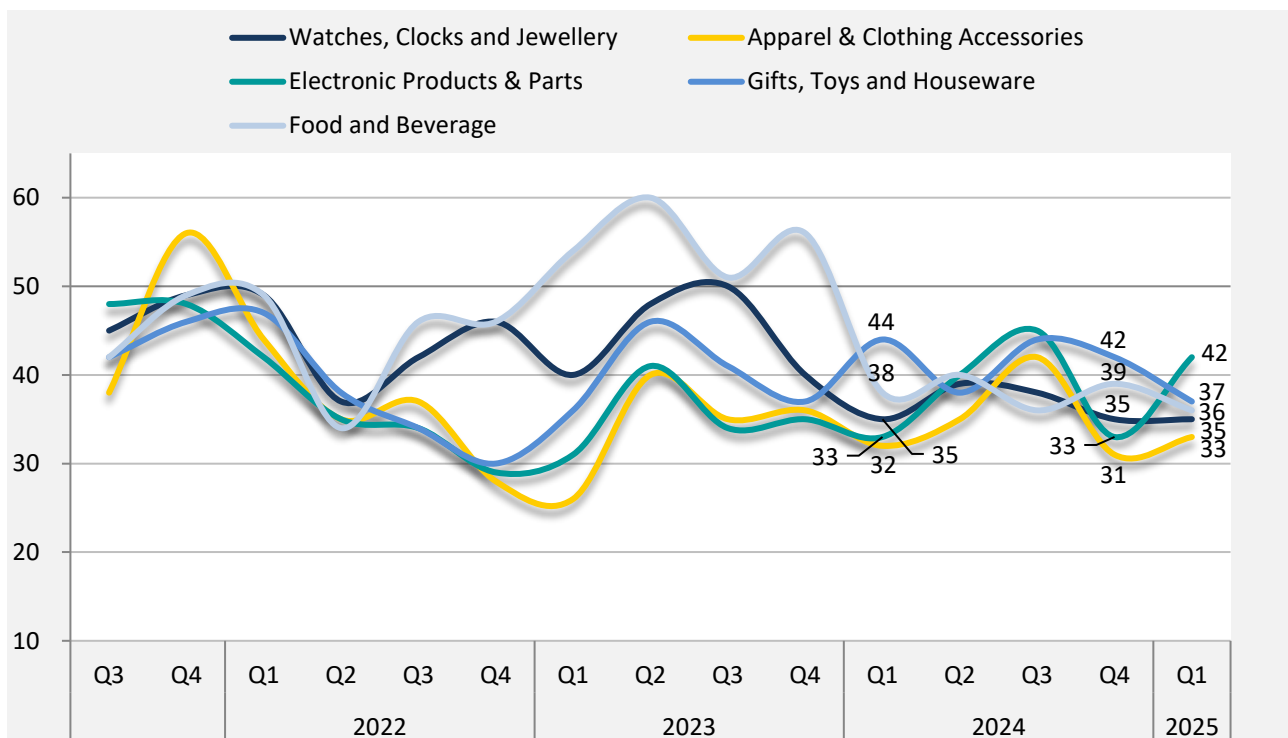
The index of **Europe** showed a slight recovery (+1 point) this quarter, primarily driven by a 3-point increase in (re-)exports, which offset a 3-point decrease in imports.

The **Americas** index was the only market that experienced a decline, dropping notably by 8 points to 31 points in Q1 2025. Both imports and (re-)export performance slipped, with each recording a 7-point decline.

The index of the **Rest of the World** recovered by 3 points to 41 points this quarter.

## Air-Freighted Commodities

*In Q1 2025, Electronic Products & Parts showed a remarkable increase following a significant decrease in the previous quarter, primarily influenced by the robust recovery in China and Japan, which also offset the significant drop in the Americas. Indices for Gifts, Toys & Houseware and Food & Beverage declined at different magnitudes. On the other hand, the performance of Apparel & Clothing Accessories and Watches, Clocks & Jewellery was relatively stable among air-freighted commodities. Notably, looking at the market, all commodity indices in the Americas experienced declines of varying magnitudes, except for Gifts, Toys & Houseware, which recorded a 1-point increase.*



**Electronic Products & Parts** increased notably by 9 points to 42 points and ranked the highest in Q1 2025. In terms of the market, a significant drop was observed in the Americas (-10 points). However, the notable rebound in both China (+20 points) and Japan (+23 points) offset the decline.

**Gifts, Toys & Houseware** dropped by 5 points to 37 points, returning to the level observed in Q2 2024, and the drop was observed in both (re-)exports and imports. According to HKTDC's Toy Industry in Hong Kong<sup>1</sup> released in November 2024, (re-)exports in Toys recorded a 24% year-on-year decline, reflecting a slowdown in industry growth.

**Food & Beverage** retreated by 3 points to 36 points, with the drop being more significant in (re-)exports (-4 points).

<sup>1</sup>Source: "Toy Industry in Hong Kong"

<https://research.hktdc.com/en/article/MzEzOTQwNTA4>

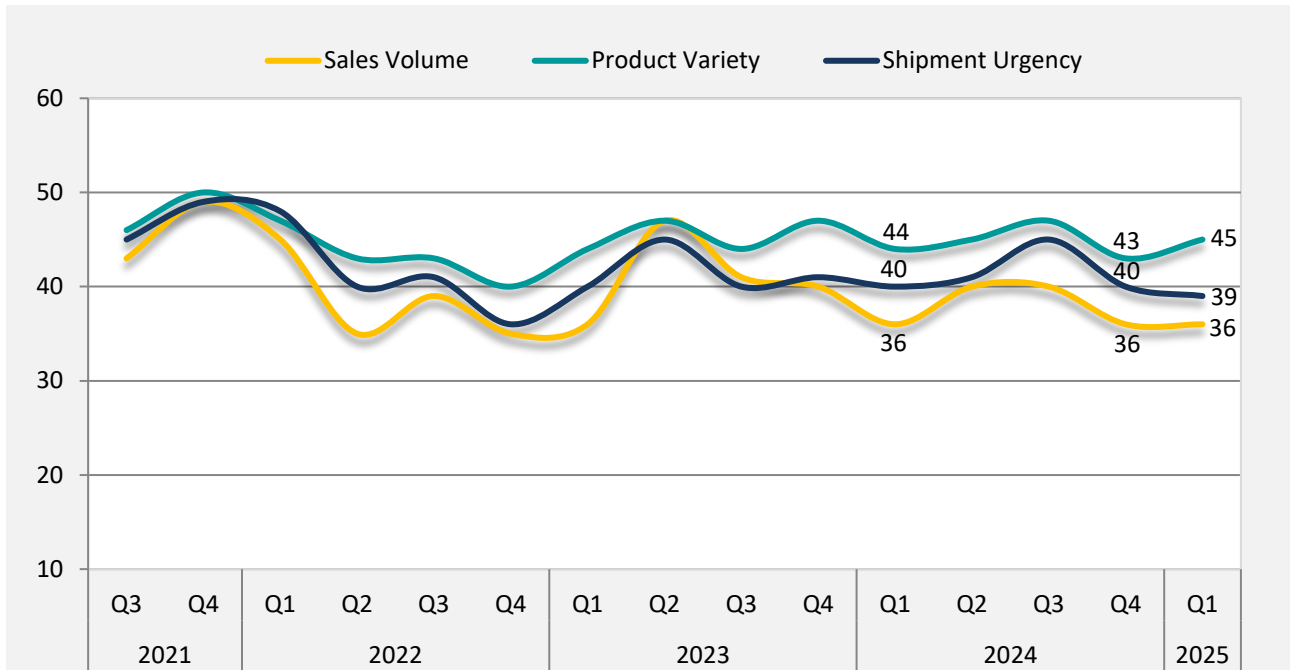


The performance of **Watches, Clocks & Jewellery** was relatively stable over the quarters compared to other air-freighted commodities. In Q1 2025, the index remained steady at 35 points as it was in the previous quarter and the first quarter of 2024.

**Apparel & Clothing Accessories** (33 points) saw a mild recovery (+2 points) in Q1 2025 following a significant decline in the previous quarter. This improvement was attributed to an increase in imports (+3 points), while (re-)exports remained stable.

## Sub-Indices

*In Q1 2025, Product Variety saw a modest increment, remaining the best-performing sub-index for seven consecutive quarters. Shipment Urgency showed a slight retreat by 1 point to 39 points, while Sales Volume remained steady at 36 points compared to the previous quarter and the same period last year. The results reflect the formation of a new trend: “lots of variety in fewer quantities”.*



**The Product Variety** Index registered a modest growth this quarter (+2 points), ranking as the top sub-index for seven consecutive quarters. Both imports and (re-)exports experienced growth, with imports showing a more significant increase (+3 points).

**Shipment Urgency** recorded a slight decrease (-1 point), driven by the 1-point decline in (re-)exports.

The performance of **Sales Volume** remained on par with the previous quarter (36 points).

Looking into the sub-index development by market:

- A further decline across all sub-indices was observed in the **Americas**, with the drops in Sales Volume (-8 points) and Shipment Urgency (-6 points) being more significant.
- The sub-index of **Asia Pacific** experienced various degrees of increments:
  - **China** recorded growth across all sub-indices, each surpassing its performance in the first quarter of 2024. Specifically, Product Variety has the most remarkable increase (+7 points).

- **Japan** saw different magnitudes of rise across sub-indices, with the largest increment observed in Shipment Urgency (+4 points), reaching its highest level since 2023.
- **Other Asia Pacific regions** also experienced growth in all sub-indices, with the growth being more significant in Product Variety (+8 points).
- **Europe's** Sales Volume and Shipment Urgency remained stable at 35 points and 39 points respectively. Product Variety was the only sub-index that registered an increase.

## Air Trade Outlook Affected by Recent Market News

*The traditional peak (Thanksgiving and Christmas Eve) of 2024 aligned with air traders' expectations, with over half (53%) of surveyed air traders expressing that the actual performance was as expected. Pre-Chinese New Year (CNY) expectations were conservative, with only 22% holding a positive view, and 43% being neutral. From post-CNY until the end of Q1 2025, there was a decline in positive expectations to 18% and an increase in negative expectations to 39%. Amid China-US tensions and trade policy uncertainties, most air traders preferred a wait-and-see approach, while some considered exploring other markets for opportunities.*

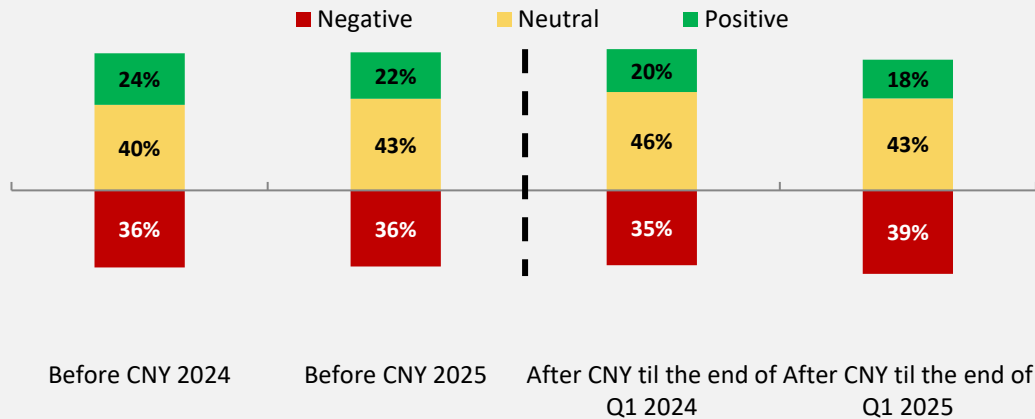


Note: Percentages may not add up to 100% due to rounding.

Based on the results from the previous quarter, more air traders (69%) had either neutral or positive expectations for the traditional peak. However, fewer than one-tenth (8%) of air traders reported that their performance in traditional peak (Thanksgiving and Christmas Eve) in 2024 was better than expected, while over half (53%) reported it was similar to their expectations.

Looking at the results by market, it was noteworthy that the majority of Americas-focused air traders (71%) held neutral or positive expectations towards 2024 traditional peak in the previous quarter. However, the actual performance fell short of their expectations, with relatively more of them reporting that the performance was worse than expected (42%).

### Expectation of Air Trade Volume before Chinese New Year and after Chinese New Year til the End of Q1 2024 and 2025



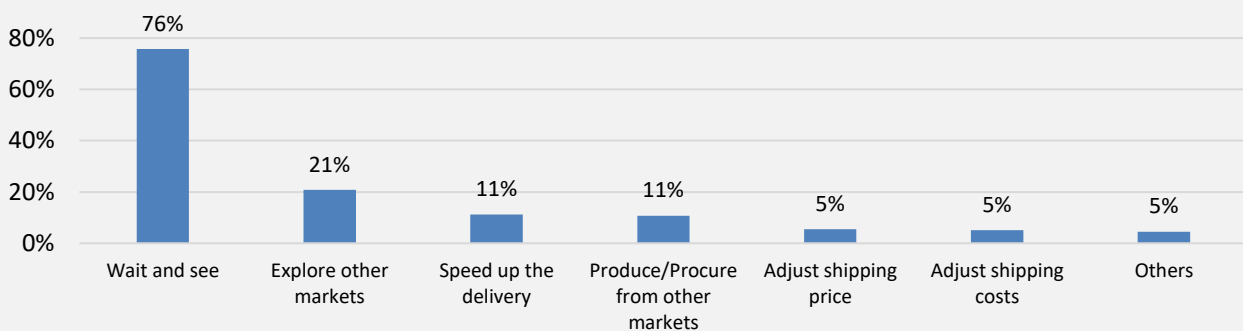
Note: Percentages may not add up to 100% due to rounding.

The expectations of air traders towards pre-Chinese New Year (CNY) were more conservative than in the same period last year, with 43% holding neutral expectations. Meanwhile, nearly one-fourth (22%) of air traders were expecting better air trade volumes in the 2025 pre-CNY compared to the previous year.

After the Chinese New Year until the end of Q1 2025, the proportion of air traders having positive expectations decreased by 2 percentage points to 18% compared to 2024, while negative expectation increased by 4 percentage points to 39%.

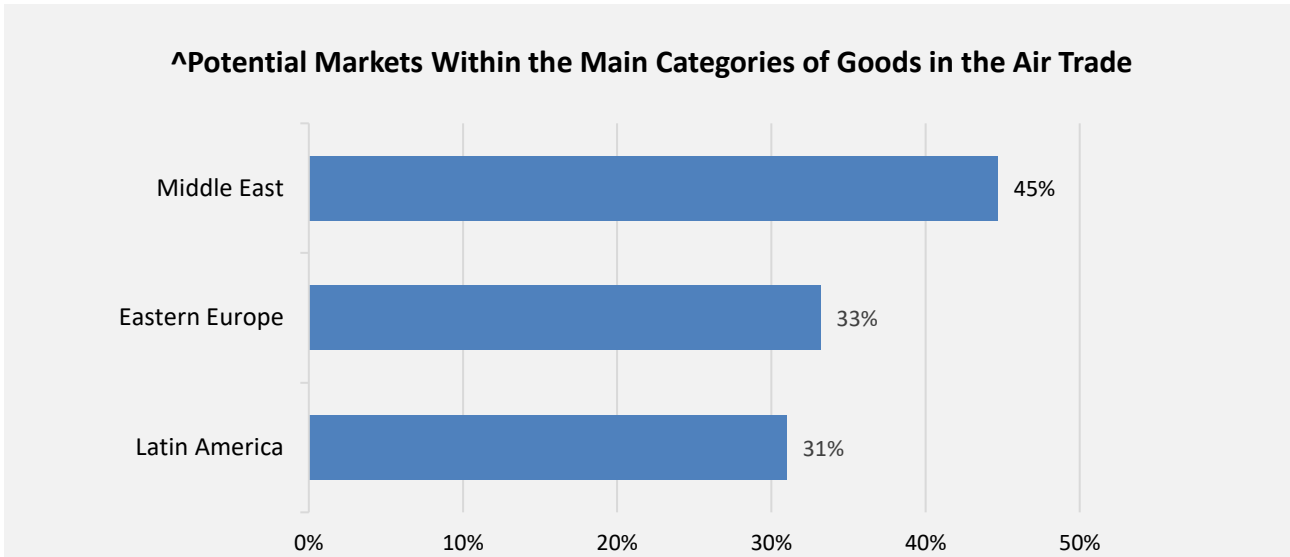
Analysis of the results by market revealed that China-focused air traders held relatively positive business expectations for the pre-CNY period (25%), and Other Asia Pacific-focused air traders had relatively positive business expectations towards post-CNY (22%). Conversely, the optimism was notably lower among the Rest of the World-focused air traders for pre-CNY (9%), while those Japan-focused air traders expressed a lower optimism for post-CNY (12%).

### Measures Taken by Air Traders in Response to the Future Direction of China-US Tensions and New Trade Policy by the New US President in 2025



Note: Multiple answers allowed

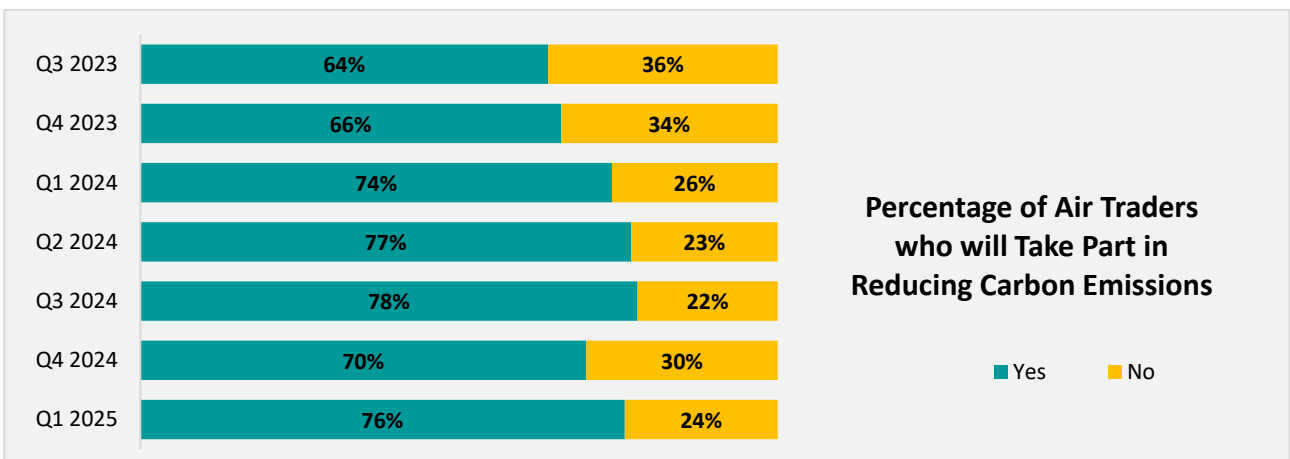
Considering the uncertainties surrounding China-US tensions and trade policies, most air traders chose to “wait and see” (76%), while 21% reported that they would “explore other markets” to seek opportunities as their active approach. This is followed by “speed up the delivery” (11%) and “produce/procure from other markets” (11%).



^ Based on the total number of mentions  
 Note: Percentages may not add up to 100% due to rounding.

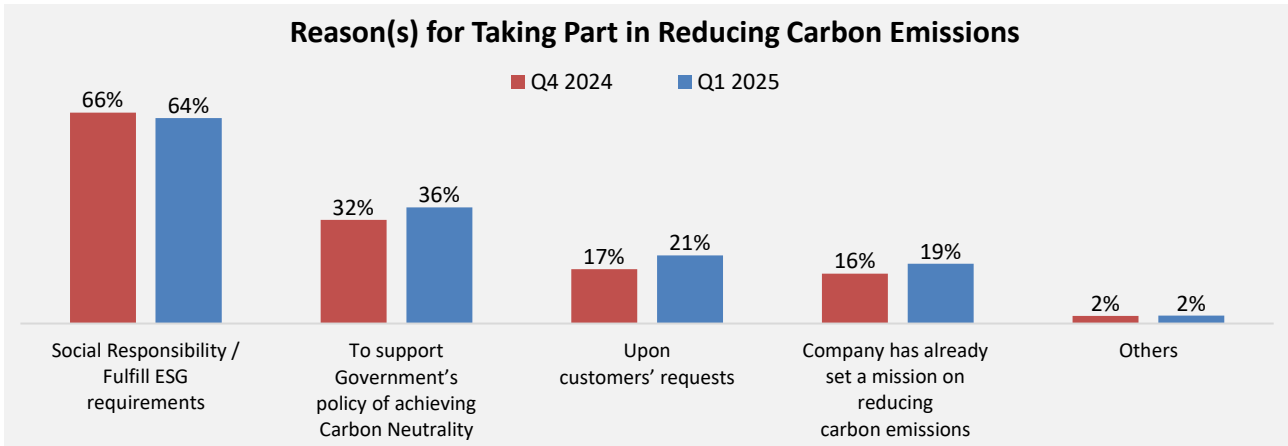
Among the three markets, the Middle East is perceived to have the highest overall market potential, with 45% of air traders recognising its opportunities, notably with a higher proportion in (re-)exports (64%) believing in its potential. This is followed by Eastern Europe (33%) and Latin America (31%).

In terms of commodities, it was found that Eastern Europe has a greater potential for Gifts, Toys and Houseware (39%). Notably, around half (49%) of the air traders from Watches, Clocks & Jewellery sector indicated that the Middle East has significant potential, while 33% from Food & Beverage sector stated that Latin America has the greatest potential.



Note: Percentages may not add up to 100% due to rounding.

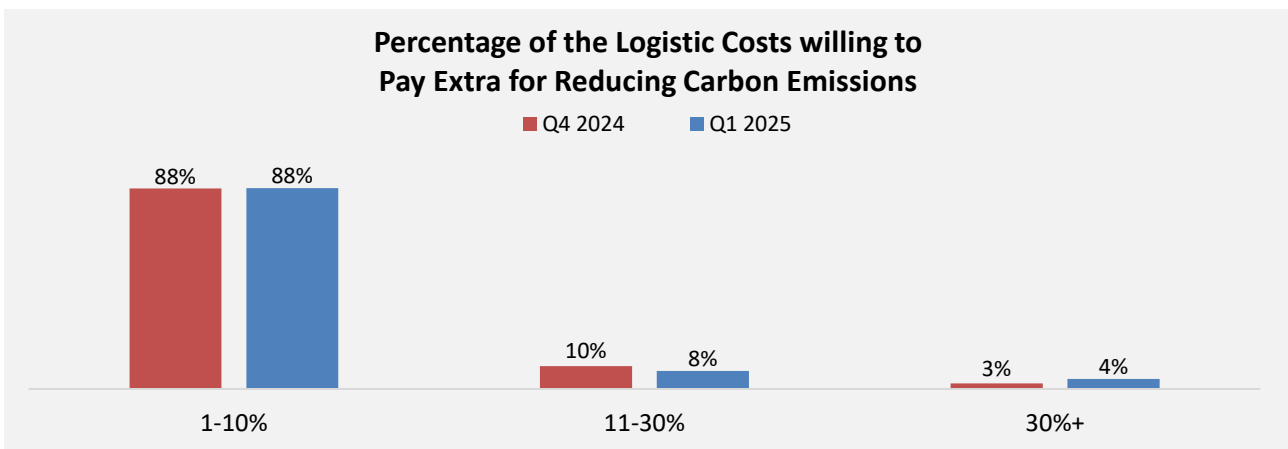
In Q1 2025, 76% of air traders are willing to engage in carbon emission reduction, an increase of 6% from the previous quarter, returning to a level similar as the first half of 2024.



Note: Based on air traders willing to take part in reducing carbon emissions

Note: Multiple answers allowed

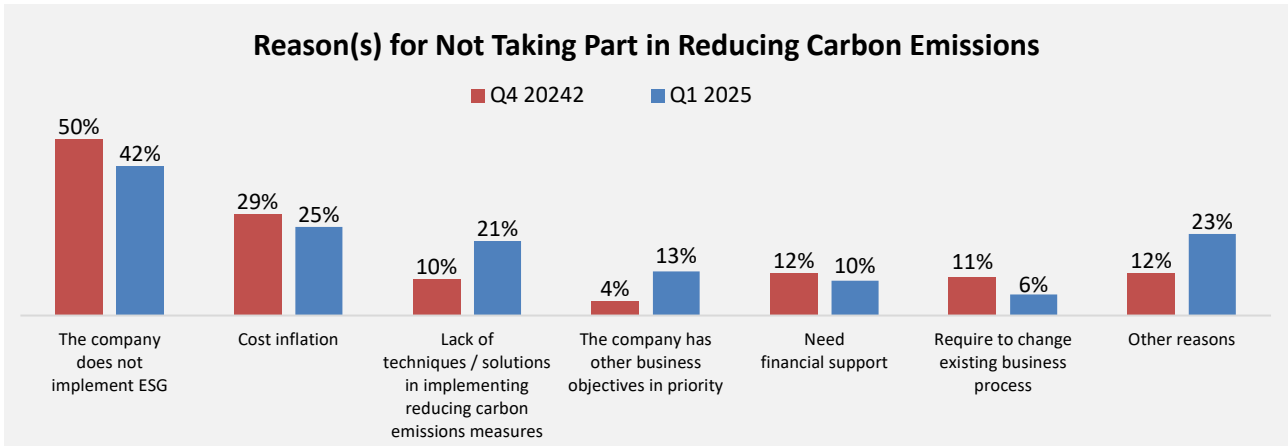
“Social responsibility / fulfilling ESG requirement” (64%) remained as the key driver for participating in carbon emission reduction, underscoring the recognition among SMEs of the importance of integrating environmental, social, and governance (ESG) criteria into their operational strategies. This was followed by “Supporting Government’s policy of achieving carbon neutrality” (36%) which saw a 4- percentage point increase and reached its highest level since 2023, indicating growing attention among air traders to government carbon reduction initiatives.



Note: Based on air traders willing to take part in reducing carbon emissions

Note: Percentages may not add up to 100% due to rounding.

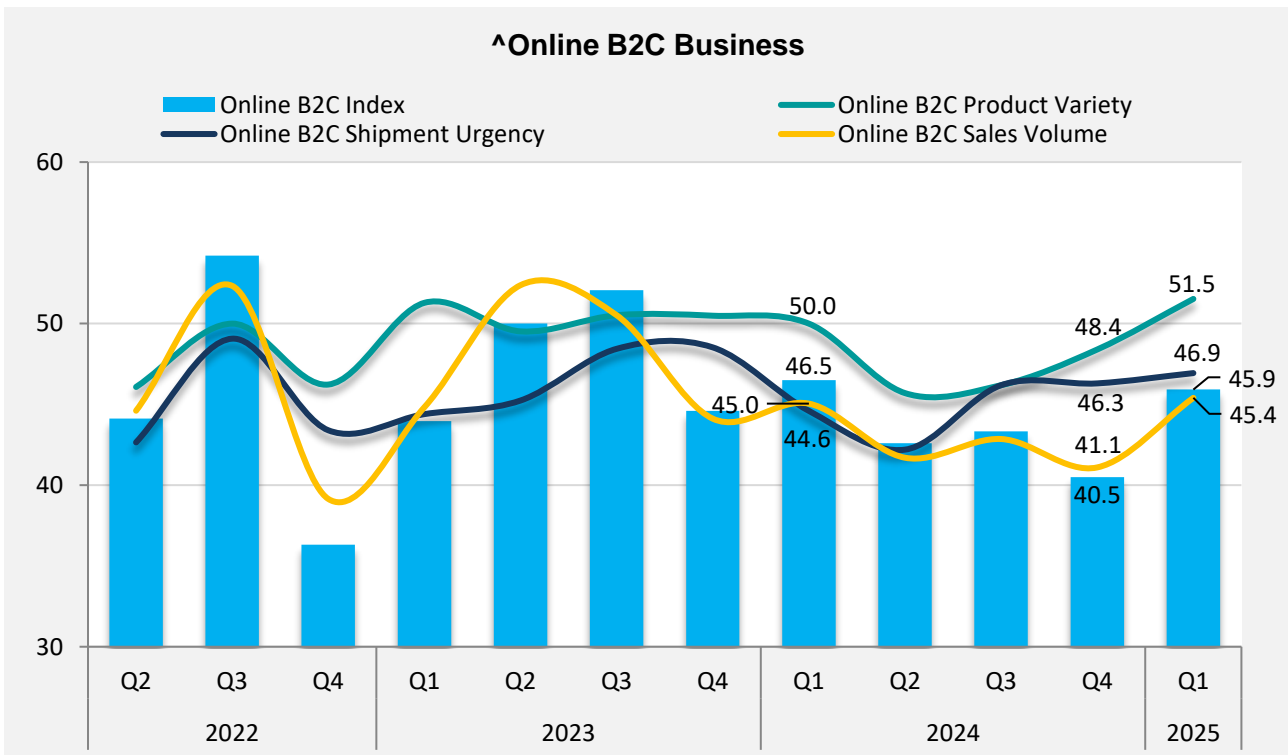
Among air traders who are willing to pay extra logistic costs for reducing carbon emissions, the majority (88%) are willing to pay up to an extra 10% of their logistic costs to achieve this goal. Meanwhile, 12% are willing to pay more than 11%.



Note: Based on air traders not willing to take part in reducing carbon emissions

Note: Multiple answers allowed

Similar to the previous quarter, “the company does not implement ESG” (42%) was the main reason for air traders not participating in reducing carbon emissions. The next common reason was “cost inflation” (25%). Significantly, the concern over the “lack of techniques/solutions for implementing carbon emission reduction measures” (21%) rose by 11 percentage points from the previous quarter, indicating that more air traders are struggling to find and apply effective strategies to reduce their carbon footprint.



^ Based on air traders with online B2C business

The Online B2C Index increased by 5.4 points to 45.9 points after hitting its 2-year low. All indices recorded various magnitudes of increment, with the increase in Sales Volume being more significant (+4.4 points). Product Variety increased by 3.1 points and was the only index that exceeded the 50 neutral line (51.5 points). The performance of Shipment Urgency remained stable (+0.6 points). The results, with more Product Variety but less Sales Volume, reflect a growing consumer preference for diverse options over bulk purchases, highlighting a demand for customisation and flexibility in the marketplace.



## **About Hong Kong Productivity Council**

The Hong Kong Productivity Council (HKPC) is a multi-disciplinary organisation established by statute in 1967, to promote productivity excellence through relentless drive of world-class advanced technologies and innovative service offerings to support Hong Kong enterprises. As a nationwide leader in innovative, market-driven research and development (R&D), specialising in leading technologies and all-rounded manufacturing services, HKPC promotes new industrialisation in Hong Kong and the Greater Bay Area and facilitates the development of new productive forces, leveraging innovation and technology (I&T), as well as bolstering Hong Kong to be an international innovation and technology centre and a smart city. The Council offers comprehensive innovative solutions for Hong Kong industries and enterprises, enabling them to achieve resources and productivity utilisation, effectiveness and cost reduction, and enhance competitiveness in both local and overseas marketplace. The Council partners and collaborates with local industries and enterprises and world-class R&D institutes to develop applied technology solutions for value creation. It also benefits a variety of sectors through product innovation, technology transfer, and commercialisation, bringing enormous business opportunities ahead. HKPC's world-class R&D achievements have been widely recognised over the years, winning an array of local and overseas accolades.

In addition, HKPC offers SMEs and startups immediate and timely assistance in coping with the ever-changing business environment, and strengthens talent nurturing and Hong Kong's competitiveness with FutureSkills training for enterprises and academia to enhance digital capabilities and STEM competencies.

For more information, please visit HKPC's website: [www.hkpc.org/en](http://www.hkpc.org/en)

### **Enquiry**

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