



DHL Hong Kong Air Trade Leading Index (DTI)

Q4 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.

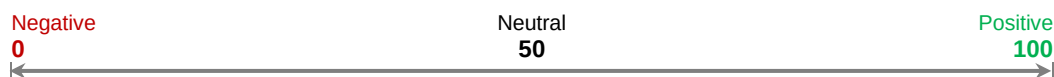
Methodology

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

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

Overall Air Trade Index Reflects Recovery: Improved Confidence in Americas, Strong B2C Momentum, and Proactive Trader Strategies Foster Cautious Optimism for Peak Season.

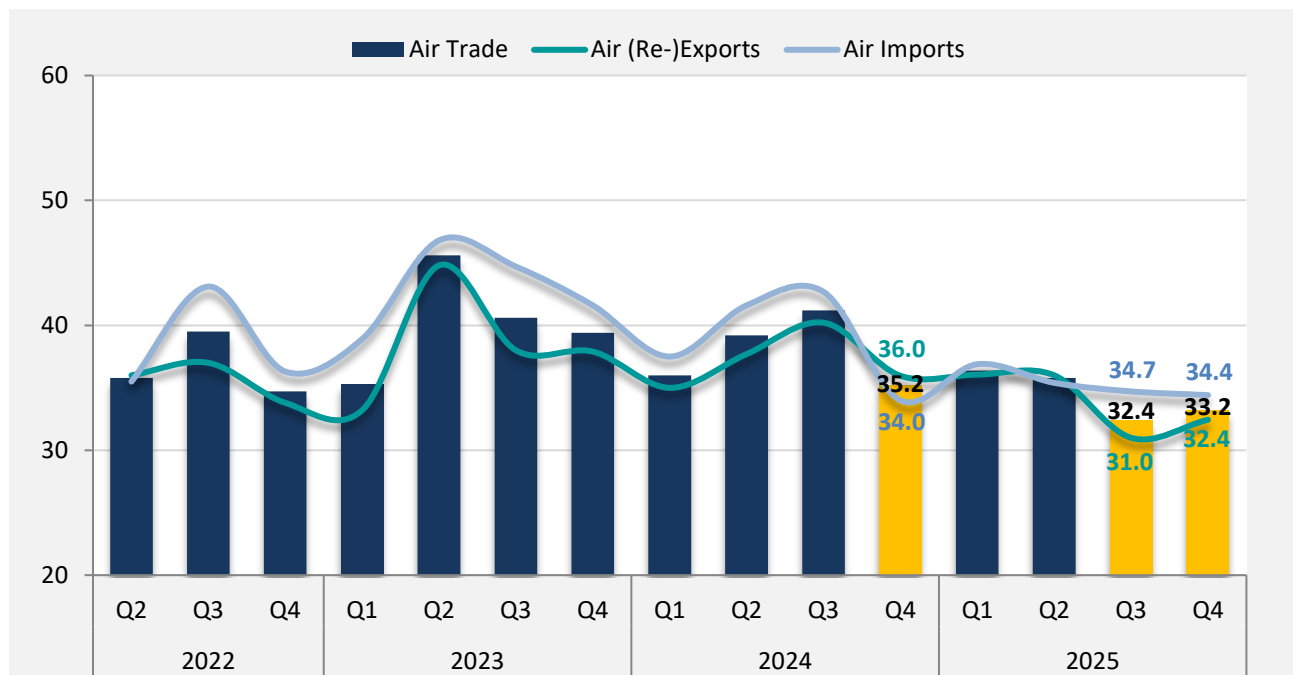
- The Overall Air Trade Index experiences a modest uptick to 33.2, signaling a welcome halt to the recent downward trend. This suggests that market sentiment is bottoming out and showing signs of recovery.
- Among regions, the Americas index records a slight improvement, rising 2 points to 30.
- The Online B2C Index demonstrates notable performance in this quarter, climbing from 34.3 to 36.1, largely driven by the growth in Online Product Variety.
- Looking ahead to peak season, sentiment remains cautiously optimistic. 67% of air traders expect shipment volumes to either remain stable (48%) or increase (19%), reflecting expectations for sustained business activity.
- In response to the need for greater resilience and cost management, nearly a quarter of air traders (23%) who have exported to Americas are now consolidating their shipments, showcasing a pragmatic approach to navigating the current trade environment.
- Forward-looking air traders are exploring new growth destinations, with nearly 18% of those who have exported to Americas shifting shipments to emerging markets. Southeast Asia stands out as the primary destination (43% of those planning to diversify), underscoring a strategic pivot towards regional opportunities.
- Over the past two years, there has been a steady rise in the proportion of air traders prioritising carbon emission reductions, highlighting a significant shift in industry mindset and a growing commitment to sustainable practices.

Mr Edmond LAI, Chief Digital Officer of HKPC, commented, “The Air Trade Index marks a significant point for the industry as we observe initial signs of stabilisation after an extended period of uncertainty. The shifts in key markets, particularly the Americas and Southeast Asia, demonstrate the sector’s resilience and ability to adapt in challenging circumstances. Notably, the recent implementation of reciprocal tariffs and the elimination of De Minimis exemption on shipments from the Chinese Mainland and Hong Kong in the US are reshaping trade dynamics, prompting traders to reassess supply chain strategies and market access.

There is a noticeable increase in the emphasis on sustainability, with more enterprises prioritising carbon emission reductions and proactively exploring new, emerging markets to cope with these evolving conditions. Looking forward to the upcoming peak season, we maintain a measured optimism that strategic planning and continued innovation will support long-term growth within the sector.”

Air Trade Index

The Overall Air Trade edged higher this quarter, supported by a rebound in (re-)exports after a sharp decline in the previous period. However, import activity continued to soften, extending a gradual downward trend observed throughout the year. Overall momentum improved slightly but remains fragile.



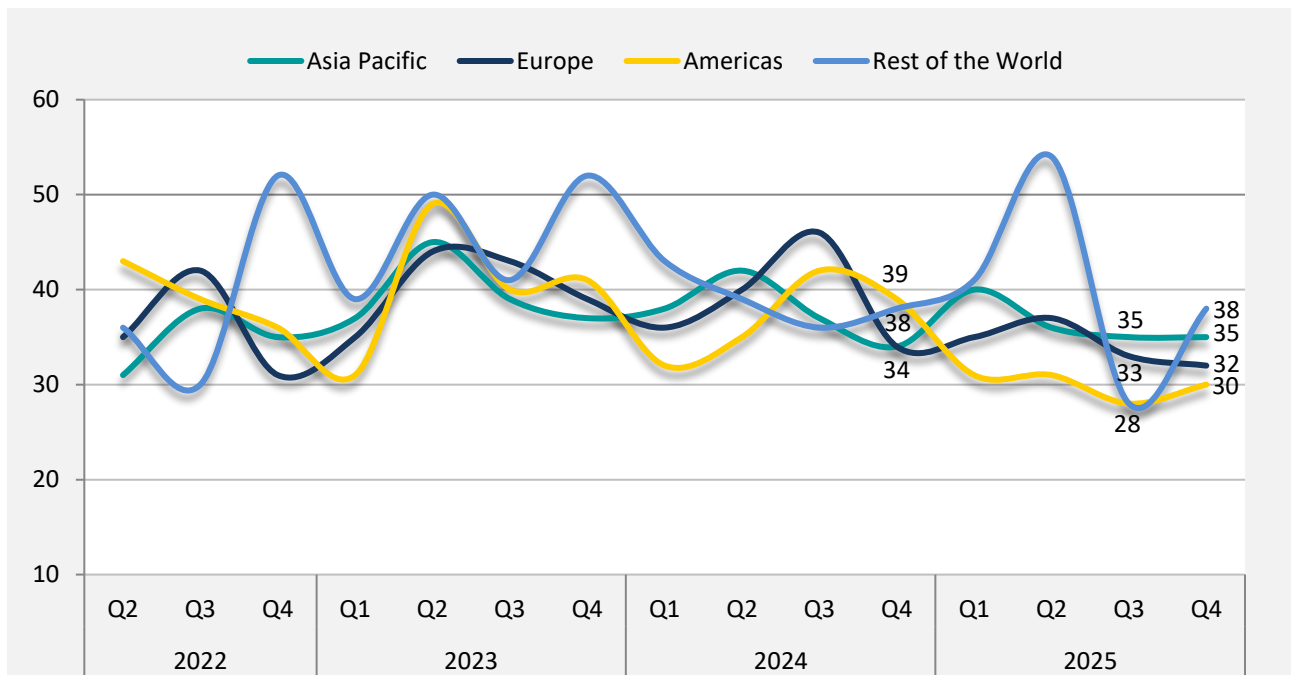
The **Overall Air Trade** Index increased by 0.8 points compared to the previous quarter, reaching 33.2 in Q4 2025.

Following a decrease last quarter, the **Air (Re-)Exports** Index rose to 32.4 (+1.4 points) this quarter, contributing to the change observed in the Overall Air Trade Index.

The **Air Imports** Index fell by 0.3 points this quarter, resulting in a total decrease of 2.5 points since Q1 2025.

Markets

Regional performance was mixed this quarter. The Asia Pacific region held steady overall: the Chinese Mainland continued a mild, import-led recovery; Japan's index posted a strong rebound across both (re-)exports and imports. The Americas' index saw modest improvement, returning to mid-year levels on the back of stronger imports and a smaller lift in (re-)exports. In contrast, Europe slipped to its weakest level since 2023.



Asia Pacific's index held steady at 35 points in Q4 2025.

- The **Chinese Mainland's index** increased by 2 points to 35, largely driven by a 3-point rise in imports.
- **Japan** saw considerable growth, as its index jumped 7 points to 41 points, supported by a 9-point boost in (re-)exports and a 3-point uptick in imports.
- **Other Asia Pacific** regions experienced a 3-point drop in its index, settling at 33, in line with Q2 2025 levels.

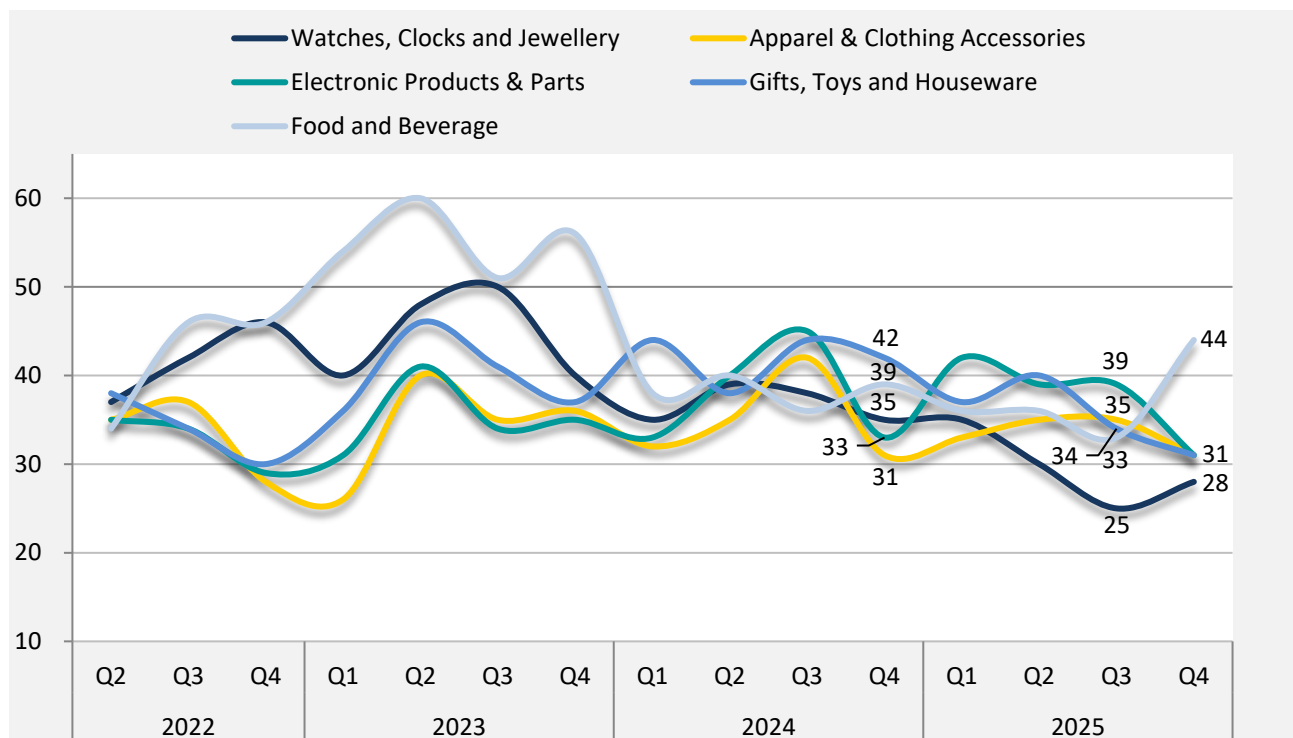
The **Americas'** index saw a 2-point improvement, climbing to 30 points, mainly contributed by the improvement in imports (+5 points).

Europe's index dropped by 1 point to 32 points this quarter, marking its lowest level since 2023.

The index of the **Rest of the World** posted an increase of 10 points to 38.

Air-Freighted Commodities

The commodity indices displayed varied performance this quarter. **Electronic Products & Parts** saw a sharp downturn, reaching its weakest level since 2024, primarily driven by a steep decline in imports. **Apparel & Clothing Accessories** also declined. **Gifts, Toys & Houseware** continued its downward trajectory on both imports and (re-)exports. In contrast, **Food & Beverage** delivered the strongest improvement, reaching a new high since 2024. **Watches, Clocks & Jewellery** posted a modest uptick.



Electronic Products & Parts fell by 8 points this quarter, following a period of stability over the past two quarters. This marks the lowest level since 2024. The decrease was mainly driven by 13-point drop in imports, while (re-)exports also declined by 5 points.

Apparel & Clothing Accessories decreased by 4 points to reach 31 points this quarter, with both (re-)exports and imports declining by 4 and 5 points, respectively.

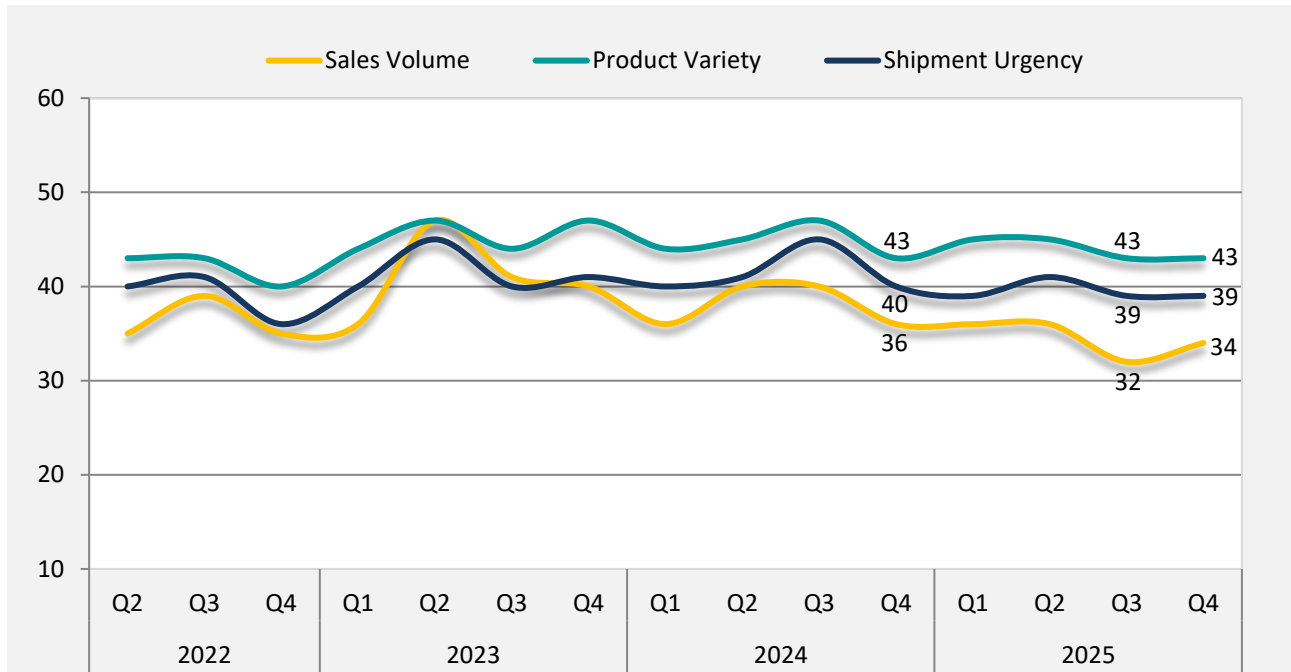
Gifts, Toys & Houseware continued to weaken, dropping by 3 points, reflecting declines in imports (-4 points) and (re-)exports (-2 points).

Food & Beverage demonstrated the most significant improvement this quarter, rising 11 points to achieve its record high since 2024. Growth was observed in both (re-)exports (+16 points) and imports (+10 points).

Watches, Clocks & Jewellery posted a moderate increase of 3 points, primarily driven by growth in (re-)exports.

Sub-Indices

Both Product Variety and Shipment Urgency indices held steady in Q4 2025, while Sales Volume saw a slight improvement, supported by the rise in Japan's index and the Food & Beverage sector.



The **Product Variety** remained steady at 43 points this quarter, continuing as the leading sub-index over the past two and a half years.

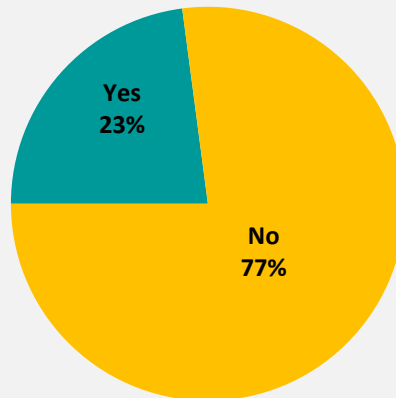
Shipment Urgency held at 39 points, maintaining a consistent range between 39 and 41 points since the second half of 2024.

Sales Volume saw a modest increase of 2 points, primarily driven by the gains in Japan's index and the Food & Beverage sector.

Air Trade Outlook Affected by Recent Market News

In the wake of the US imposing reciprocal tariffs and eliminating De Minimis exemptions for shipments from the Chinese Mainland and Hong Kong in May 2025, many air traders who have exported to Americas have adopted a cautious 'wait and see' approach over the past three months. Notably, one-fifth of these traders are proactively consolidating their shipments or exploring new markets, demonstrating adaptability in a challenging trade environment.

More Shipment Consolidation for Americas Market

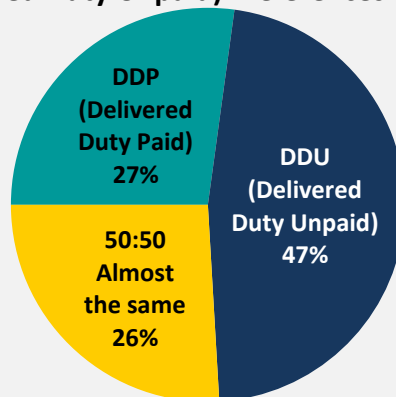


Note: Percentages may not add up to 100% due to rounding

Note: Based on those air traders who exported to Americas

Following these policy changes, certain air traders have adjusted their shipping strategies. Approximately 23% of respondents now indicate a preference for consolidating their shipments.

DDP (Delivered Duty Paid) vs. DDU (Delivered Duty Unpaid) Preferences for Americas

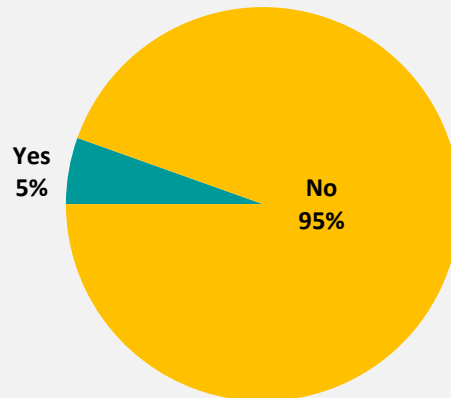


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Note: Based on those air traders who exported to Americas

Approximately 47% of air traders reported that their shipments were more frequently paid under Delivered Duty Unpaid (DDU) terms, while 27% indicated payment by Delivered Duty Paid (DDP).

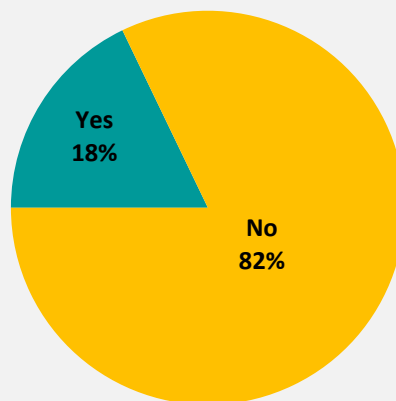
Increased Engagement/ Plans for Distribution Centres in the Americas by Local Air Traders Targeting Americas



Note: Percentages may not add up to 100% due to rounding
Note: Based on those air traders who exported to Americas

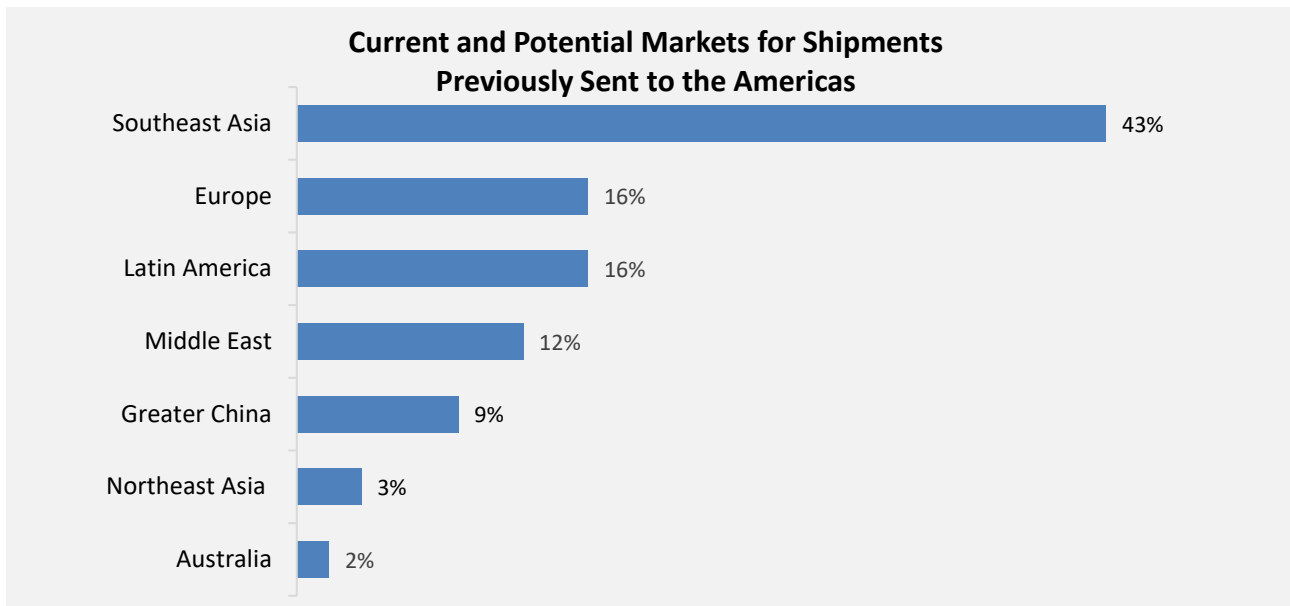
Only 5% indicated that they are increasing engagement with or planning to establish distribution centres in the Americas.

Shift in Markets for Shipments Previously Sent to the Americas



Note: Percentages may not add up to 100% due to rounding
Note: Based on those air traders who exported to Americas

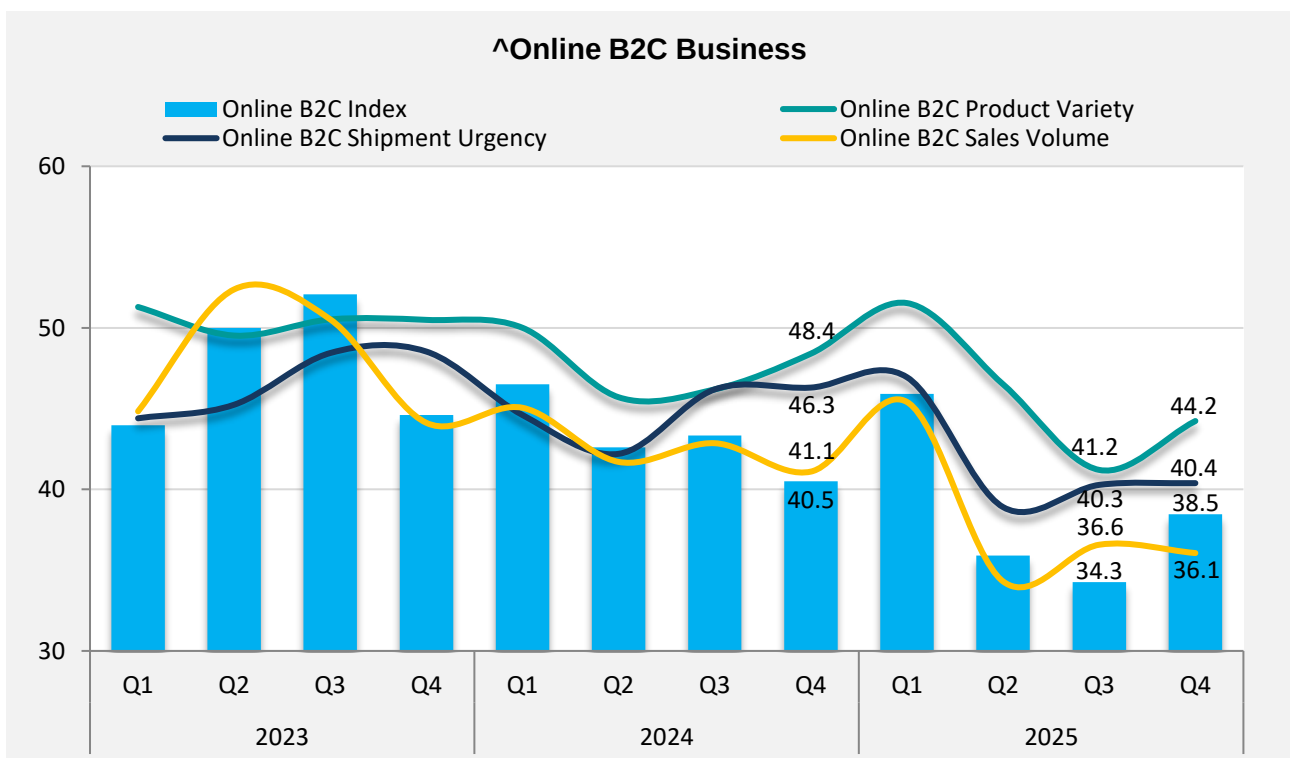
Due to the increased tariff rate on shipments to the US, 18% of local air traders targeting the Americas market are shifting more shipments to new markets.



Note: Based on the total number of mentions

Note: Based on those air traders who exported to Americas

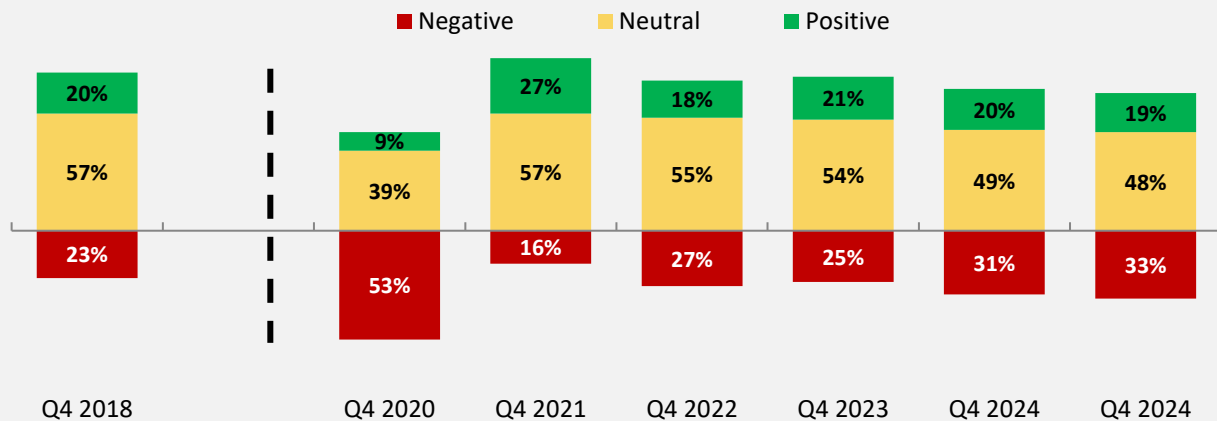
Of the goods originally intended for the Americas, 55% have no designated markets for redirection. Among those with plans to diversify, over 40% are expected to shift to Southeast Asia, while 16% each are projected to redirect to Europe and Latin America.



Note: Based on air traders with online B2C business

During Q4 2025, the Online B2C Index recorded a notable increase, rising to 38.5 points, an improvement of 4.2 points. This growth was largely driven by a 3-point gain in Product Variety. Nevertheless, Sales Volume saw a slight decline, falling by 0.5 points.

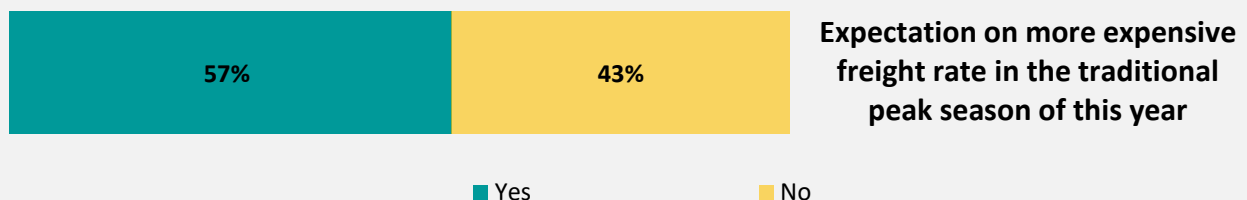
Expectation over Peak Season of Thanksgiving and Christmas Eve



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

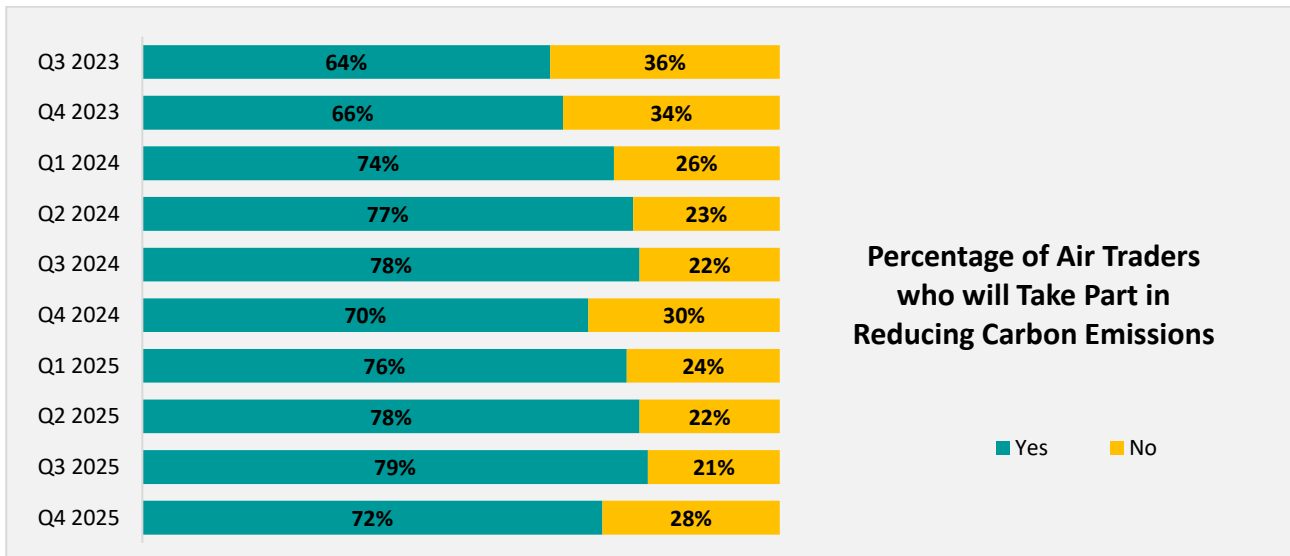
In Q4 2025, air traders' expectations for the traditional peak season (Thanksgiving and Christmas Eve) remained steady, with 19% of traders expressing a positive outlook, consistent with levels reported since 2022.

The proportion of air traders with a negative outlook increased by 2%-point to 33% this year. By commodity, respondents indicated the least favourable expectations for Watches, Clocks & Jewellery (42%) and Gift, Toys & Houseware (40%). At the market level, air traders operating in America (36%) and Japan (36%) reported the highest percentage of negative outlooks this year.



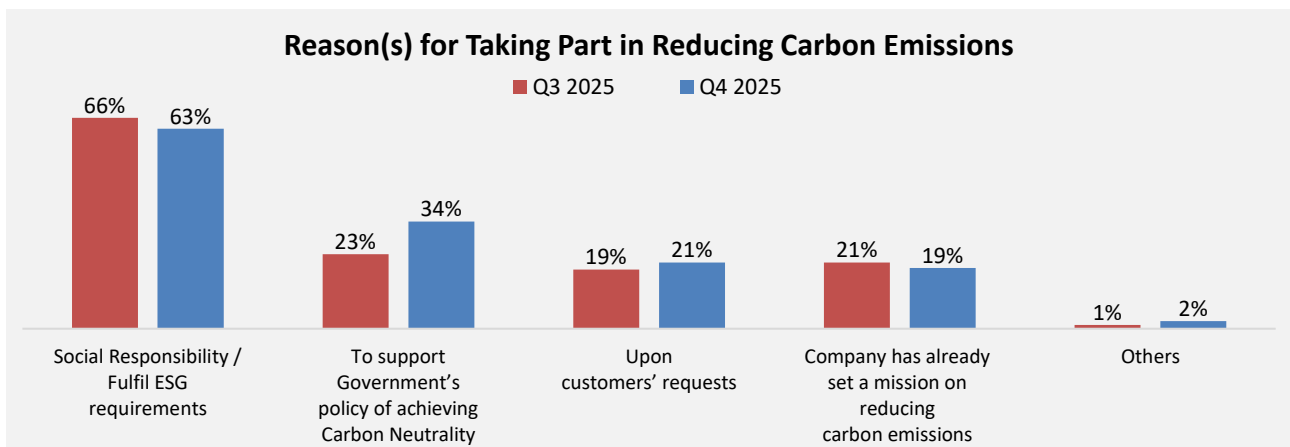
Note: Percentages may not add up to 100% due to rounding

Expectations regarding freight rates during the traditional peak season vary, with 57% of air traders anticipating higher freight costs this year. This trend is particularly evident among respondents in Japan and Europe, as well as within the Apparel & Clothing Accessories and Electronics Products & Parts sectors.



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

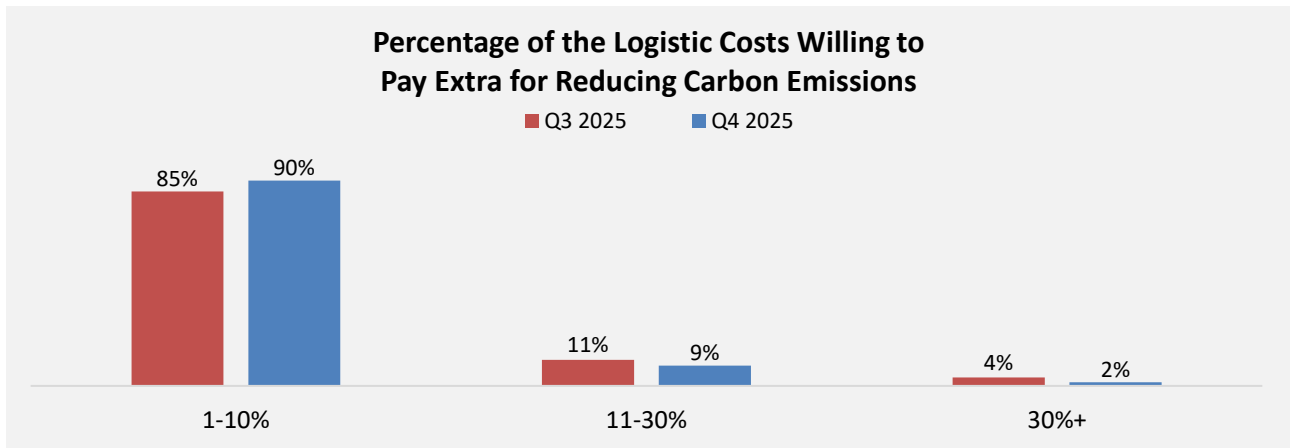
In 2025, an average of 76% of air traders expressed willingness to participate in carbon emission reduction initiatives, representing a modest increase of one percentage point compared to 2024.



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

Note: Multiple answers allowed

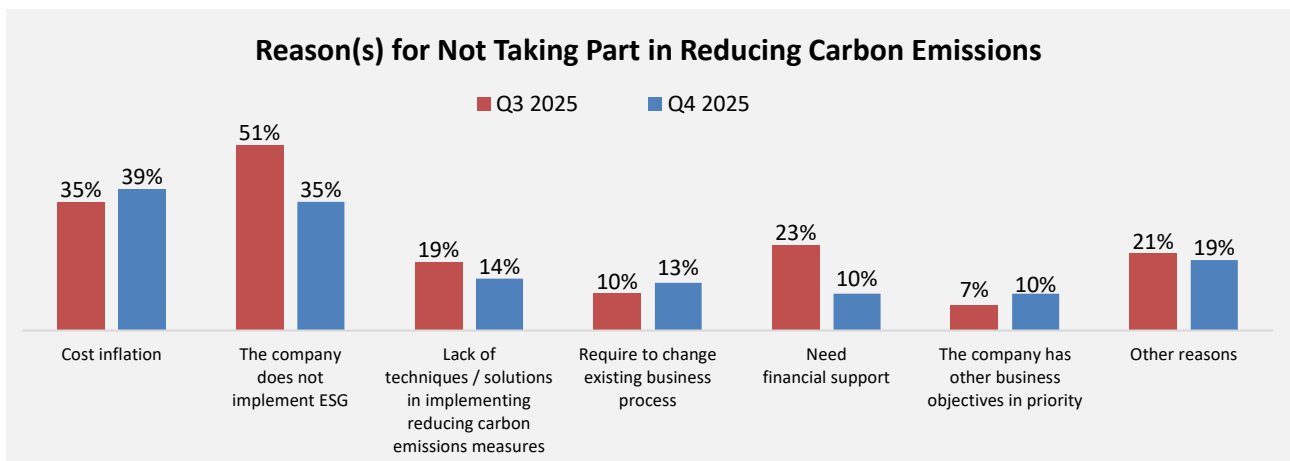
Among air traders participating in carbon emission reduction, the most commonly reported motivation was "Social responsibility / Fulfil ESG requirements" (63%), followed by "To support Government's policy of achieving Carbon Neutrality" (34%) and "Upon customers' requests" (21%).



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, approximately 90% of air traders interested in reducing carbon emissions are prepared to allocate up to 10% of their logistics costs toward this goal. Additionally, 9% are willing to invest up to 30%, while 2% are willing to contribute over 30% of their logistics budget to support emission reduction initiatives.



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

Note: Multiple answers allowed

Among those not participating, the primary reason cited was "Cost inflation" (39%), followed by "The company does not implement ESG" (35%), which returned to levels observed in Q2 2025.

About Hong Kong Productivity Council

The Hong Kong Productivity Council (HKPC) is a multi-disciplinary organisation established by statute in 1967, to promote productivity 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 Chinese Mainland 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 to enhance competitiveness. To further support businesses in expanding into global markets, HKPC has established “The Cradle – Go Global Service Centre”, providing essential services to address businesses’ needs in product development, technology, manufacturing, and management, empowering enterprises to successfully go global. The Council partners and collaborates with local industries and enterprises and world-class R&D institutes to promote technology transfer, product innovation, and commercialisation through product innovation, technology transfer, creating value for industries. 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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