

# Standard Chartered Hong Kong SME Leading Business Index


**Results**  
**Q3 2025**



# Background

- The “Standard Chartered Hong Kong SME Leading Business Index” is independently implemented by Hong Kong Productivity Council and sponsored by Standard Chartered Bank (Hong Kong) Limited.

## Survey Objectives

- 
- To analyse Hong Kong SMEs' confidence in the recent business environment
  - To explore Hong Kong SMEs' views and challenges regarding “Go Global”

# Standard Chartered Hong Kong SME Leading Business Index

Results

**Q3 2025**



# Key Findings of This Quarter



Overall Index was **40.5** for Q3 2025, retreated by 3.3 from the previous quarter



“Uncertain tariff situation” and “intensifying market competition” are the major business challenges faced by SMEs



SMEs anticipated that challenges they would face when “Go Global” included “lack of familiarity with local regulations, planning or policies” and “difficulty in finding local business partners”

# Overall Index in Q3 2025

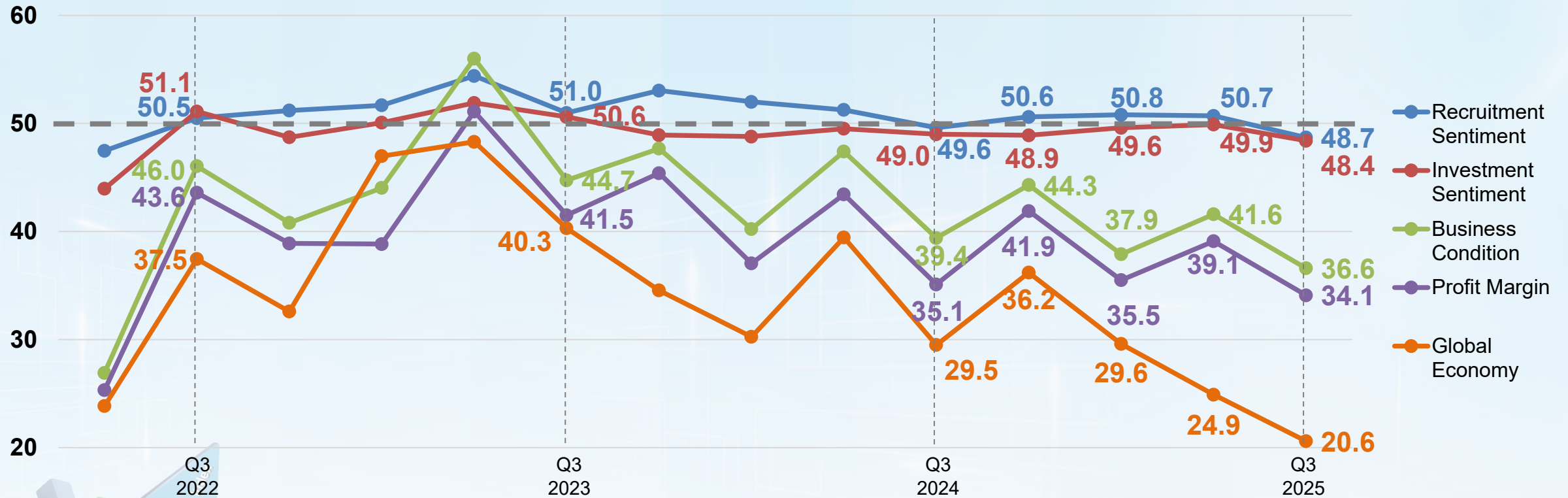
## Overall Index





# Five Component Sub-Indices of Overall Index

## Five Component Sub-Indices of Overall Index



- Driven mainly by the “Business Condition” and “Profit Margin” sub-indices, the Overall Index fell slightly by 3.3 to 40.5
- “Global Economy” sub-index has declined for three consecutive quarters

# Global Economy Sub-Index



## Key Events

### Q2 2020:

- Tightening of social distancing measures during the pandemic and the implementation of border closure measures

### Q3 2021:

- Pandemic slowed down

### Q2 2022:

- The fifth wave of the pandemic
- Russia-Ukraine conflict

### Q2 2023:

- Full border reopening
- Resumption of multiple international events

### Q4 2024:

- U.S. Federal Reserve announced interest rates cut in September
- Major economic stimulus measures in China

### Q1 2025:

- Trump took office, implemented “America First” and high tariffs, affecting global trade

### Q2 2025:

- Trump announced large-scale tariffs globally on “Liberation Day”
- Israel and the U.S. attacked Iran

# Well-performing Industries

2.6

**Construction**

Business Condition ▲ 6.7

Investment Sentiment ▲ 1.9

Profit Margin ▲ 1.9

Global Economy ▲ 1.0

Recruitment Sentiment ▲ 0.9

1.7

**Accommodation and  
Food Services**

Investment Sentiment ▲ 6.9

Global Economy ▲ 4.8

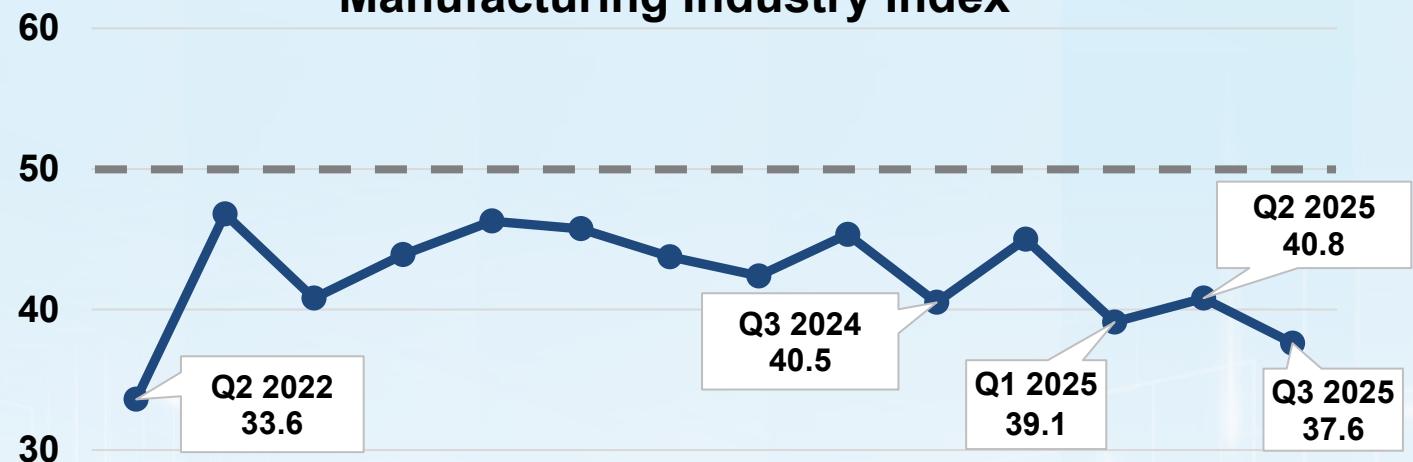
Recruitment Sentiment ▲ 2.1





# Manufacturing

Manufacturing Industry Index

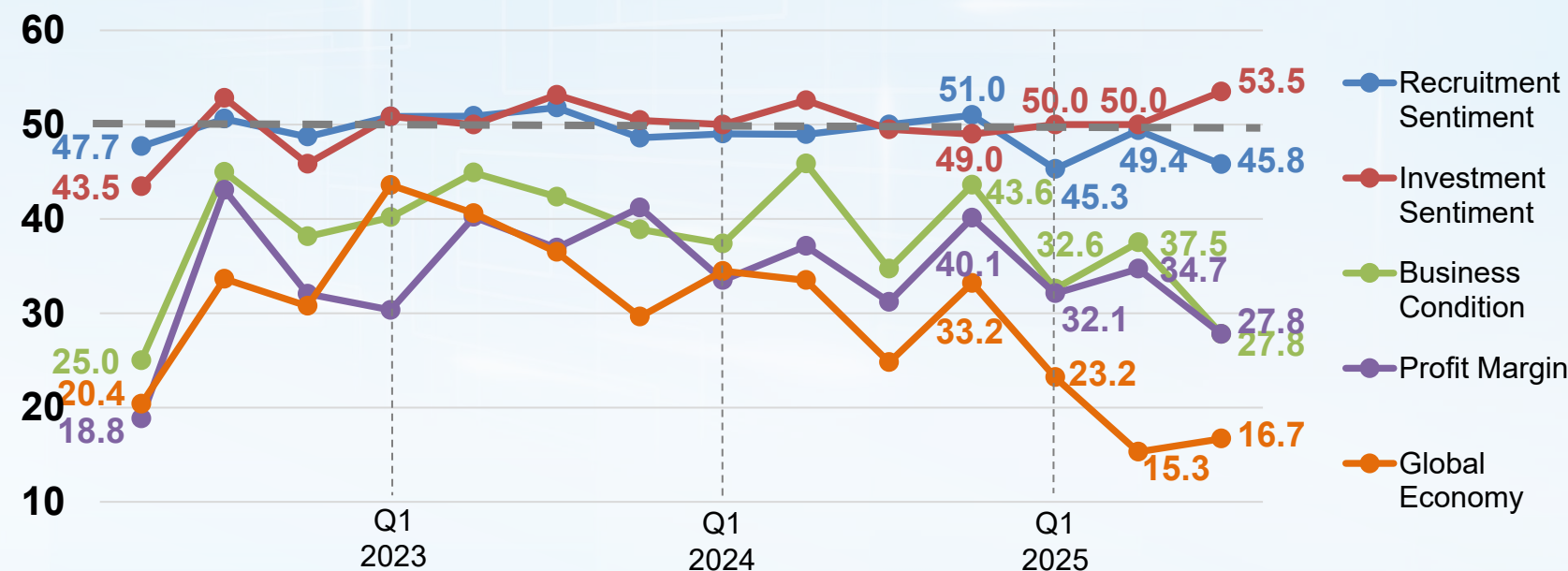


Industry index of Manufacturing Industry fell slightly to 37.6 this quarter

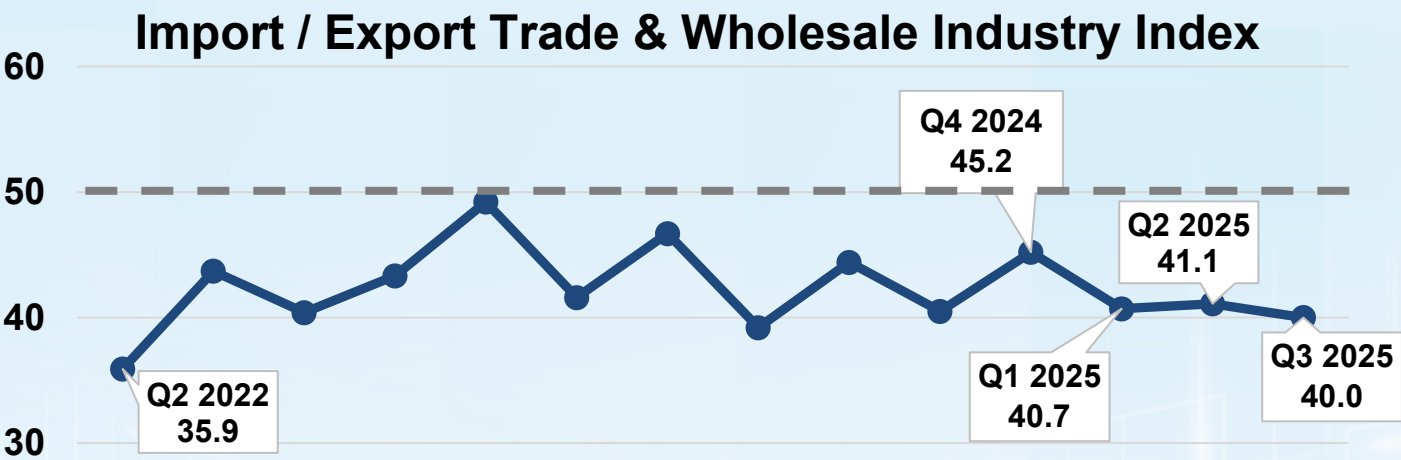
After two consecutive quarters of decline, the “Global Economy” sub-index rebounded by 1.4.

“Investment Sentiment” rose to its highest level in nearly seven years, showing that companies are more willing to allocate resources for business expansion, while also placing greater emphasis on R&D investment.

Component Sub-Indices of Manufacturing Industry



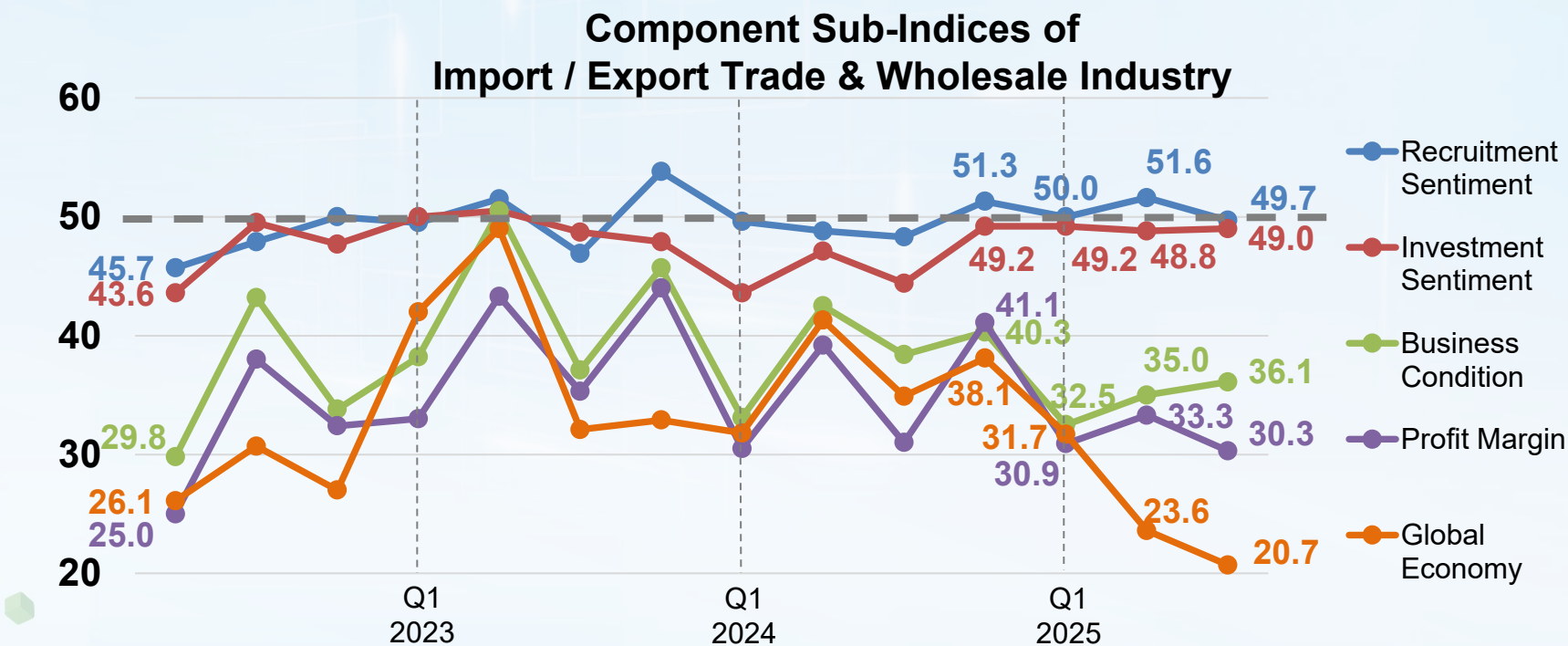
# Import / Export Trade and Wholesale



Industry index of Import / Export Trade and Wholesale Industry remained stable at 40.0

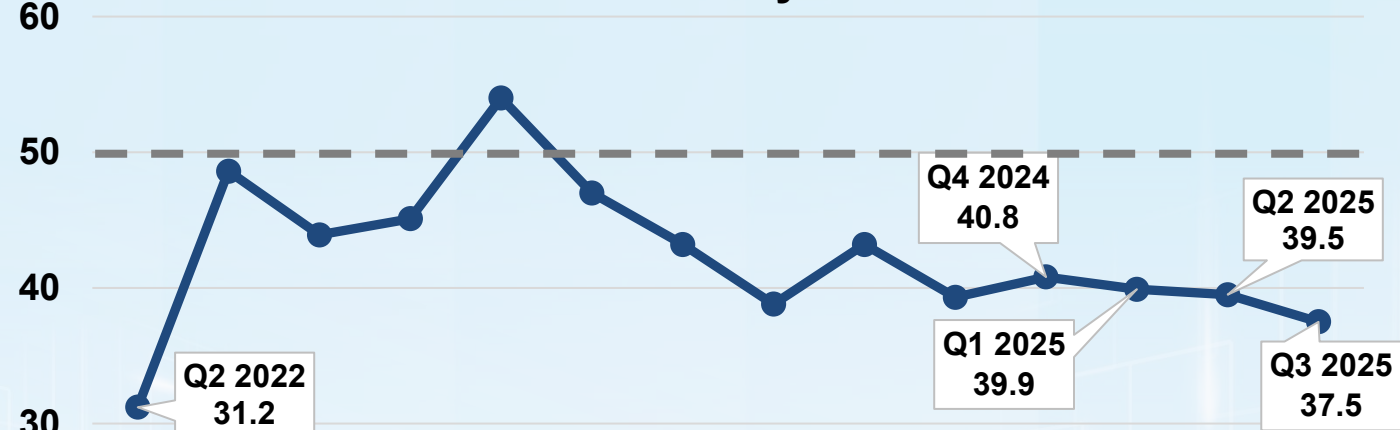
“Business Condition” recorded an increase for two consecutive quarters, accumulating an increase of 3.6 to 36.1.

“Investment Sentiment” remained stable over the past four quarters, hovering near the 50 neutral line.



# Retail

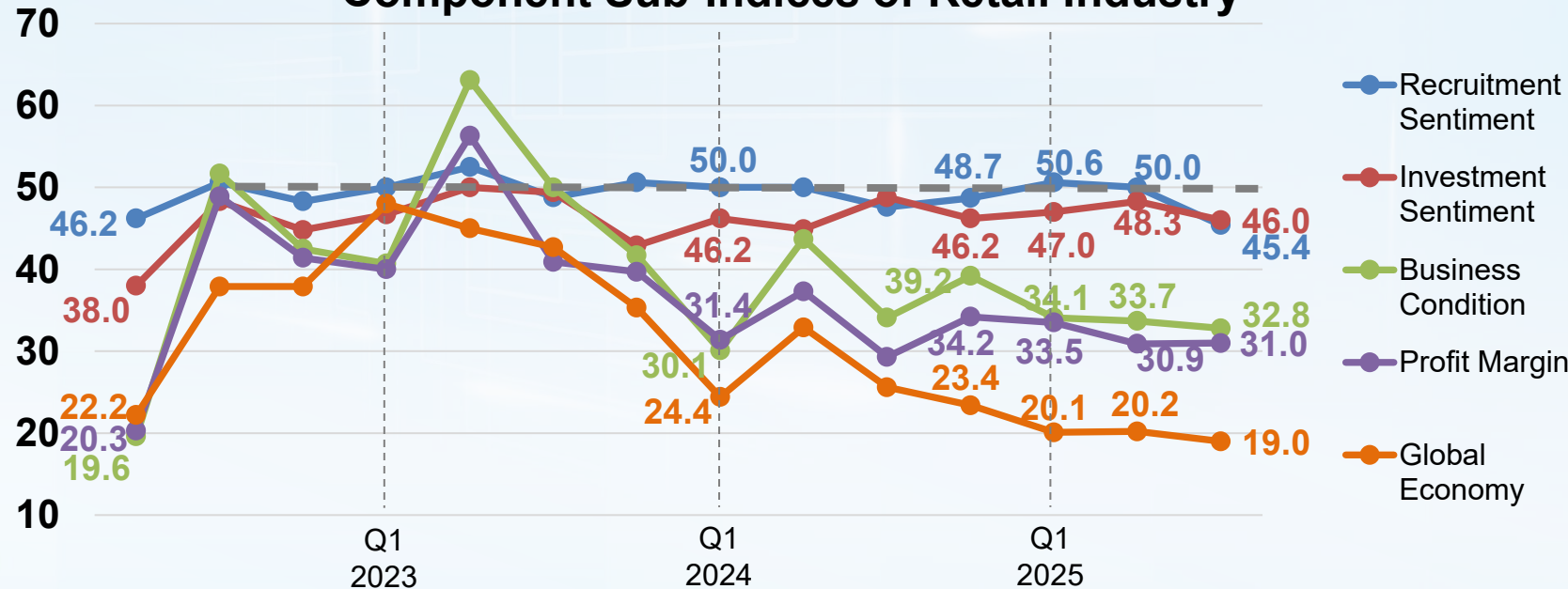
Retail Industry Index



Industry index of Retail Industry fell slightly to 37.5 this quarter

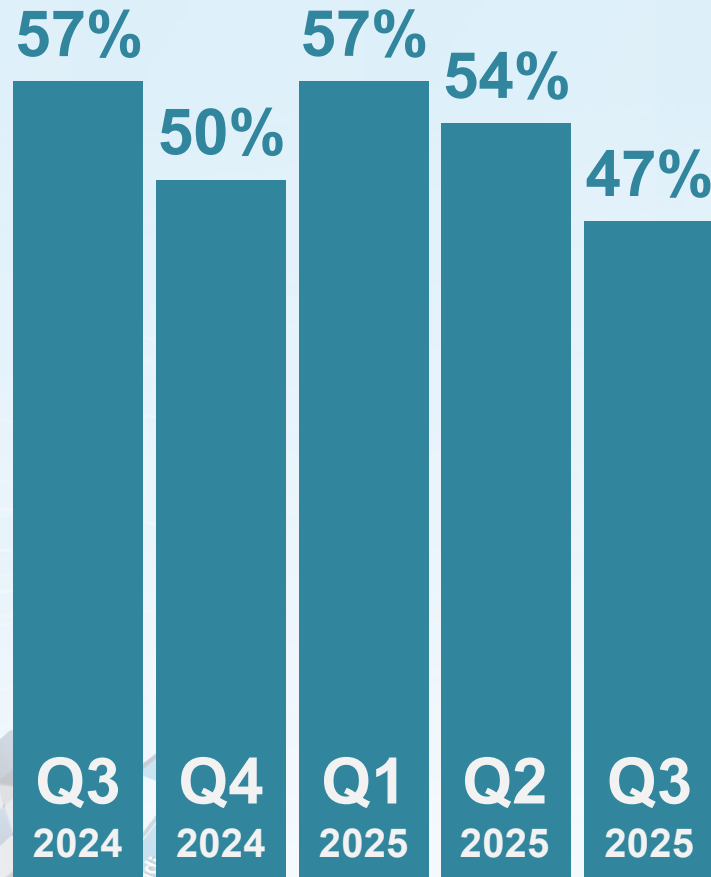
“Business Condition” and “Profit Margin” sub-indices remained stable this quarter, recording 32.8 and 31.0 respectively

Component Sub-Indices of Retail Industry

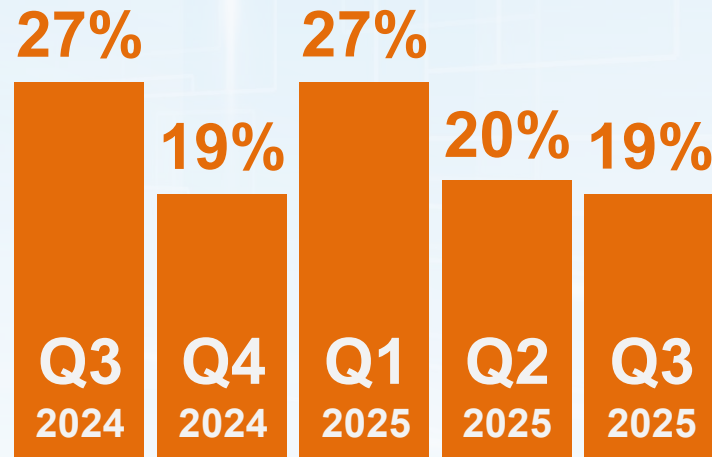


# Expectations towards Increases on Raw Materials Cost, Staff Salary and Price Factors

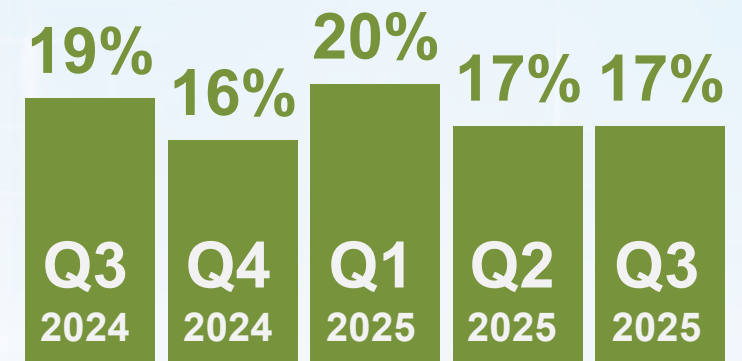
Proportion of surveyed SMEs:



**Raw Materials  
Cost Increase**

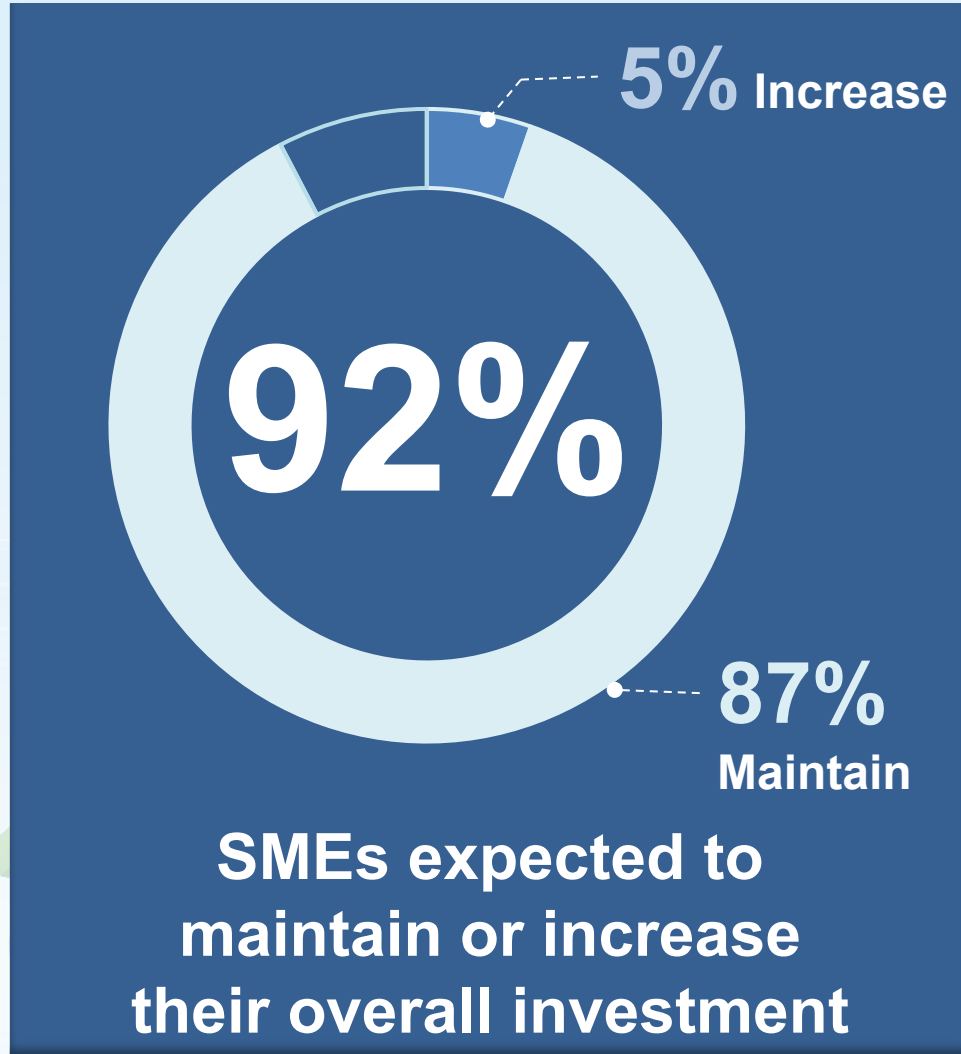


**Staff Salary Increase**



**Product / Service  
Price Increase**

# Expectation towards Changes on Investment



Most SMEs expected to increase investment in the following items:

IT System

Online Marketing Promotion

Training Related to E-commerce  
or Digital Technology

Facilities and Equipment

Overall Staff Training



# Standard Chartered Hong Kong SME Leading Business Index

## Thematic Topic

**Hong Kong SMEs' Views and Challenges  
regarding "Go Global"**



# Top 3 Business Challenges Faced by SMEs



**50%**

**Intensifying  
Market Competition**



**40%**

**Uncertain  
Tariff Situation**



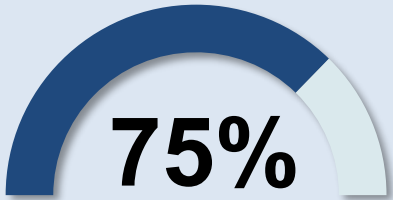
**37%**

**Increase in  
Import-Export Cost /  
Staff Salary**



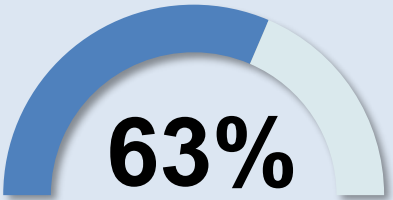
# SMEs' Current Business Status Outside Hong Kong

With Business  
Outside Hong Kong



Product Manufacturing /  
Production

(Only includes applicable SMEs)



Product R&D / Testing

(Only includes applicable SMEs)



Professional Services

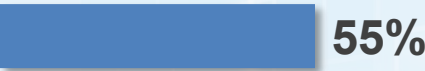


Product / Service Sales

Mainland



67%



55%



8%



15%

Asia



13%



11%



2%



9%

ASEAN



8%



8%

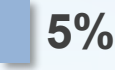


1%

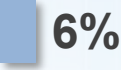


6%

East Asia



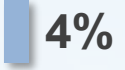
5%



6%



1%



4%

Europe



3%



4%



0%

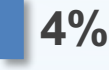


7%

Americas



3%



4%



0%



6%

# SMEs' Plans for "Go Global" in the Next Three Years

## SMEs' Plans for "Go Global" in the Next 3 Years

**66%**  
Will not  
"Go Global"

**16%**

Already have  
a plan to  
"Go Global"

**18%**

Considering to  
"Go Global"

## Most considered regions:

Mainland

**59%**

Asia

**42%**

**28%** ASEAN

**22%** East Asia

Europe

**21%**

Americas

**17%**

SME Leading Business Index

# Major Challenges Faced by SMEs When “Go Global”

Among the SMEs operating only in Hong Kong but considering expanding overseas:

## Challenges Anticipated

- 1 Lack of familiarity with local regulations, planning, or policies
- 2 Difficulty in finding local business partners
- 3 Insufficient Funding
- 4 Lack of familiarity with local tax regulations
- 5 High investment risk

Among the SMEs that have already expanded overseas:

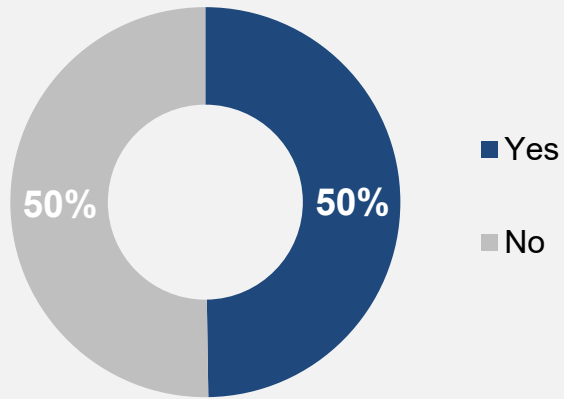
## Challenges Encountered

- 1 Lack of familiarity with local regulations, planning, or policies
- 2 Difficulty in finding local business partners
- 3 Lack of familiarity with local tax regulations
- 4 Increased costs
- 5 High investment risk
- 5 Insufficient Funding

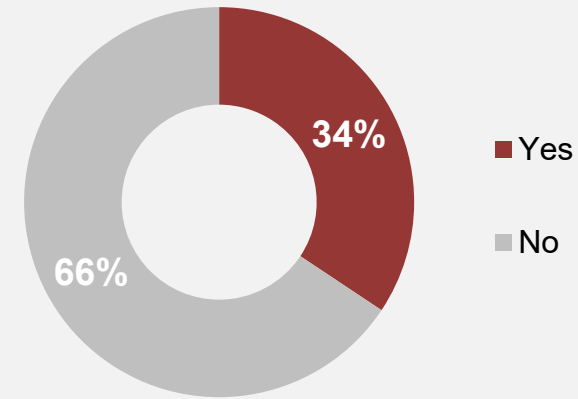


# SMEs' View on “Venturing Overseas by Sharing a Boat”

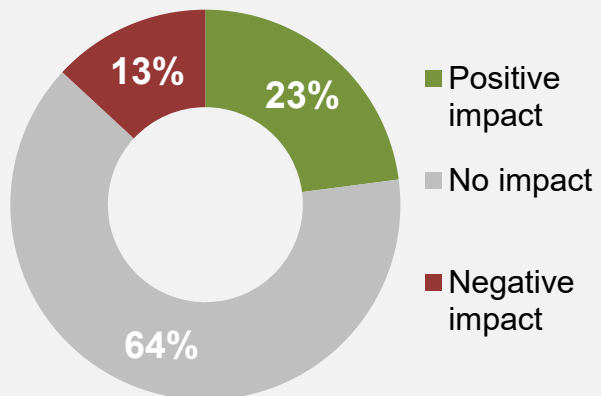
Whether SMEs were aware of the trend of “Venturing Overseas by Sharing a Boat”:



Whether SMEs had **business partners in the Mainland**:



The **impact** of the trend on **company business**:



If **mainland companies invited to collaborate** for joint overseas expansion, whether SMEs would **consider**:

