



# DHL Hong Kong Air Trade Leading Index (DTI)

Q2 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 on 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.

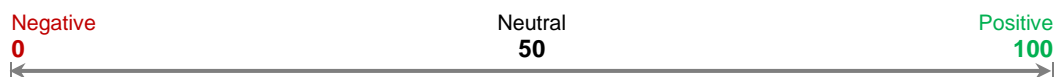
## Methodology

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

## 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 Overall Air Trade Index remains consistent, reflecting a cautious 'wait and see' approach among local air traders amid an uncertain trade environment.***

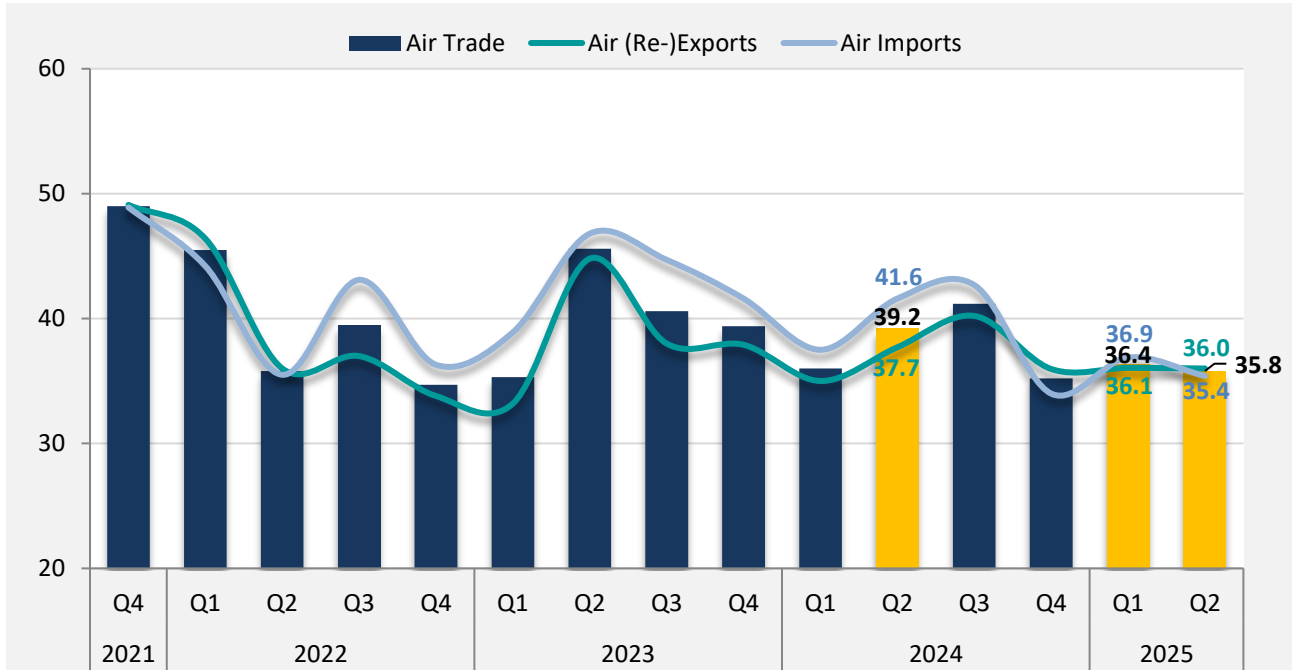
- Despite a slight decline, the Overall Air Trade Index remains comparable to the previous quarter, largely attributed to the volatile global trade landscape.
- The index for the Americas continues to be consistently low and on par with the previous quarter, while signs of improvement are observed in the Europe market.
- In response to the additional tariffs imposed by the US and the potential cancellation of de-minimis exemption, more than 50% of local air traders plan to pass these additional costs onto customers, while approximately 40% indicating that they will share the burden with customers.
- Despite the evolving dynamics of US trade policies, 90% of air traders who focused on markets outside the US do not anticipate an increase in orders.
- Given the continually changing US trade policy, Southeast Asia is identified as the most promising market (29%), followed by Europe at 19%.
- A growing commitment to sustainability is evident, with an increasing percentage of local air traders expressing their willingness to engage in 'Go Green' initiatives, reaching 78% this quarter, which signifies a positive step towards reducing carbon emissions.

Mr Edmond LAI, Chief Digital Officer of HKPC, commented, "The air trade index settled at 35.8 points in Q2 2025, maintaining a similar level since the last quarter of 2024, reflecting that the confidence among air traders remains subdued. Market indices in Q2 2025 generally fell short of the levels observed in Q2 2024, particularly in Asia Pacific and the Americas. Amidst the ever-changing trade policies in the US under the new presidency, the Americas index remained at its lowest level in the past three years (31 points), highlighting that considerable uncertainties continue to surround the long-term implications for air traders. Additional tariffs from the US have driven over 50% of local air traders to pass these costs onto customers, while approximately 40% plan to share the burden.

To navigate this dynamic landscape, air traders are advised to explore alternative markets to reduce reliance on a single market, diversify supply chains, and invest in technology to enhance resilience and adaptability."

## Air Trade Index

*In Q2 2025, the Overall Air Trade Index remained steady, holding within the 35-36 point range since Q4 2024, which indicates the resilience of the air trade sector amidst ongoing trade policy uncertainties.*



The **Overall Air Trade** Index remained stable at 35.8 points in Q2 2025, with a marginal decline of 0.6 points. Notably, (Re-)Exports showed remarkable steadiness, maintaining the same level for three consecutive quarters.

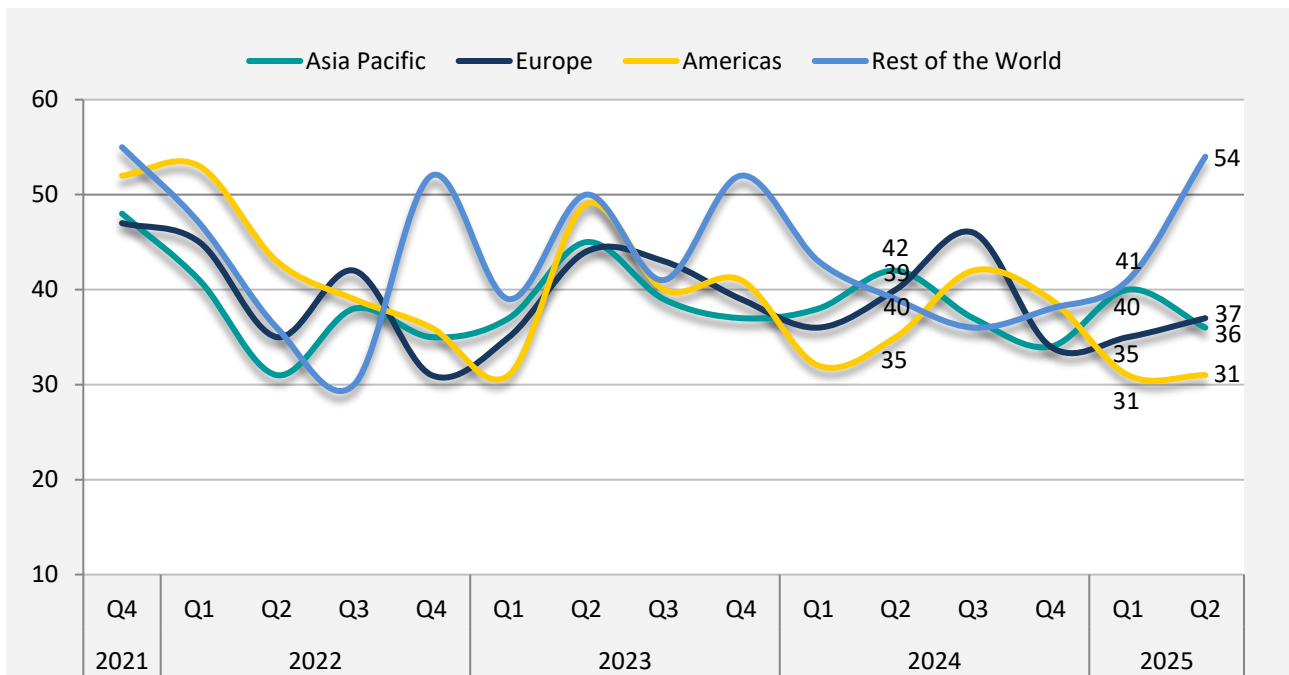
The **Air (Re-)Exports** Index exhibited particular stability in Q2 2025, showing consistent performance over the past three quarters.

Conversely, the **Air Imports** Index experienced a modest decline of 1.5 points, which was the primary contributor to the overall reduction in the Overall Air Trade Index.



## Markets

*In the first half of 2025, Europe's index demonstrated a gradual quarter-on-quarter improvement, recovering from a substantial drop at the end of 2024. In contrast, the Americas' index remained flat at its lowest level, showing no signs of recovery while the Asia Pacific index was the only market to experience a downturn. Overall, market performance in Q2 2025 fell short of the levels observed in Q2 2024, with the exception of the Rest of the World.*



**Europe's** index continued to rise by 2 points to 37 points, primarily driven by the improvement in imports (+6 points).

The index of **Asia Pacific** dropped by 4 points following a robust recovery in the previous quarter, making it the only market to record a downturn this quarter. This decline was negatively affected by imports in the Chinese Mainland and Other Asia Pacific regions:

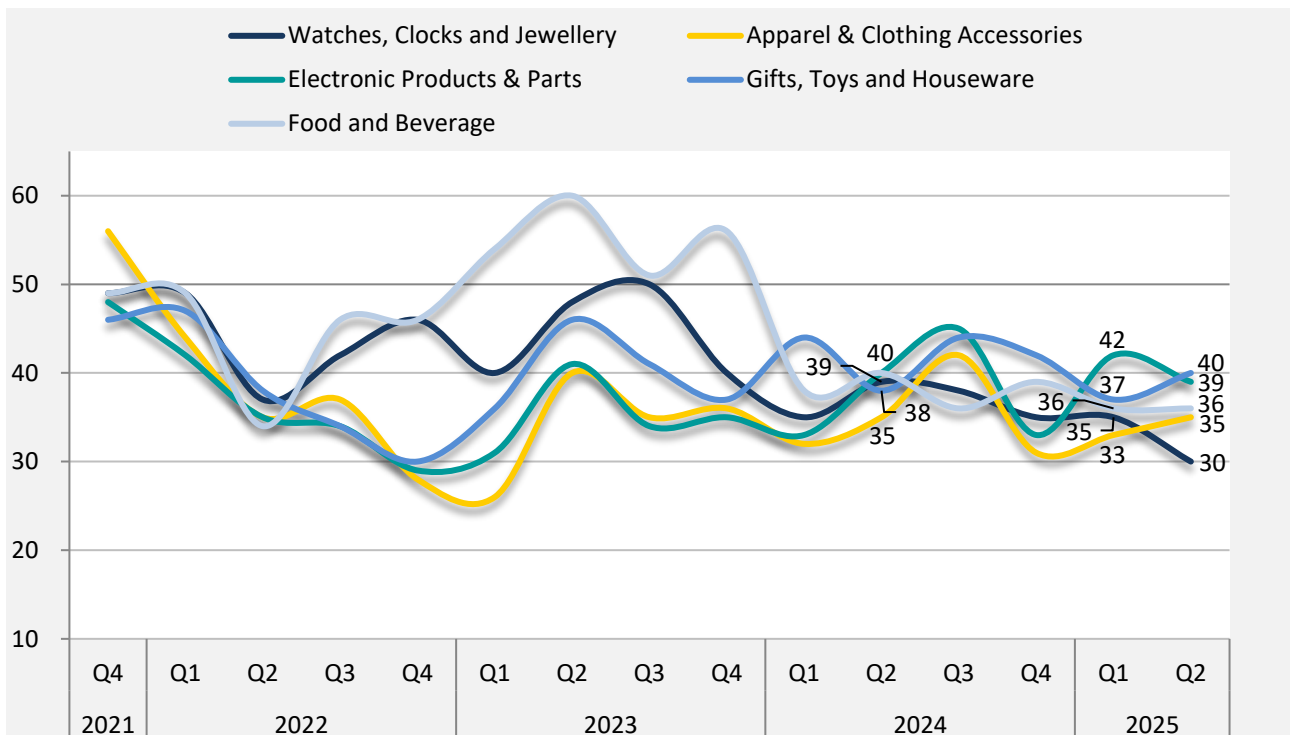
- The index of the **Chinese Mainland** dropped significantly by 11 points to 31 points, marking its lowest level since 2021. Both imports (-11 points) and (re-)exports (-12 points) contributed to this decline.
- **Japan's** index was the only one in Asia Pacific to register an increase, rebounding by 6 points to 44 points in Q2 2025 and outperforming its performance in the same period last year.
- **Other Asia Pacific regions** slipped by 7 points to 33 points in Q2 2025 with this overall downward trend influenced by a significant 13-point drop in the imports index.

The **Americas'** Index remained at 31 points for two consecutive quarters, marking its lowest level over the past three years.

The index of the **Rest of the World** rose by 13 points to 54 points this quarter.

## Air-Freighted Commodities

*In Q2 2025, the Gifts, Toys & Houseware sector showed a modest recovery, driven by an increase in (re-)exports, making it the only commodity to reach 40 points. Conversely, the Electronic Products & Parts sector experienced a decline, returning to a similar level observed in Q2 2024, with decline observed in both imports and (re-)exports. The Food & Beverage sector maintained steady performance, exhibiting stability over recent quarters. Apparel & Clothing Accessories saw a healthy improvement, primarily due to the rise in (re-)exports. However, Watches, Clocks & Jewellery recorded the most significant drop among all commodities, reaching its lowest level since 2022, mainly due to a substantial decline in imports.*



**Gifts, Toys & Houseware** showed a modest recovery, increasing by 3 points and becoming the only commodity to reach 40 points in Q2 2025. This growth was primarily driven by a 5-point rise in (re-)exports, which offset a 3-point decline in imports.

**Electronic Products & Parts** declined by 3 points to 39 points, returning to a similar level observed in Q2 2024. Both imports and (re-)exports experienced declines, with (re-)exports showing a more significant decrease (-5 points).

**Food & Beverage** maintained steady performance at 36 points, exhibiting relative stability over recent quarters, remaining within a range between 36 to 40 points since the first quarter of 2024.

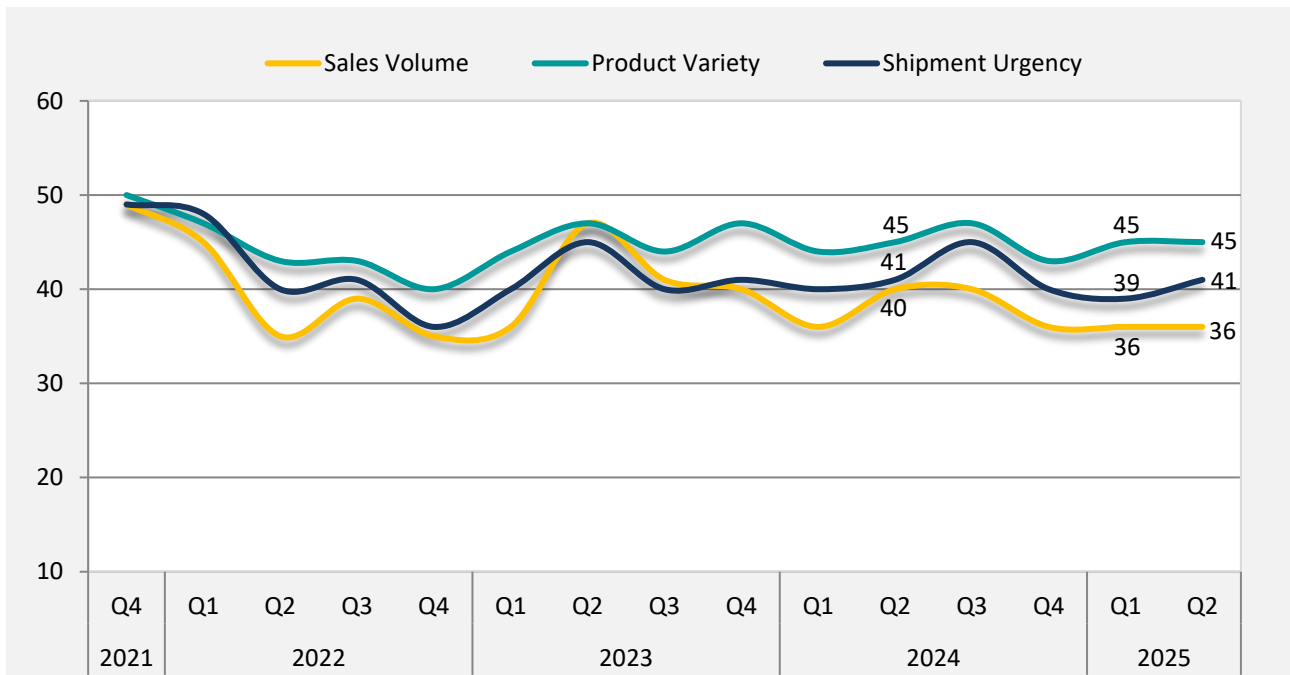
**Apparel & Clothing Accessories** improved by 2 points to 35 points this quarter, on par with the same period last year. This was primarily driven by the rise in (re-)exports (+4 points), which offset the decline in imports (-3 points).

**Watches, Clocks & Jewellery** recorded a 5-point decline, marking the most significant drop among all commodities in Q2 2025 and reaching its lowest level. Notably, the primary driver of this decline was the 9-point drop in imports.



## Sub-Indices

*In Q2 2025, Product Variety and Sales Volume remained consistent with the previous quarter, while Shipment Urgency saw a modest increase. The results indicate that a clear trend has emerged starting from 2024, with the major strategy gradually shifting towards offering a wide variety of products in limited quantities to remain competitive and on-trend.*



**The Product Variety** Index remained stable at 45 points and has been the best-performing sub-index for eight consecutive quarters.

**Shipment Urgency** slightly increased by 2 points to 41 points in Q2 2025, primarily driven by a rise in imports (+3 points).

The performance of **Sales Volume** remained at the same level as in the previous quarter (36 points).

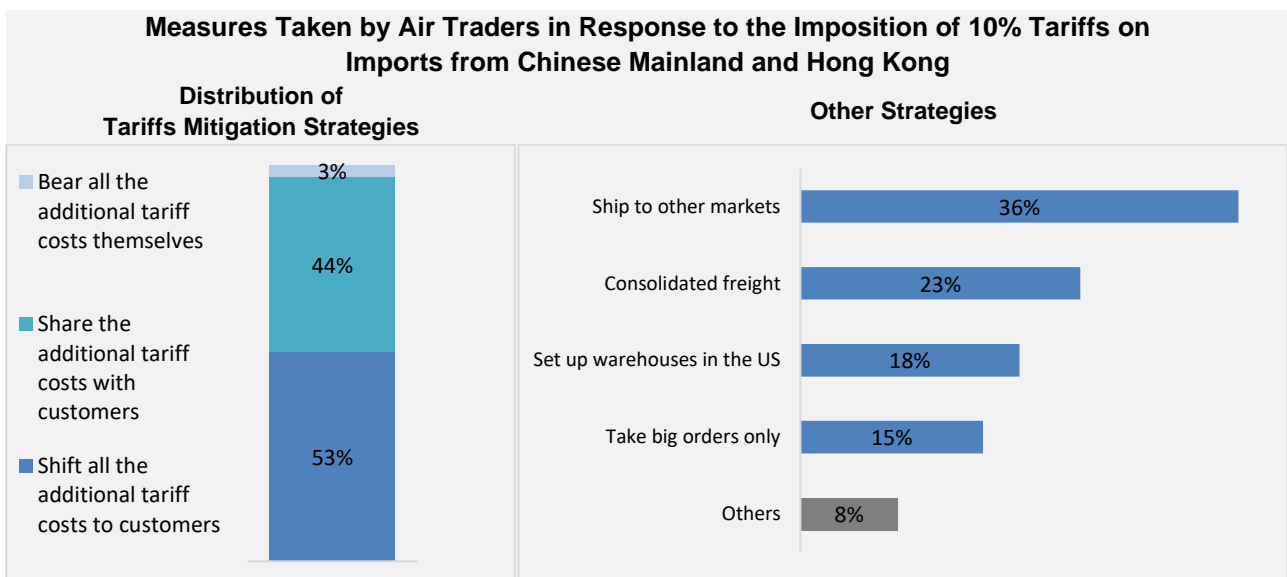
Looking into the sub-index development by market:

- The sub-index for the **Asia Pacific** exhibited a downward trend this quarter, following a robust growth in the previous quarter.
  - Product Variety decreased by 4 points, driven by an 8-point decline in **Other Asia Pacific regions**.
  - Sales Volume dropped by 3 points, mainly attributed to the 8-point decline in **Other Asia Pacific regions**.
  - Shipment Urgency experienced a decline of 2 points, primarily driven by the 5-point decline in **Japan**.

- The sub-index of **Americas** experienced varying degrees of growth. The most notable increase was observed in Shipment Urgency (+5 points), followed by a 3-point rise in Sales Volume, while Product Variety saw minor growth (+1 point).
- **Europe** also exhibited healthy improvements in all sub-indices with Shipment Urgency recording the most significant increase (+5 points).

## Air Trade Outlook Affected by Recent Market News

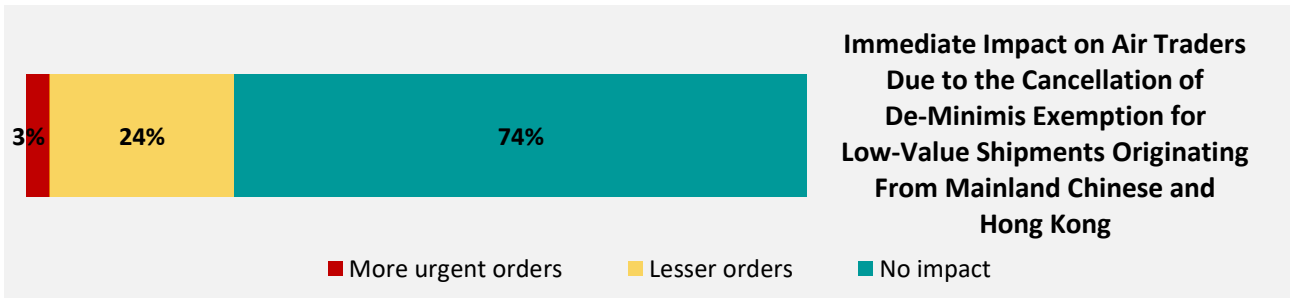
**Amid changes in US trade policy, the most common approach for air traders has been to shift all additional tariff costs to customers. Ultimately, customers will bear the brunt of the potential impact. On the other hand, 90% of air traders with key markets outside the US expect the order volume to remain stable, reflecting ongoing uncertainties surrounding the short-term impact of trade policy changes on the industry at this early stage.**



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

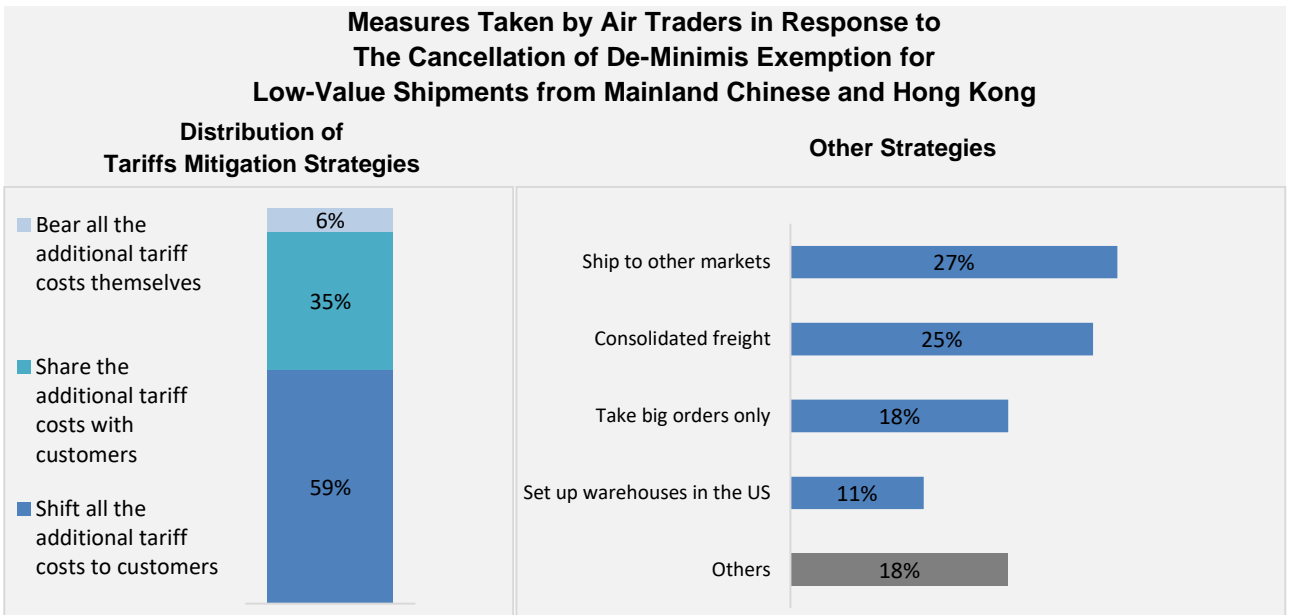
In response to the US implementing a 10% tariff on all goods originating from the Chinese Mainland and Hong Kong, over half of air traders indicated that they would “Shift all the additional tariff costs to customers” (53%), while 44% are willing to share the additional tariff costs with customers. Only 3% plan to absorb the additional tariff costs themselves.

Regarding other strategies, most air traders are diverting shipments to other markets (36%) as their approach to mitigate the impact of US tariffs, followed by consolidating shipments (23%) and setting up warehouses in the US (18%).



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

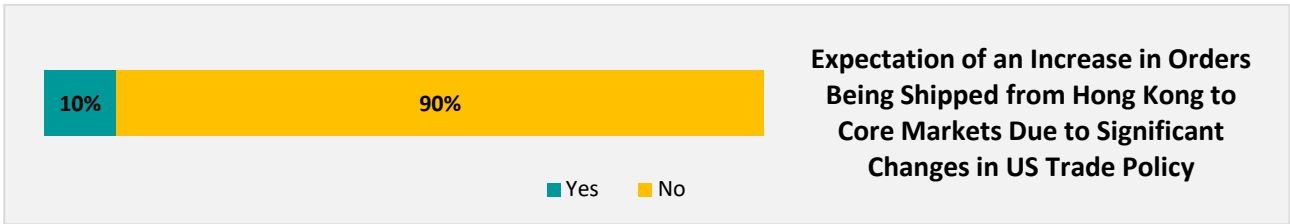
US President Trump initially announced the cancellation of de-minimis exemption for low-value packages originating from the Chinese Mainland and Hong Kong but subsequently issued an executive order to temporarily suspend this policy. According to the survey, 27% of air traders experienced an immediate impact by this policy, with 24% reporting a decrease in orders and 3% noting an increase in urgent orders during the period. However, the majority indicated no significant effect on their operations (74%).



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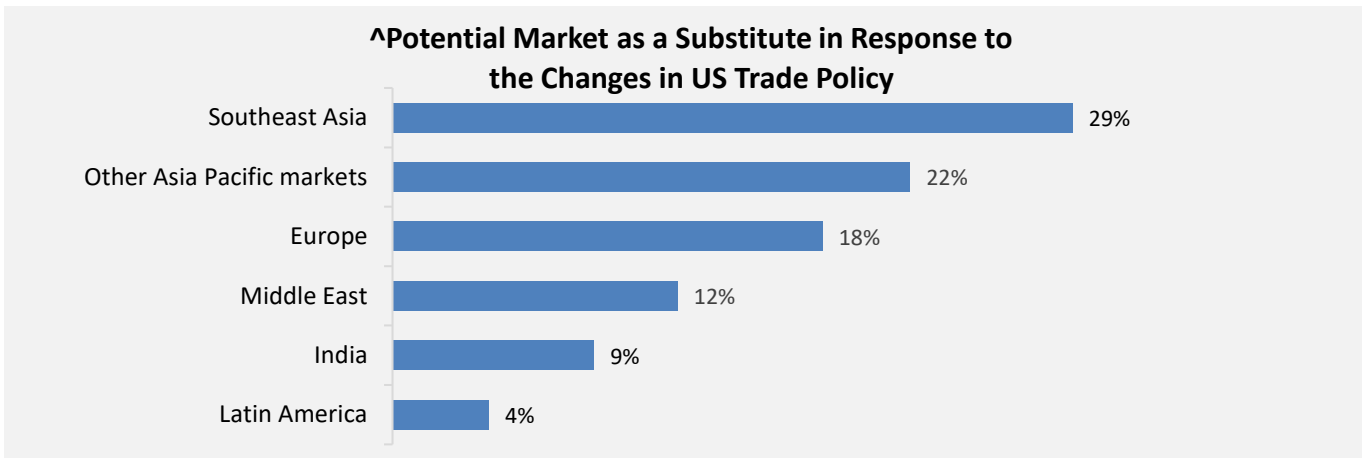
If the cancellation of de-minimis exemption for low-value packages originating from the Chinese Mainland and Hong Kong is implemented, nearly 60% of air traders exporting to the Americas would “Shift all the additional tariff costs to customers” (59%), while 35% are willing to share the additional costs with customers, only 6% are willing to fully absorb the additional costs themselves.

Regarding alternative strategies, 27% of air traders identified “Shipping to other markets” as their primary approach to mitigate the impact, followed by 25% who plan to adopt a “Consolidated freight” strategy to optimise logistics and reduce costs.



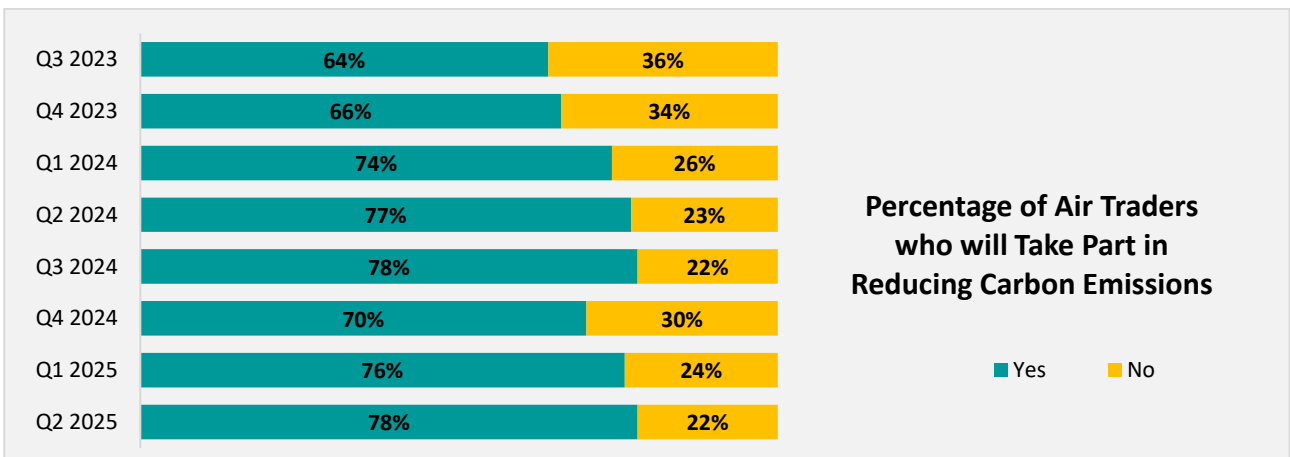
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Given the ongoing changes in US trade policy, one-tenth (10%) of air traders focused on markets outside the US anticipate an increase in orders being shipped from Hong Kong to their key markets. Among these, the Electronics Products & Parts sector represents the largest share in projecting higher order volumes (40%).



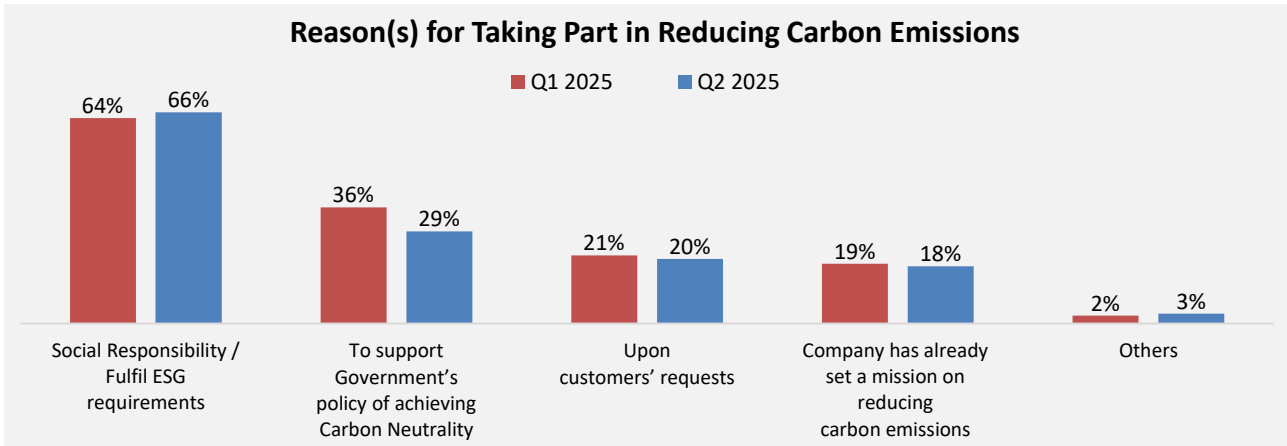
^ Based on the total number of mentions

Given the significant changes in US trade policy, Southeast Asia emerged as the region perceived to have the greatest growth potential as a substitute, with 29% of air traders identifying it as the key market for future opportunities. This was followed by Other Asia Pacific markets at 22%, reflecting ongoing economic dynamism and integration within the broader Asian market. Europe ranked third at 18%, indicating its continued relevance as a stable and mature market despite global trade uncertainties.



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

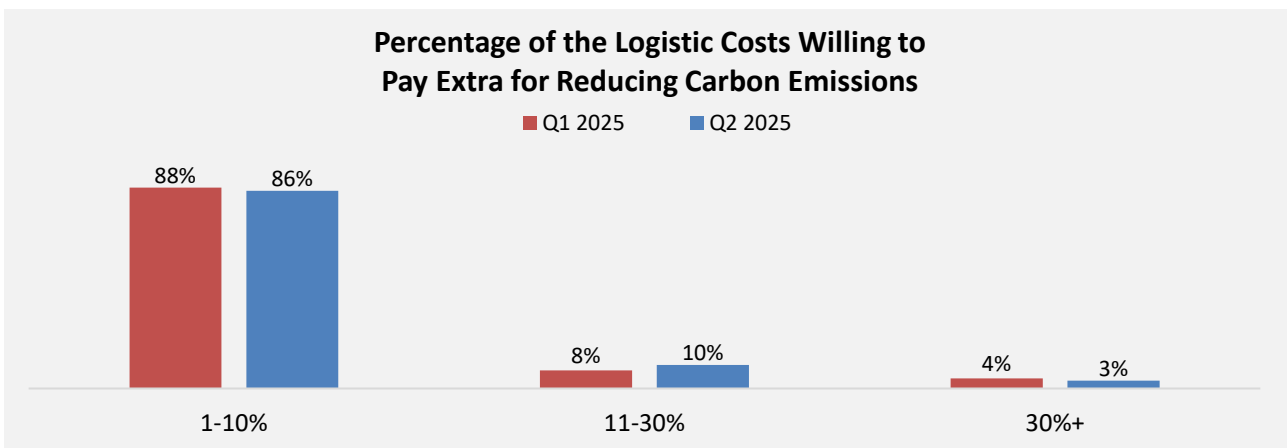
In Q2 2025, the percentage of air traders willing to engage in carbon emission reduction increased by 2 percentage points to 78%, returning to the same level as Q3 2024.



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

Note: Multiple answers allowed

Among air traders willing to participate in reducing carbon emissions, “Social responsibility / Fulfil ESG requirements” (66%) continues to be the key driver. This is followed by “To support Government’s policy of achieving Carbon Neutrality” (29%) and “Upon customers’ requests” (20%).

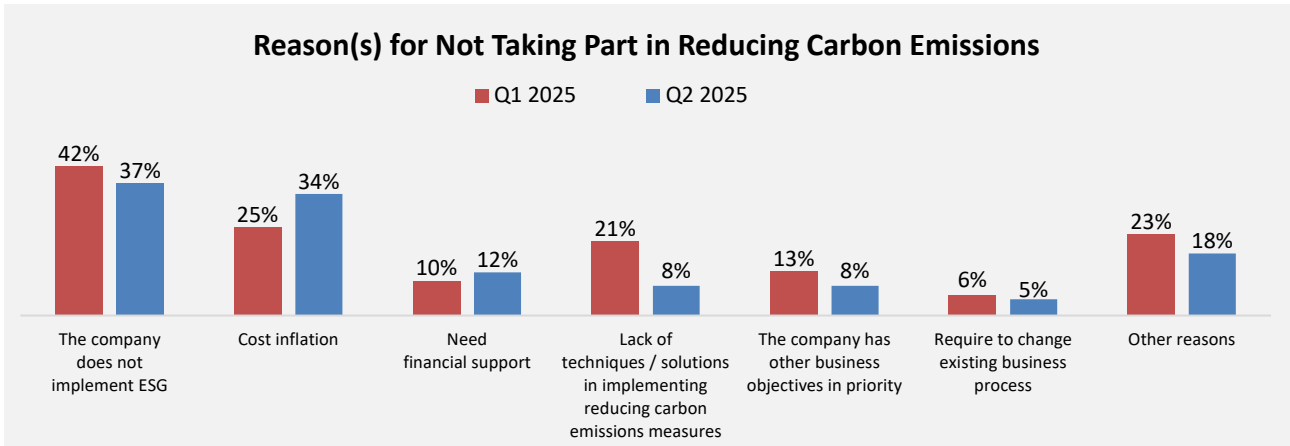


Note: Based on air traders willing to take part in reducing carbon emissions

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

Among air traders willing to participate in reducing carbon emissions, 86% of them are willing to allocate up to 10% of the logistic costs to achieve this goal, 10% are willing to pay up to 30%, while 3% are willing to pay over 30%.

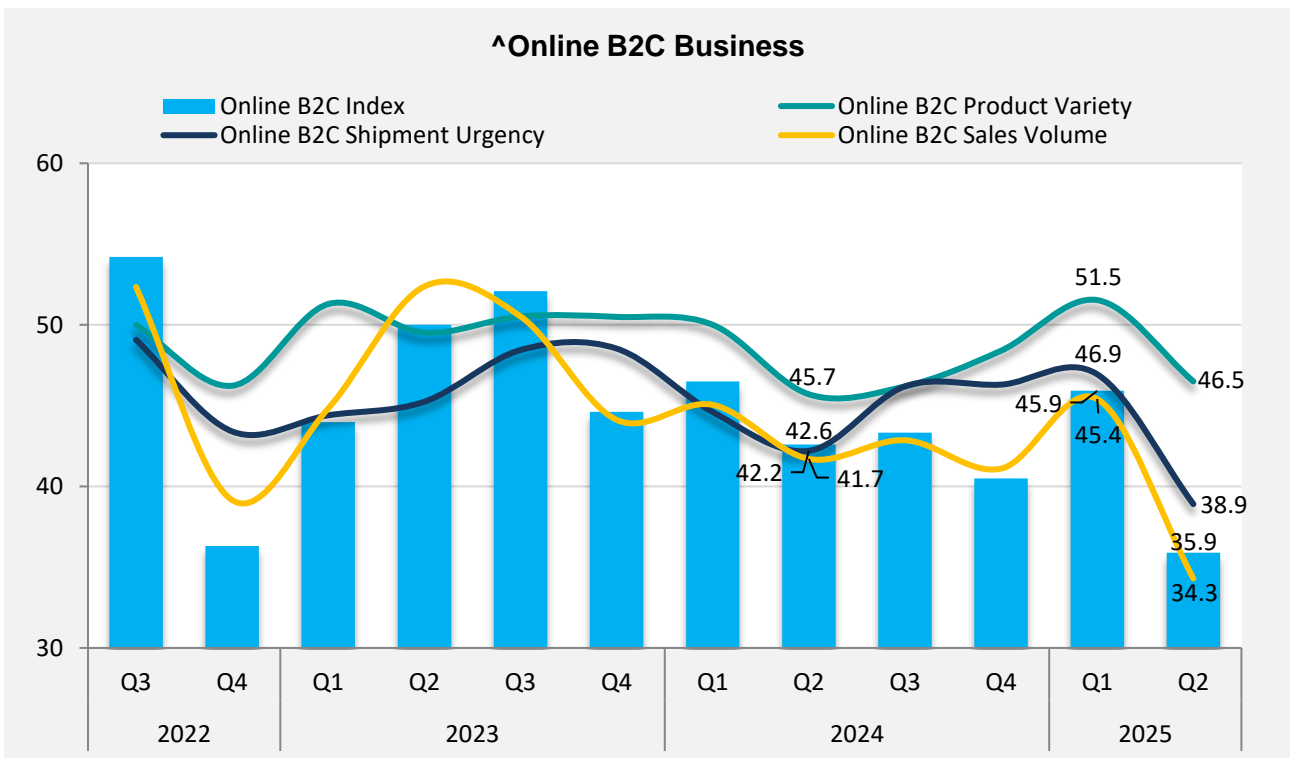




Note: Based on air traders not willing to take part in reducing carbon emissions

Note: Multiple answers allowed

“The company does not implement ESG” (37%) remained to be the key reason for not participating in reducing carbon emissions. The next common reason was “Cost inflation” (34%), which rose by 9% from the previous quarter, reflecting that rising costs are becoming an increasingly significant barrier to implementing carbon reduction measures.



^ Based on air traders with online B2C business

The Online B2C Index experienced a plunge of 10 points and fell below 40 points this quarter to settle at 35.9 points. All sub-indices experienced varying degrees of decline, with the most pronounced drop observed in Sales Volume (-11.1 points). Despite a 5.1-point decline observed in Product Variety, which fell to 46.5 points, this sub-index still outperformed its performance in Q2 2024.

## **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**

For more details about the Index, please contact HKPC at (852) 2788 5306.

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