



DHL Hong Kong Air Trade Leading Index (DTI)

Q3 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 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 ⁽¹⁾.

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.

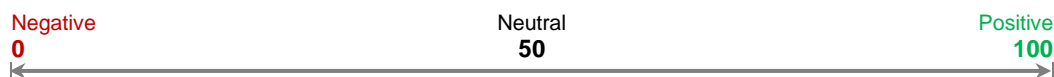
Methodology

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

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.



¹ 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 has returned to the level observed during the initial US-China trade tensions in Q3 2019. Moreover, nearly 90% of local air traders lack familiarity with the latest developments in rapidly evolving global trade policies. Key areas of concern include recent adjustments to tariffs and regulations, as well as tariff calculations.

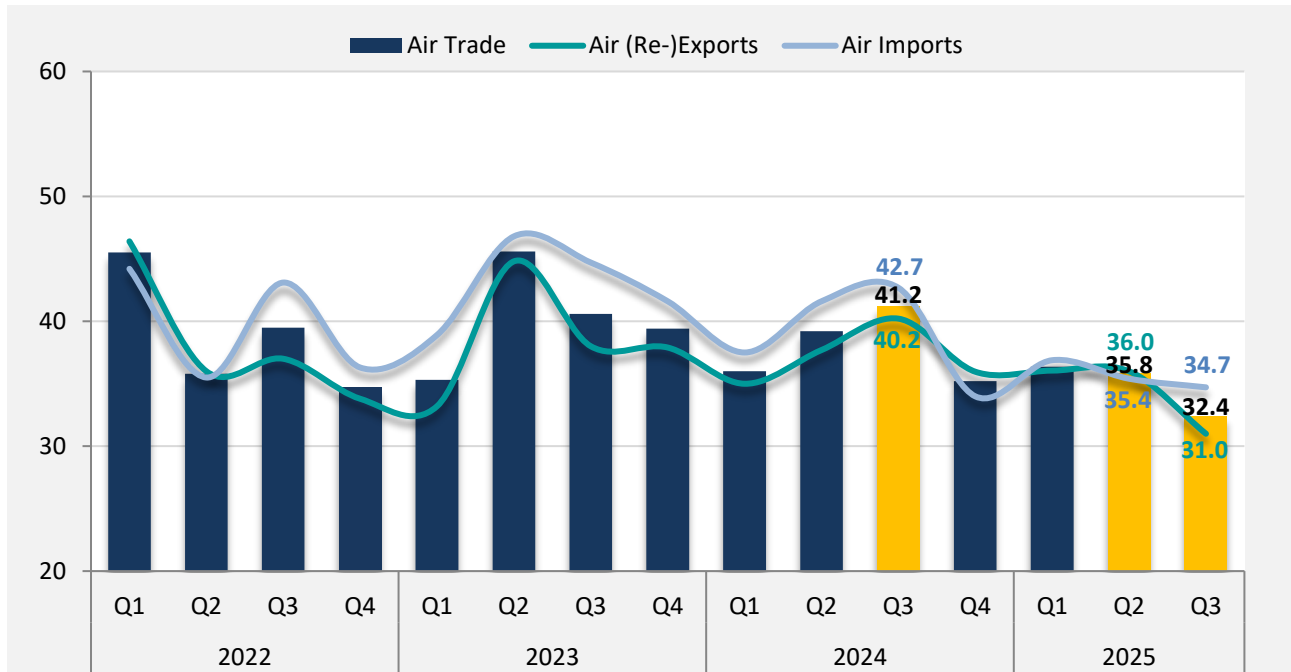
- The index for the Americas recorded its lowest level since 2022 and showed the weakest performance in B2C transactions, while the Asia Pacific region remained relatively stable compared to previous quarters.
- Following the 90-day suspension of US-China trade tariffs initiated on 14 May 2025, 29% of local air traders reported an increase in urgent orders.
- Nearly half (48%) of the local air traders have fully passed the additional US trade tariffs onto customers, while 45% have chosen to share these costs with customers.
- Approximately 10% of local air traders consider themselves familiar with the latest trade developments, indicating that a significant 90% struggle to keep pace with the rapid policy changes. Their primary concerns include recent adjustments to tariffs and customs, along with tariff calculations and applications.
- In light of the ever-changing trade environment, local air traders have identified Southeast Asia as the top market for trade potential, followed by Europe and Greater China.
- Over the past two years, the proportion of air traders prioritising carbon emission reductions has steadily increased, reflecting a significant shift in industry attitudes and a robust commitment to sustainable operational practices.

Mr Edmond LAI, Chief Digital Officer of HKPC, commented, “The air trade index has experienced a further decline of 3.4 points, underscoring the ongoing challenges confronting the air trade sector. As we navigate through the complexities of the air trade landscape, it is evident that recent tariff adjustments and evolving global trade policies are significantly impacting the industry. The current downturn in the air trade index highlights the urgent need for strategic adaptations. Notably, nearly 90% of local air traders expressed unfamiliarity with the changes in tariffs, highlighting the necessity to prioritize communication and education to empower the air traders.

The commitment to sustainability is encouraging, with 79% of air traders actively seeking to reduce carbon emissions. This reflects a broader shift towards responsible business practices. Looking ahead, Southeast Asia emerged as a promising market for growth, and we remain dedicated to supporting SMEs in navigating these challenges and seizing new opportunities. HKPC’s ‘The Cradle – Going Global Service Centre’ offers one-stop connectivity, technical support and professional services to assist SMEs in their global expansion efforts.”

Air Trade Index

The Overall Air Trade Index showed a continuous downward trend in 2025, highlighting ongoing challenges in the air trade sector, particularly in Air (Re-)Exports. This trend underscores the need for comprehensive strategies to address these issues.



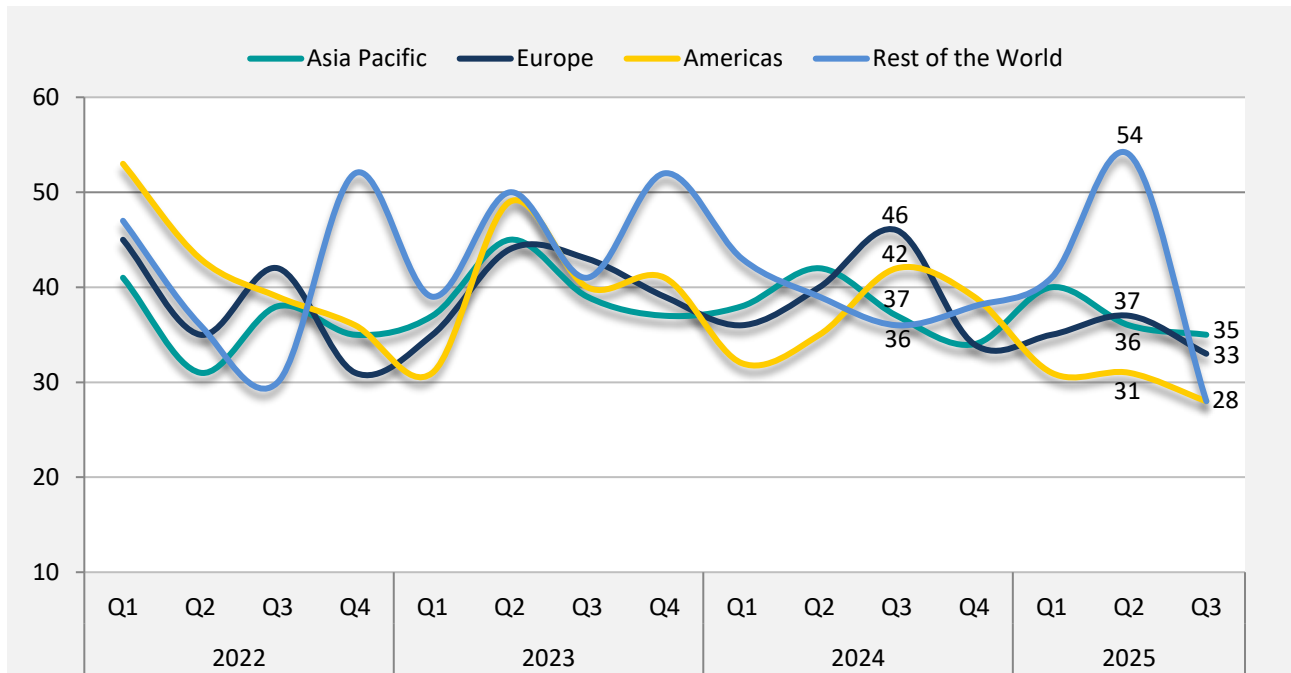
The **Overall Air Trade** Index weakened further by 3.4 points from the previous quarter, settling at 32.4 points, reaching its lowest level since 2022.

The **Air (Re-)Exports** Index registered a significant downfall (-5.0 points) in Q3 2025, serving as the primary driver behind the reduction in the Overall Air Trade Index.

The **Air Imports** Index experienced a modest decline of 0.7 points.

Markets

At the beginning of the second half of 2025, declines were observed across all regions. The Asia Pacific region had the mildest decline, with Japan's index falling significantly due to the decline in (re-)exports, while the Chinese Mainland and other Asia Pacific regions showed slight improvements. The Americas' index decreased by 3 points due to a drop in imports, while Europe's index fell to its lowest level since 2023.



Asia Pacific's index recorded the mildest decline (-1 point) in Q3 2025. Specifically:

- The index of the **Chinese Mainland** showed a slight recovery, increasing by 2 points to 33 points this quarter. The improvement was supported by the growth in both imports (+3 points) and (re-)exports (+2 points).
- **Japan's** index dropped significantly by 10 points to 34 points, primarily driven by a substantial 19-point decrease in (re-)exports, contributing notably to the overall decline in the Asia Pacific region.
- **Other Asia Pacific** regions rose by 3 points to 36 points, reaching the same level observed during the same period last year.

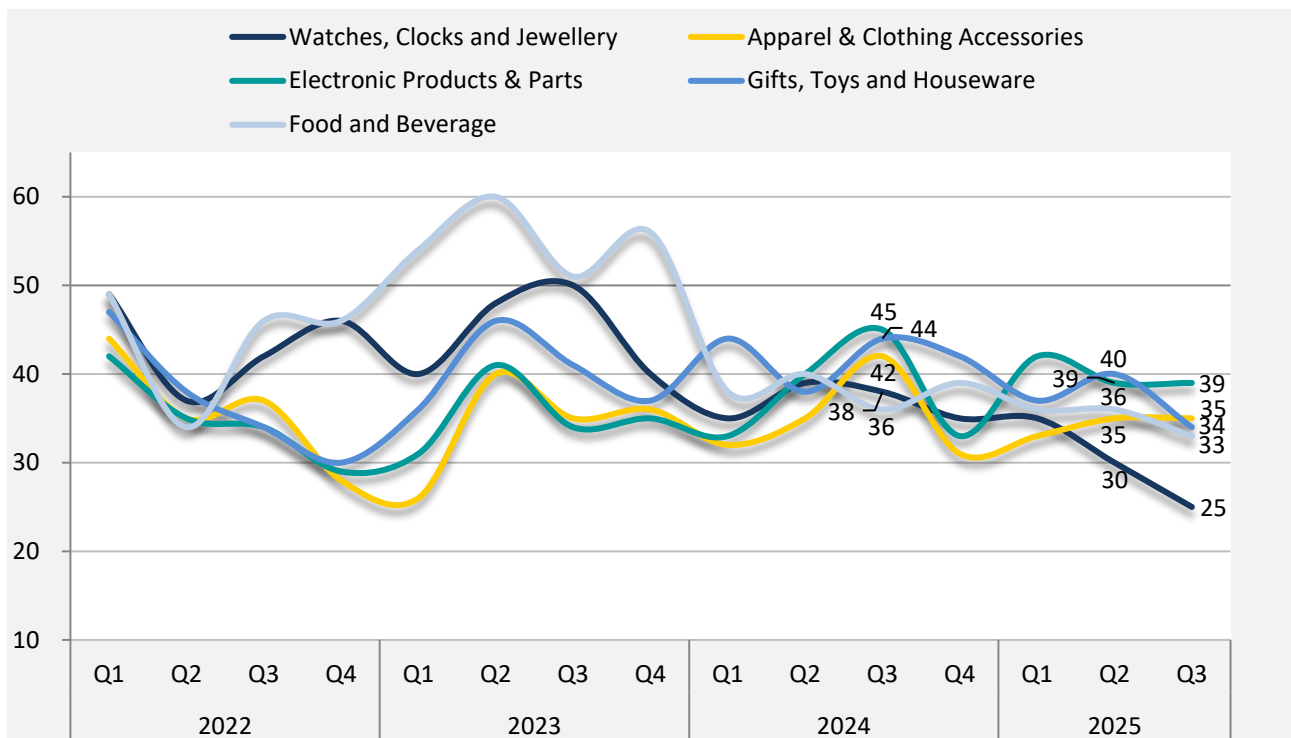
The **Americas'** index retreated by 3 points to 28 points after remaining flat over the previous two quarters. This decline was primarily driven by a notable 5-point decrease in imports.

Europe's index declined by 4 points to 33 points, marking the lowest since 2023, indicating a significant downturn in the region's air trade activity.

The index of the **Rest of the World** dropped by 26 points to 28 points this quarter.

Air-Freighted Commodities

In Q3 2025, the commodity indices exhibited diverse trends across sectors. Electronic Products & Parts and Apparel & Clothing Accessories remained stable, while Gifts, Toys & Houseware faced the most significant downturn, reaching its lowest level since 2023. Meanwhile, the index for Watches, Clocks & Jewellery was the lowest among all commodity indices.



Electronic Products & Parts remained stable at 39 points, with the increase in imports (+4 points) offsetting the decline in (re-)exports (-1 points).

Apparel & Clothing Accessories held steady at 35 points, with performance relatively stable in 2025, hovering between 33-35 points.

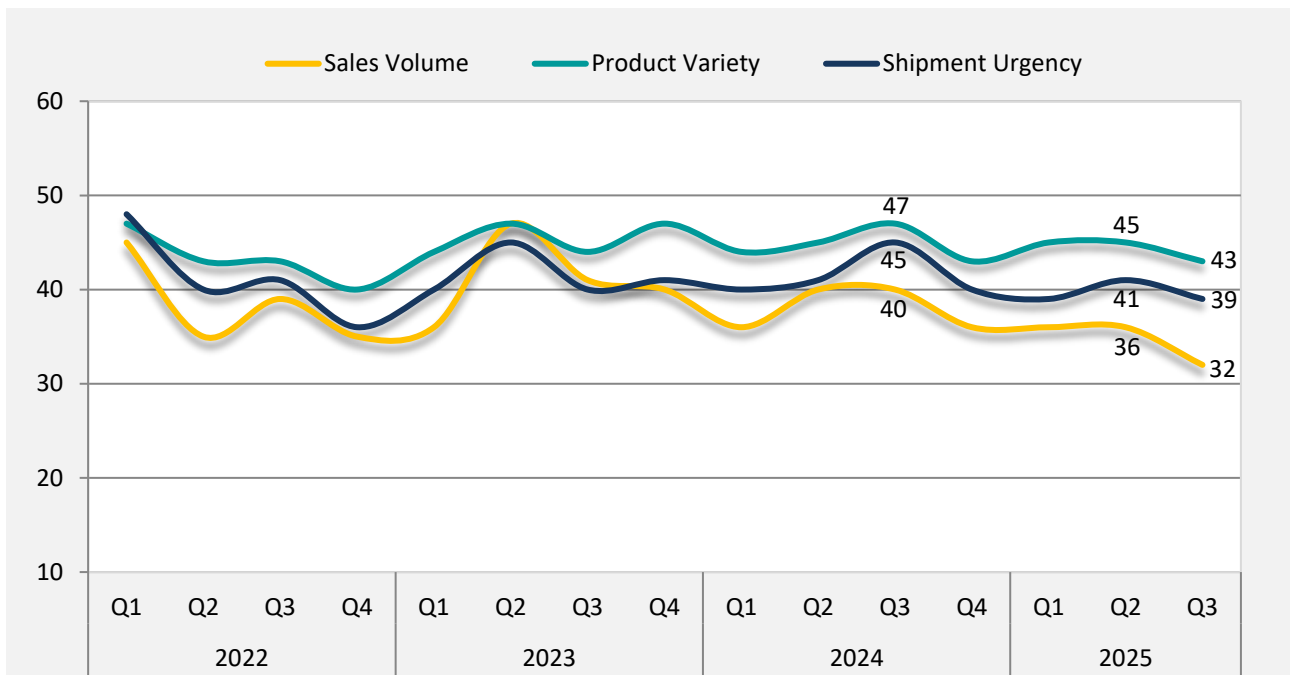
Gifts, Toys & Houseware experienced the most significant decline (-6 points) among all commodities, marking the lowest since 2023.

Food & Beverage slipped by 3 points to 33 points this quarter, with declines observed in both imports (-3 points) and (re-)exports (-4 points).

Watches, Clocks & Jewellery further dropped by 5 points to 25 points this quarter, reaching its lowest level in recent years and showing a clear downward trend in 2025.

Sub-Indices

In Q3 2025, the Product Variety Index slightly declined but maintained its position as the top-performing sub-index for nine consecutive quarters. Shipment Urgency experienced minor fluctuations but remained stable overall. Conversely, Sales Volume faced a significant drop, reaching its lowest point in years due to the decline in (re-)exports.



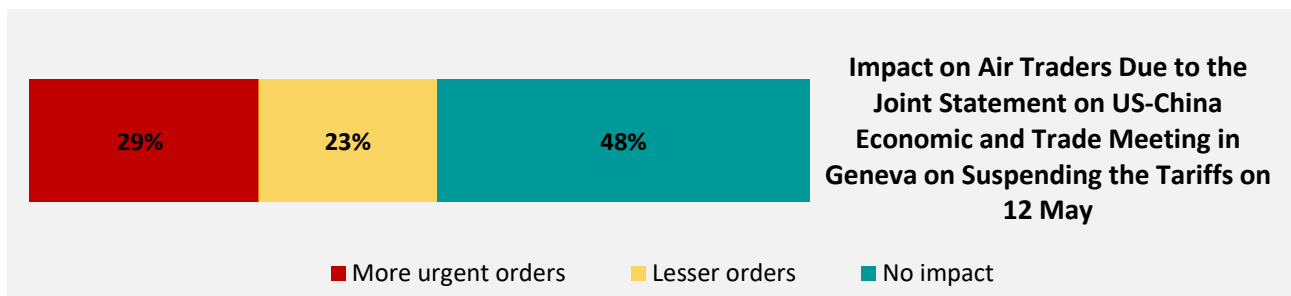
The Product Variety Index retreated by 2 points to 43 points this quarter, falling back to the level observed in Q4 2024. Despite the decline, it remains the best-performing sub-index for nine consecutive quarters.

Shipment Urgency experienced a slight decline by 2 points to 39 points, but the performance remained relatively stable, consistently fluctuating between 39-41 points throughout 2025.

Sales Volume experienced the most substantial decline (-4 points), settling at 32 points and reaching its lowest level in the past few years. This downturn was primarily driven by the decline observed in (re-)exports.

Air Trade Outlook Affected by Recent Market News

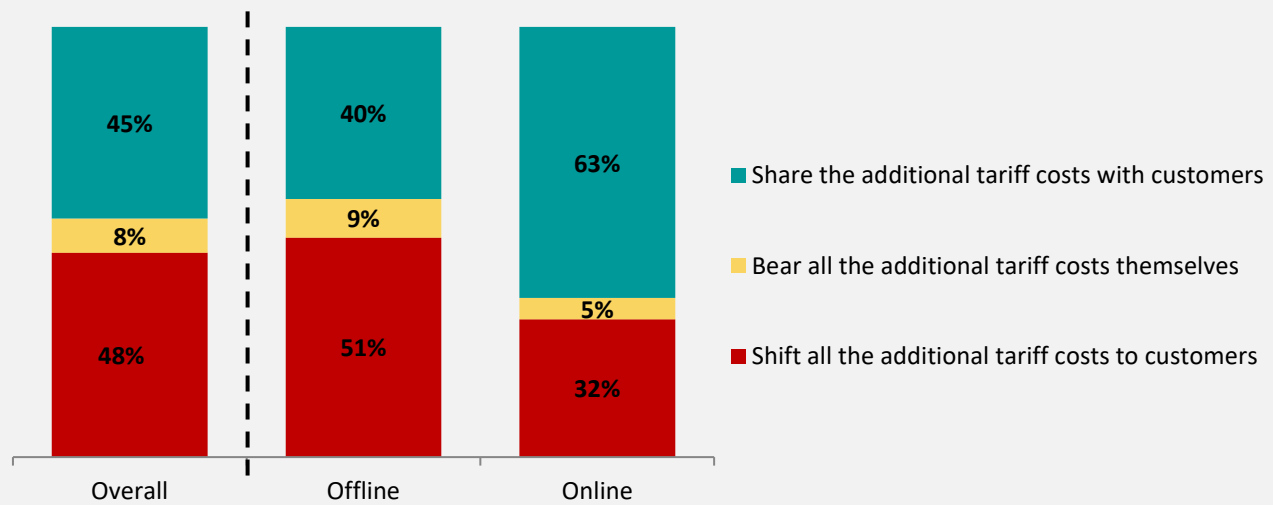
Following the US-China joint statement on 12 May, air traders experienced varying impacts on order volumes, with 29% reporting an increase in urgent orders. In response to US tariffs, 48% of air traders shifted costs to customers, while 45% opted for cost-sharing strategies. Offline air traders are more likely to pass costs to customers compared to their online counterparts. Familiarity with trade changes varied among air traders, with 60% of them feeling neutral. Under the current trade environment, Southeast Asia is viewed as a top growth market.



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

Following the US-China joint statement on 12 May, which announced a 90-day tariff pause from 14 May, companies have experienced varying impacts on their order volumes. 29% of air traders reported an increase in urgent orders, indicating that the tariff pause may have spurred immediate business activity and demand. Conversely, 23% of respondents observed a decrease in orders, suggesting that some sectors might still be adjusting to the new trade dynamics or facing other challenges. Meanwhile, 48% of respondents indicated that the tariff changes had no impact on their order volumes.

Measures Taken by Air Traders in Response to the Increase of Tariffs by the US

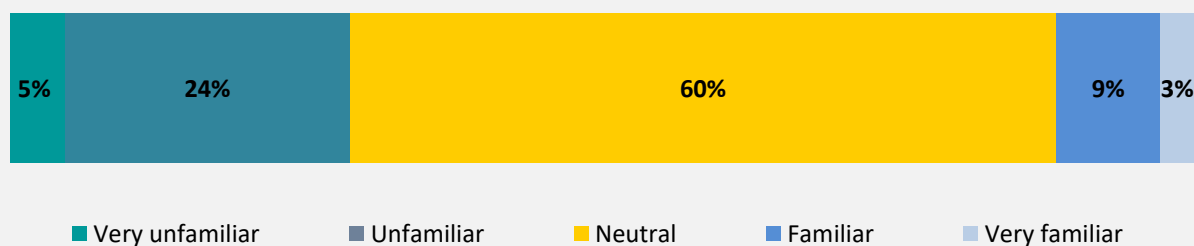


Note: Percentages may not add up to 100% due to rounding

In response to increased US tariffs, air traders have adopted various strategies to manage the additional costs. Overall, 48% opted to shift the tariff burden to customers, while 45% chose to share costs. Only 8% decided to absorb the full cost.

Offline air traders are more likely to pass costs to customers (51%), compared to 32% of online air traders. Conversely, 63% of online air traders prefer sharing costs, emphasising customer retention and competitive pricing. These highlights differing priorities between offline and online trading environments.

Air Traders' Familiarity on the Recent Change of Trade Development



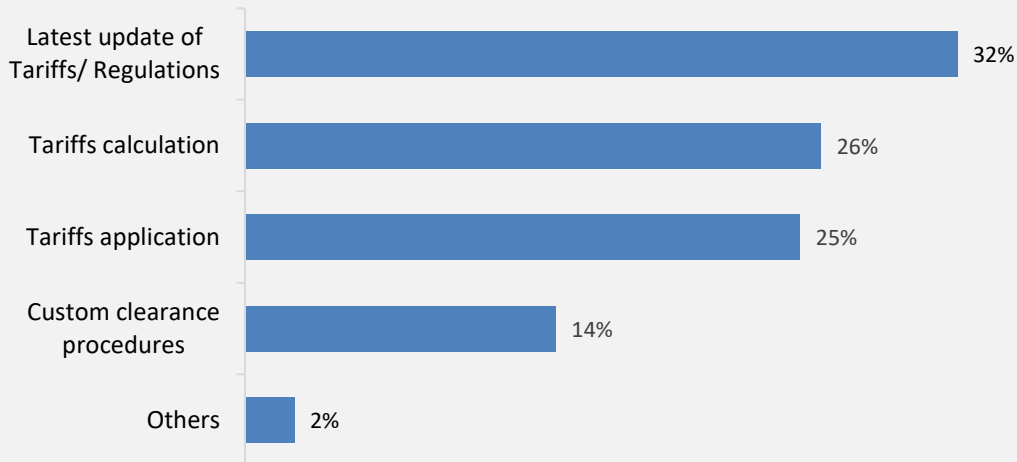
Note: Percentages may not add up to 100% due to rounding

Regarding the familiarity of air traders with the recent changes in trade development, the majority of respondents (60%) rated their familiarity as neutral. A significant portion (24%) felt unfamiliar, while 5% rated themselves as very unfamiliar. Conversely, 9% of air traders considered themselves familiar with recent trade policy developments, and a small group of 3% rated themselves as very familiar. These results suggested that just over one-tenth of respondents acknowledged their familiarity with global trade policy changes, highlighting the significant importance of increased information and education on this topic.

For the latest updates on trade developments, please visit DHL website:

<https://www.dhl.com/global-en/microsites-2-0/core/us-tariffs.html>

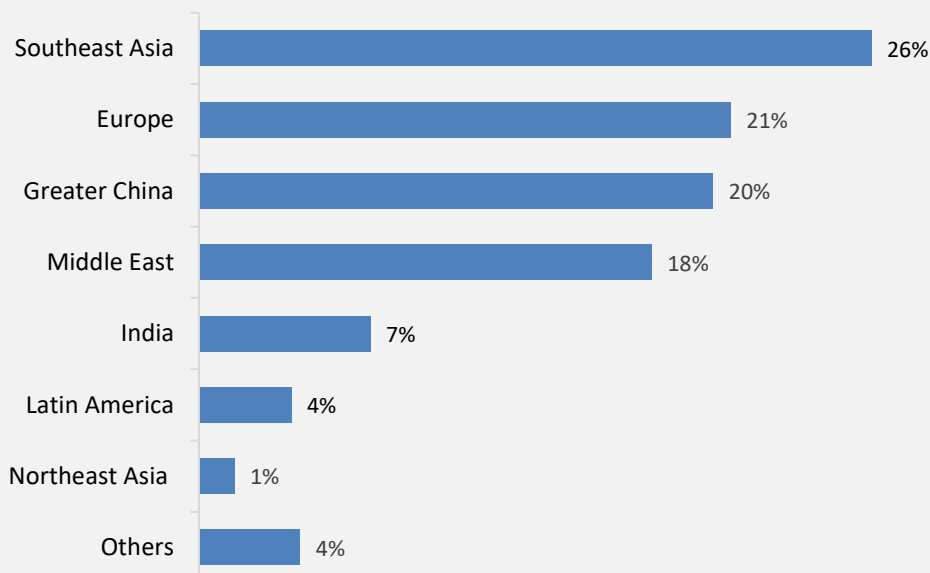
Areas of Trade Policy Changes Lacking Familiarity Among Air Traders



Note: Multiple answers allowed

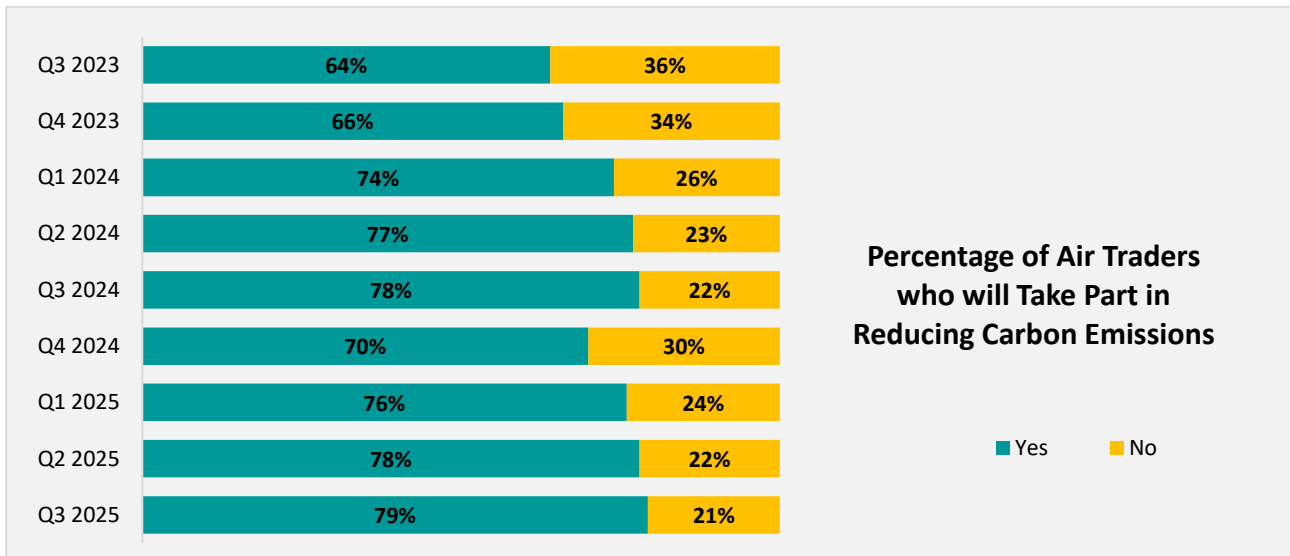
Among the identified changes in trade policy, 32% of respondents indicated unfamiliarity with the latest tariff and regulatory updates, highlighting a need for clearer communication on recent changes. Additionally, 26% felt they lacked an understanding of tariff calculations, while 25% were unsure about tariff applications, including effective dates, origin definitions, and declaration values. The custom clearance procedure was another area of concern, with 14% of respondents expressing unfamiliarity.

^Potential Market as a Substitute in Response To Significant Changes in Global Trade Policy



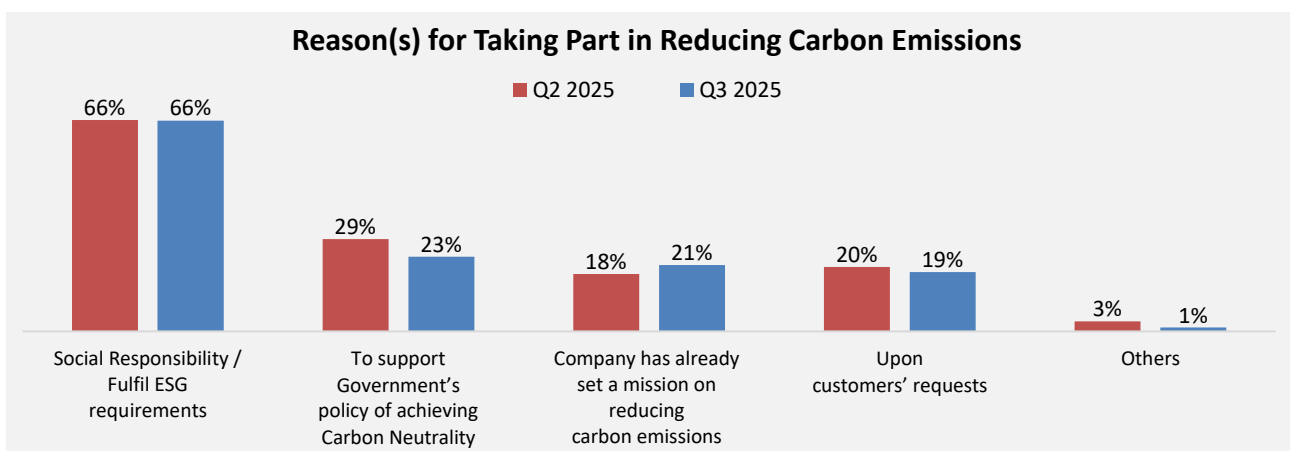
^ Based on the total number of mentions

Given the rapidly evolving US trade policy, Southeast Asia emerged as the top potential market, with 26% of air traders identifying it as the market with the greatest growth potential. Europe followed closely, with 21% of air traders recognizing significant opportunities there. The Greater China region was also considered promising by 20% of air traders, reflecting its continued economic influence.



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

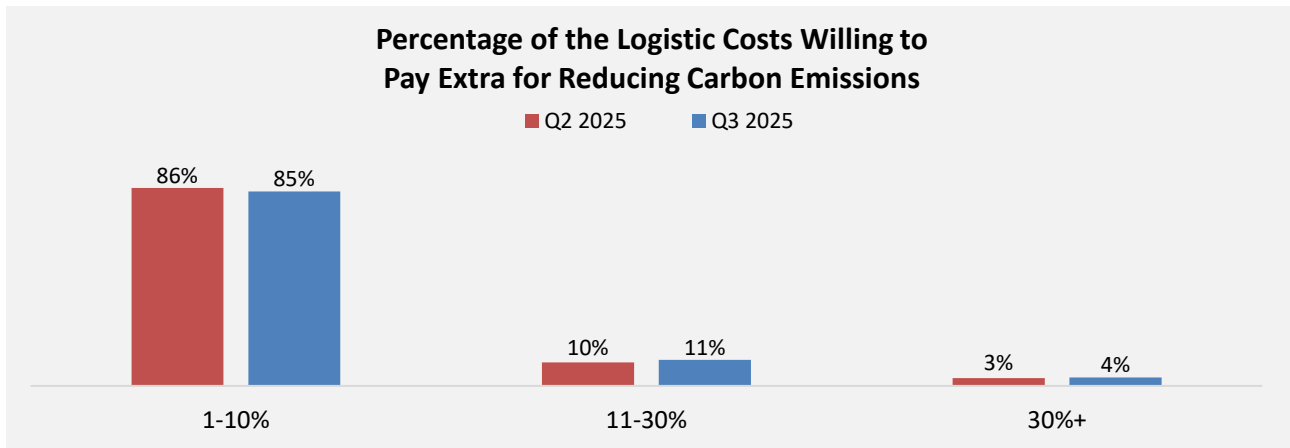
In Q3 2025, the percentage of air traders committed to reducing carbon emissions reached a notable 79%, reflecting a growing trend of environmental responsibility within the industry. The consistent growth in participation over the past two years highlights the evolving attitudes of air traders towards environmental stewardship, suggesting a strong commitment to integrating sustainability into their operations.



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

Note: Multiple answers allowed

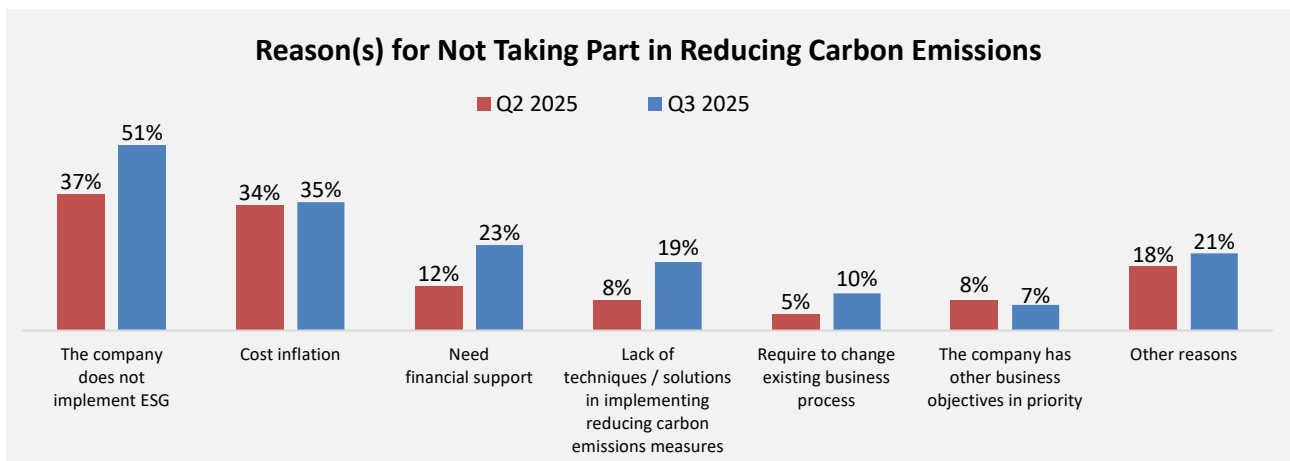
Among air traders willing to participate in reducing carbon emissions, the primary motivation remains "Social responsibility / Fulfil ESG requirements" (66%). This is followed by the motivation "To support Government's policy of achieving Carbon Neutrality" (23%). Additionally, 21% of air traders are driven by the fact that "Company has already set a mission on reducing carbon emissions".



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

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

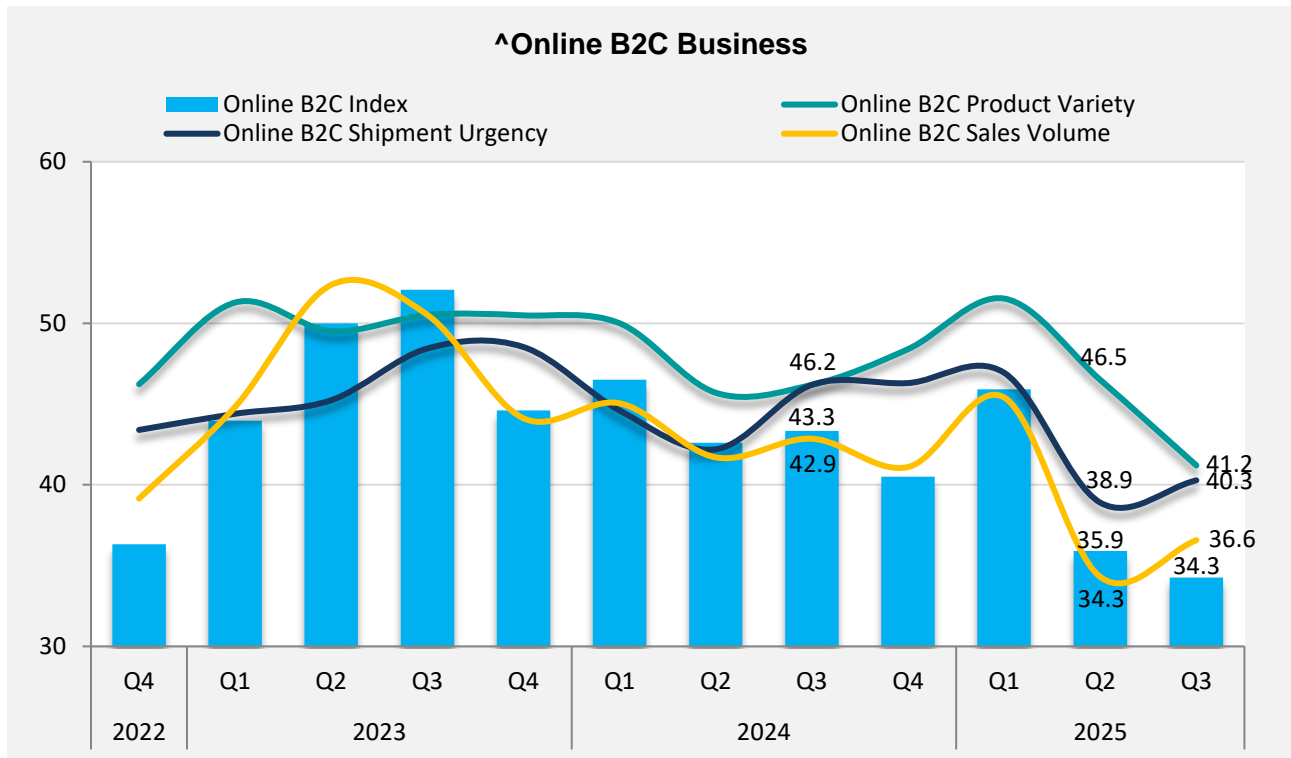
Consistent with the previous quarter, among air traders willing to participate in reducing carbon emissions, 85% of them are willing to allocate up to 10% of the logistic costs toward this goal. Meanwhile, 11% are willing to invest up to 30%, while 4% are willing to allocate more than 30% of their logistics budget for emission reduction efforts.



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

Note: Multiple answers allowed

The leading reason for not engaging in carbon emission reduction efforts was “The company does not implement ESG” (51%), which increased by 14 points from the previous quarter. This was followed by “Cost inflation” (35%) and the “Need financial support” (23%). Regarding “Other reasons” (21%), air traders pointed out that their companies lack a clear plan or direction for reducing carbon emissions, further highlighting the absence of strategic frameworks necessary for effective sustainability initiatives.



^ Based on air traders with online B2C business

In Q3 2025, the Online B2C Index experienced a slight decline, decreasing by 1.6 points to settle at 34.3 points. This downturn was primarily driven by a 5.3-point reduction in Product Variety. Despite this negative impact, there were positive developments in both Sales Volume (+2.2 points) and Shipment Urgency (+1.4 points), which showed growth following significant declines in the previous quarter.

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

Enquiry

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

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