

Standard Chartered Hong Kong SME Leading Business Index

Results
Q1 2026



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 the status and trends of AI adoption among Hong Kong SMEs

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Results

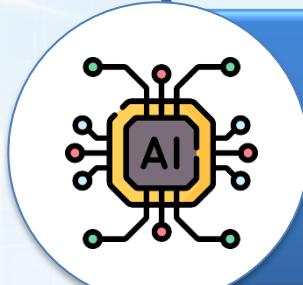
Q1 2026



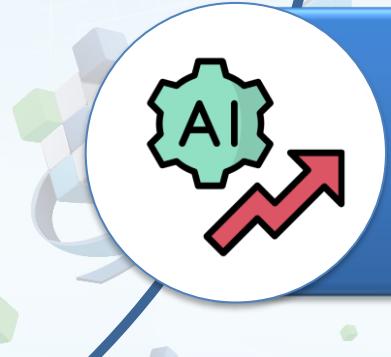
Key Findings of This Quarter



Overall Index was **43.9** for Q1 2026, maintaining overall stability



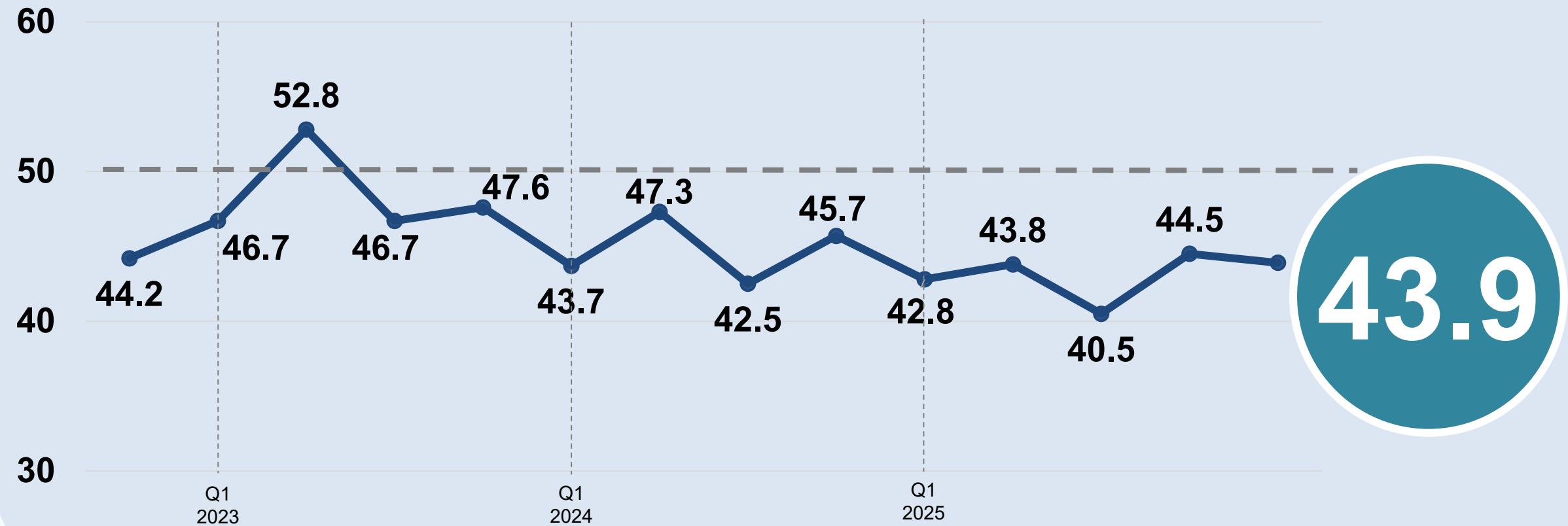
Over half of SMEs have used or plan to use AI tools in their daily operation within the next year



Most SMEs that have previously used AI were willing to increase AI usage in the coming year

Overall Index in Q1 2026

Overall Index



Five Component Sub-Indices of Overall Index

Five Component Sub-Indices of Overall Index



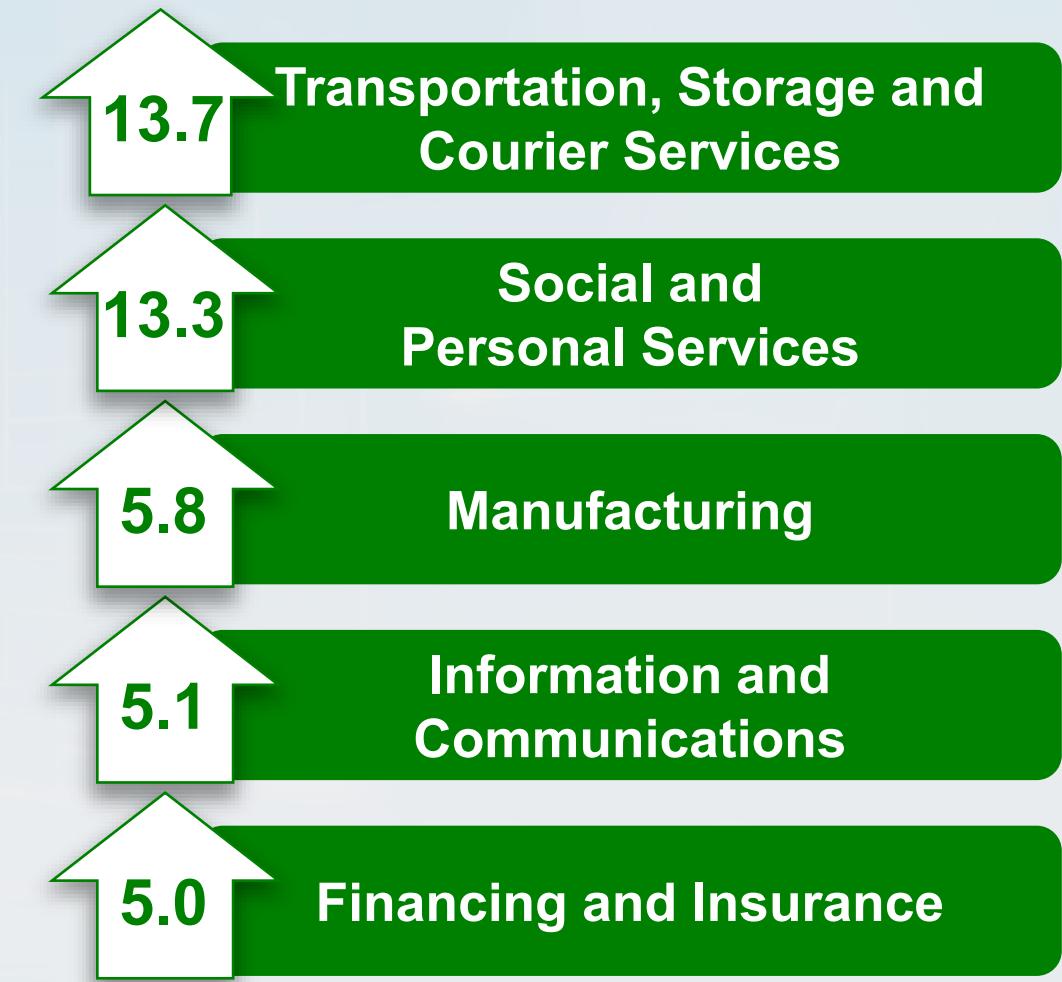
- “Global Economy” sub-index maintained its upward trajectory, up by 3.8 to 36.4, returning to the level in Q4 2024
- “Recruitment Sentiment” and “Investment Sentiment” remained close to the 50 neutral line, showing stable performance

Global Economy Sub-Index

“Global Economy” sub-index for “Transportation, Storage and Courier Services” and “Social and Personal Services” recorded the largest increases this quarter, with increases of 13.7 and 13.3 respectively

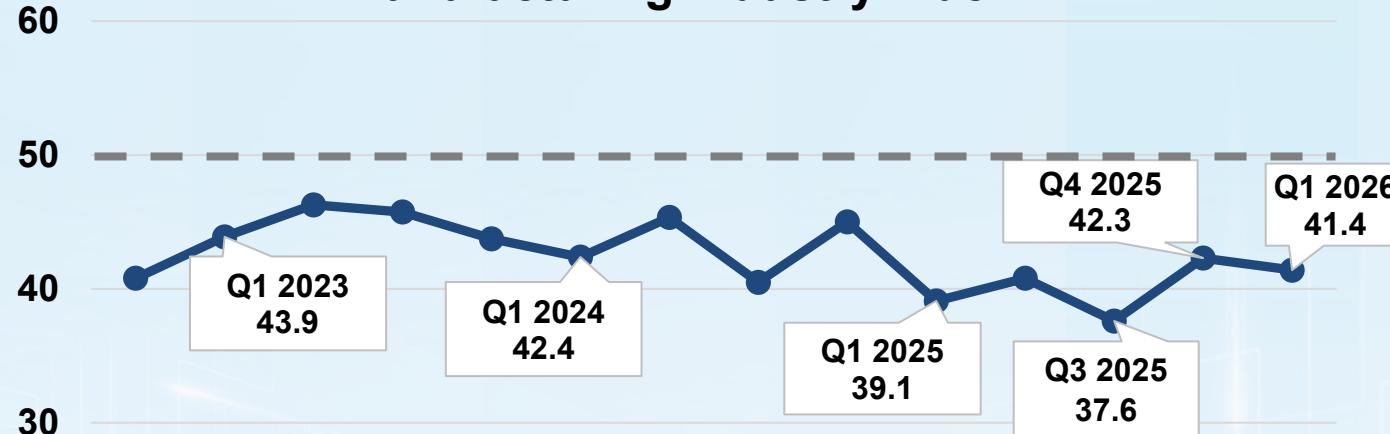


Industries Recording the Largest Increases in “Global Economy”



Manufacturing

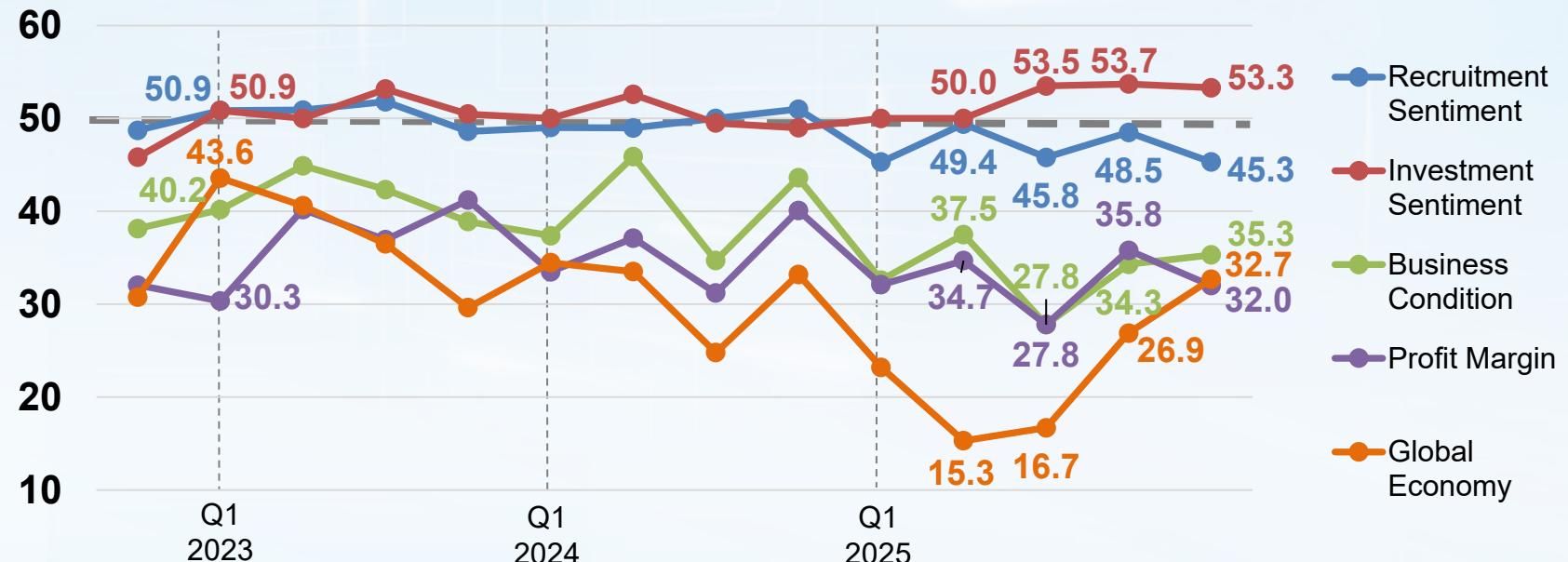
Manufacturing Industry Index



Industry index of Manufacturing
Industry slightly declined
by 0.9 to 41.4

“Recruitment Sentiment”
sub-index fell by 3.2 to
45.3.
In contrast, “Business
Condition” and “Global
Economy” sub-indices
continued to rise,
increasing by 1.0 and 5.8
respectively.

Component Sub-Indices of Manufacturing Industry

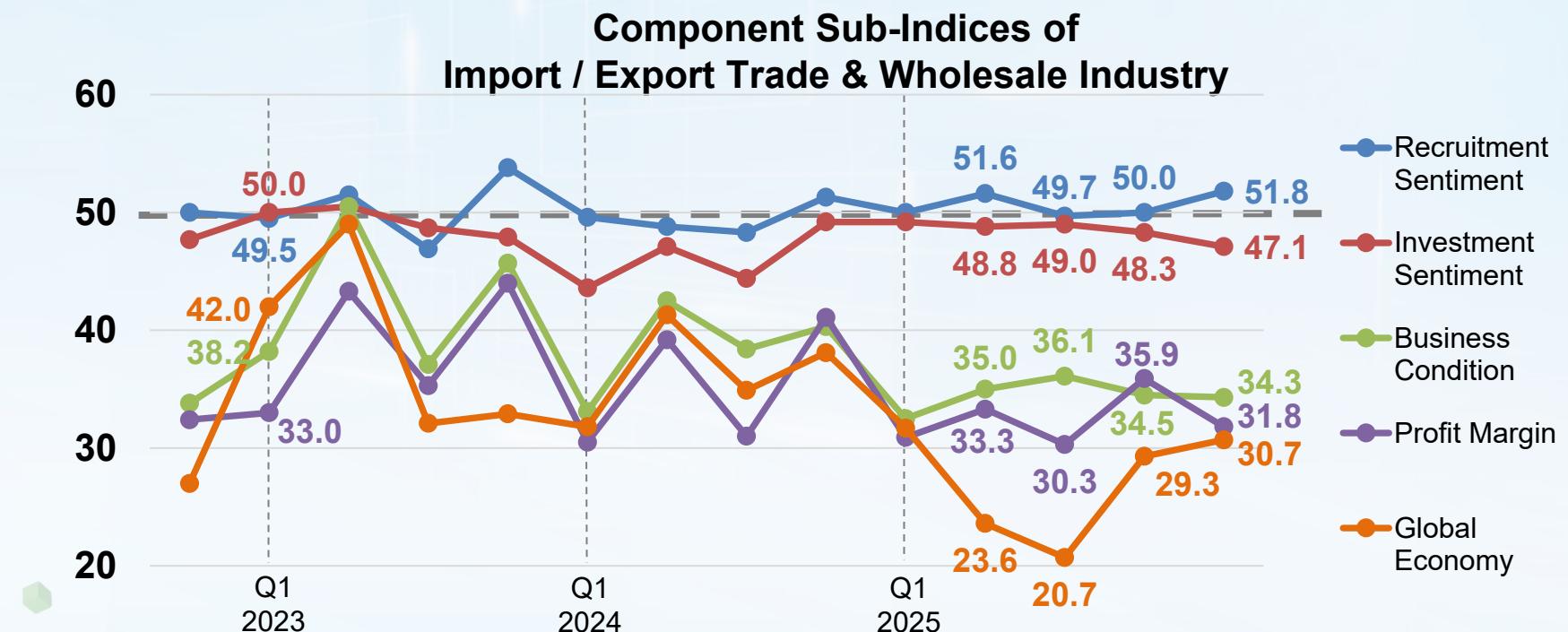


Import / Export Trade and Wholesale

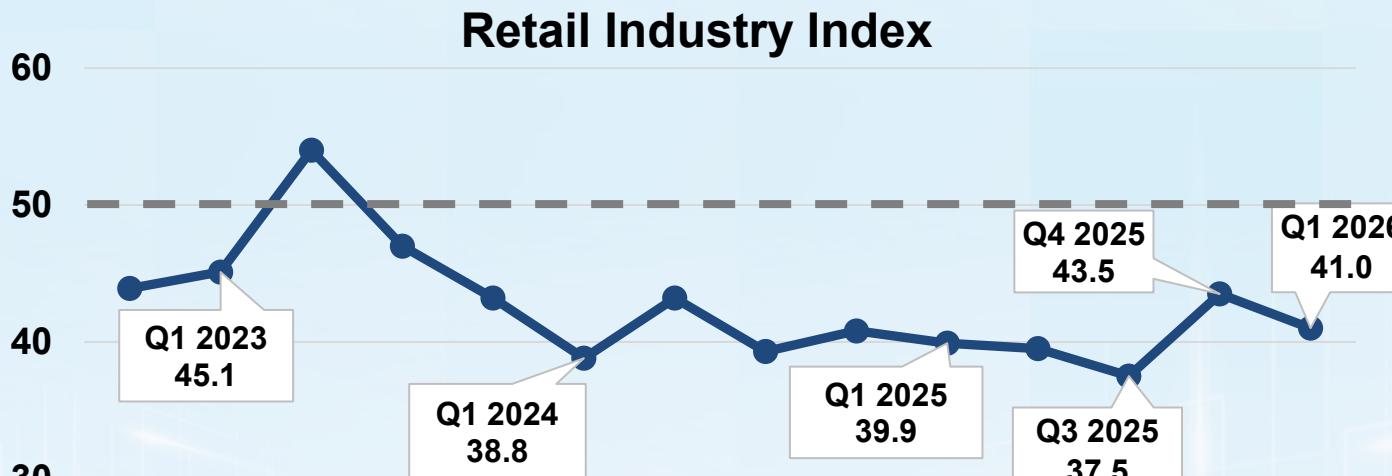


Industry index of Import / Export Trade and Wholesale Industry remained stable at 41.0

“Global Economy” sub-index continued to record an increase, with a cumulative two-quarter rebound of 10.0, reaching 30.7

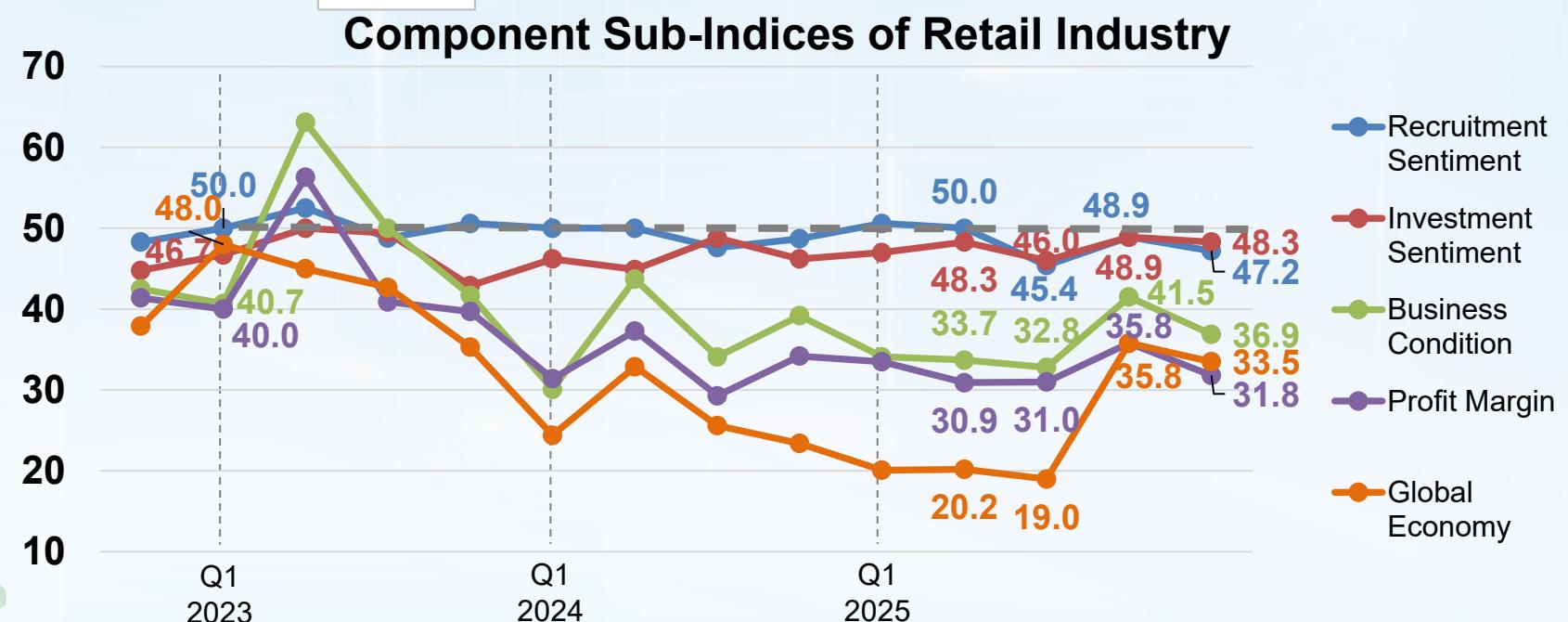


Retail



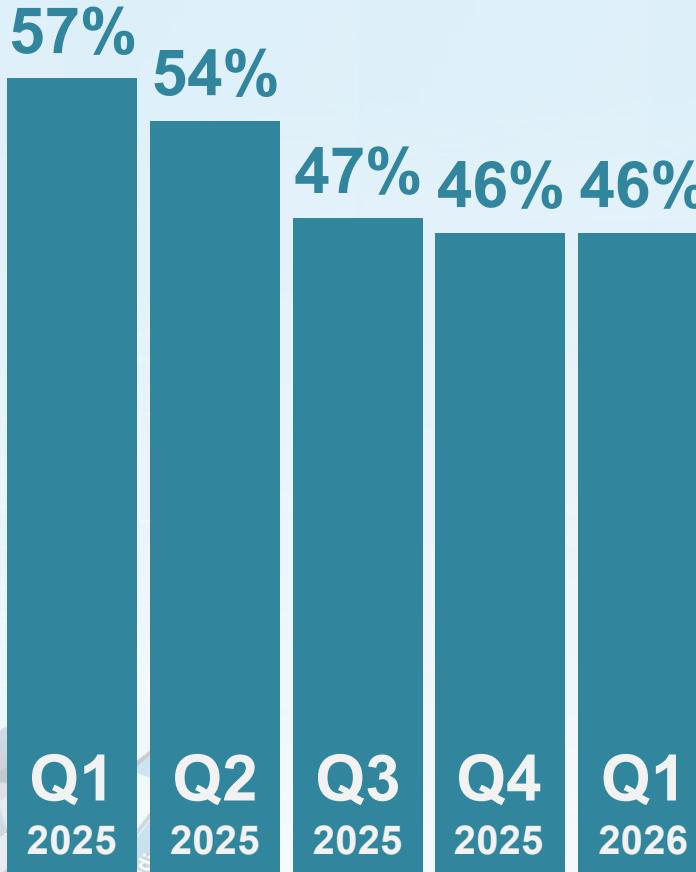
Industry index of Retail Industry fell by 2.5 to 41.0, but still remained 1.1 higher than the same period last year

All five sub-indices recorded declines, with the largest drops seen in “Business Condition” (-4.6) and “Profit Margin” (-4.0)

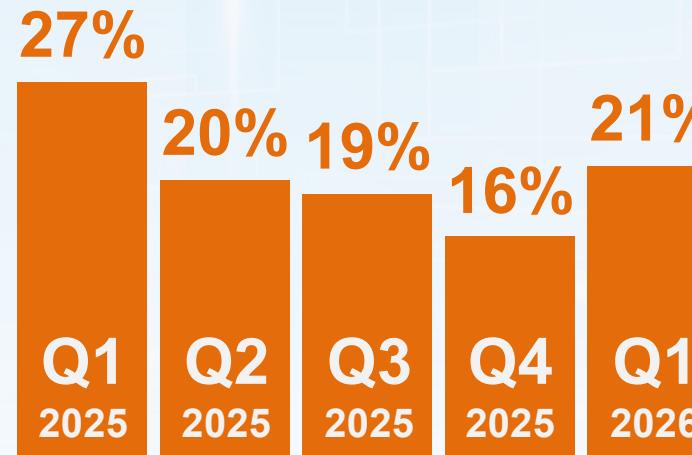


Expectations towards Increases on Raw Materials Cost, Staff Salary and Price Factors

Proportion of surveyed SMEs:



Raw Materials
Cost Increase

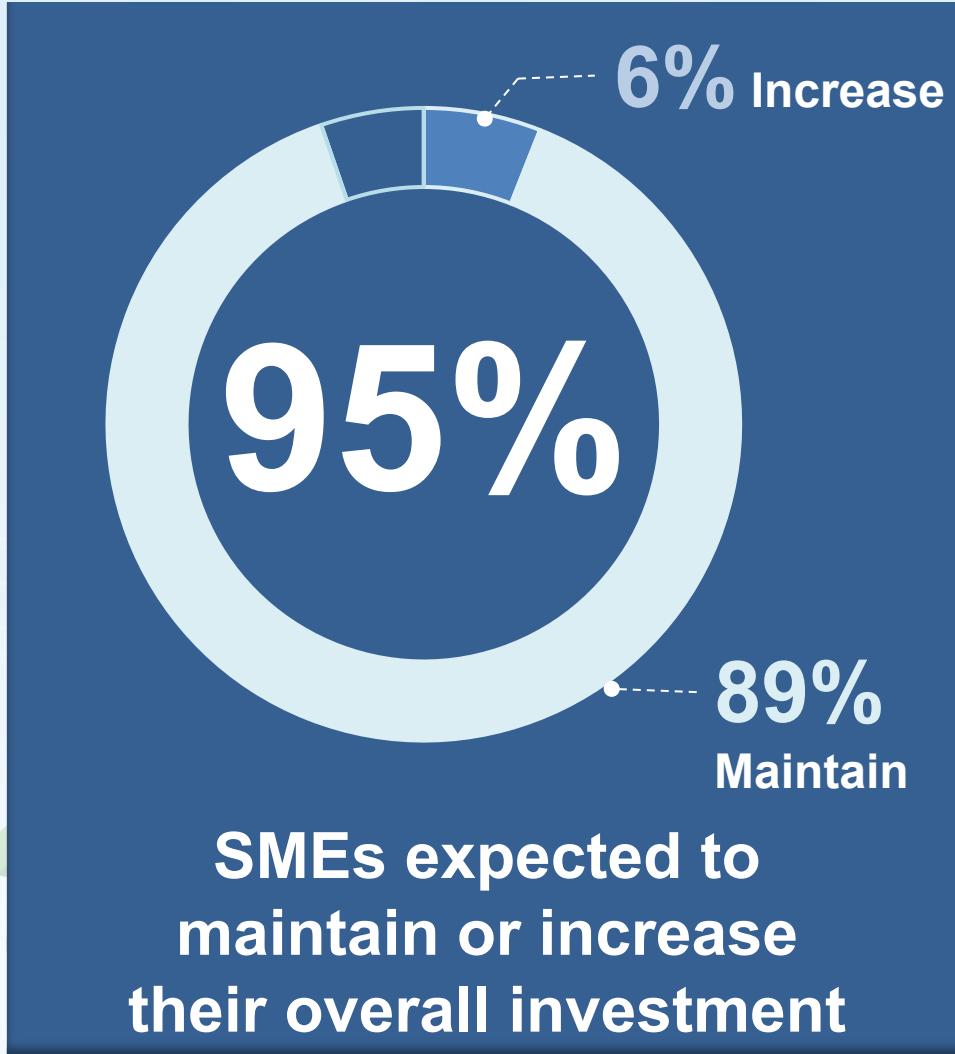


Staff Salary Increase



Product / Service
Price Increase

Expectation towards Changes on Investment



Most SMEs expected to increase investment in the following items:

Facilities and Equipment

IT System

Marketing Promotion

Office / Factory / Store

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Thematic Topic

**Status and Trends of AI Adoption
among Hong Kong SMEs**



Current Status of AI Usage Among SMEs



**Ever Used / Will Use
AI Tools in Daily Operations**

Top Industries that Have Ever Used or Plan to Use AI Within the Next Year

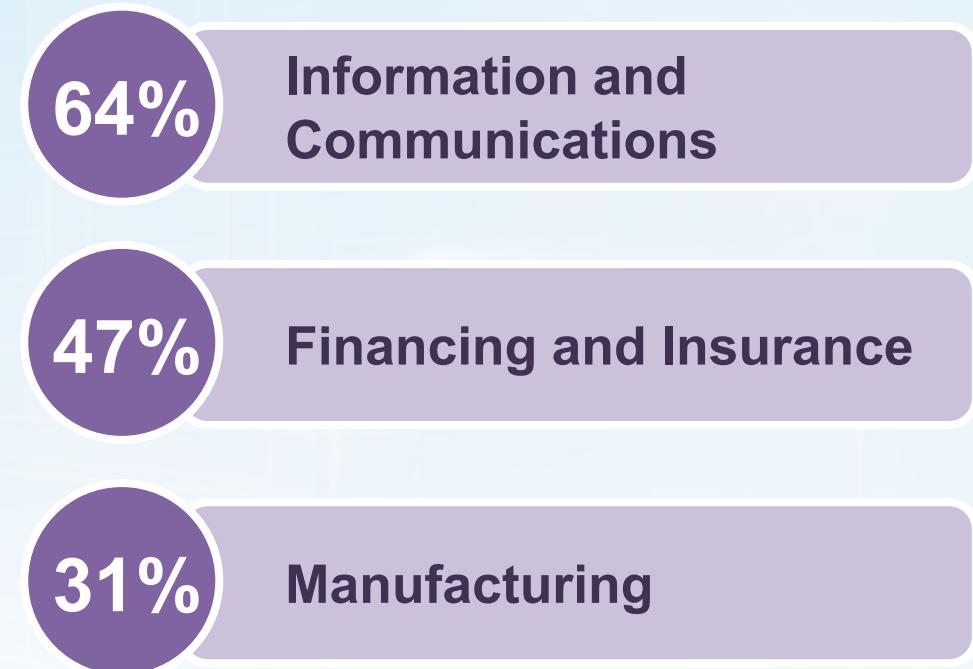
Information and Communications	92%
Professional and Business Services	72%
Financing and Insurance	62%
Manufacturing	60%

AI Tools Used by SMEs

Among SMEs that have used AI in daily operations:



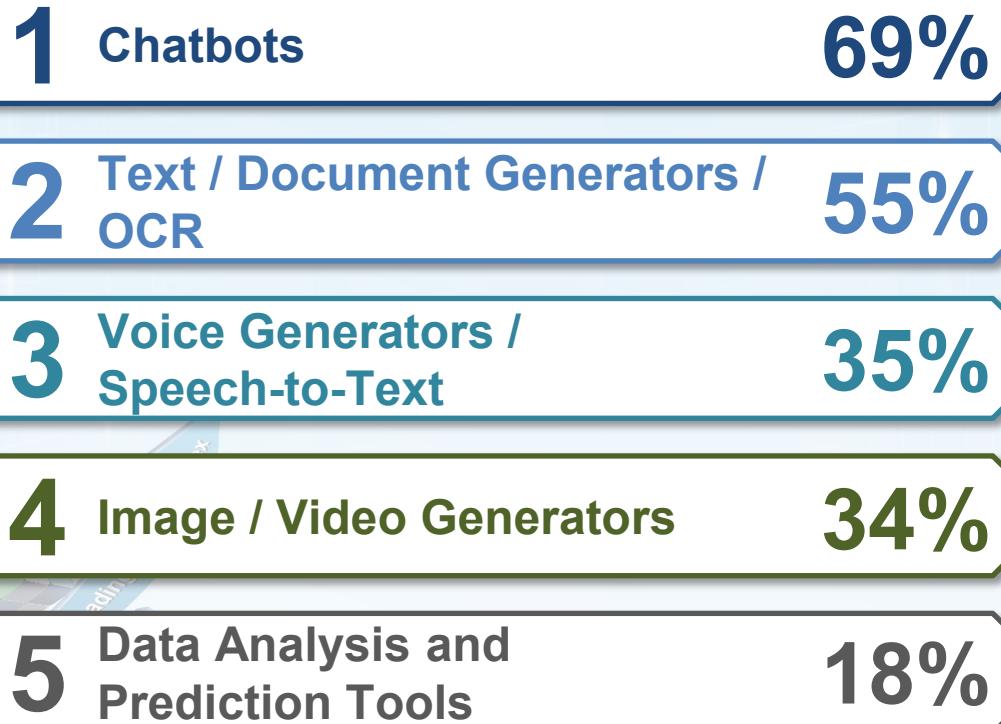
Top Industries Using Paid AI Tools:



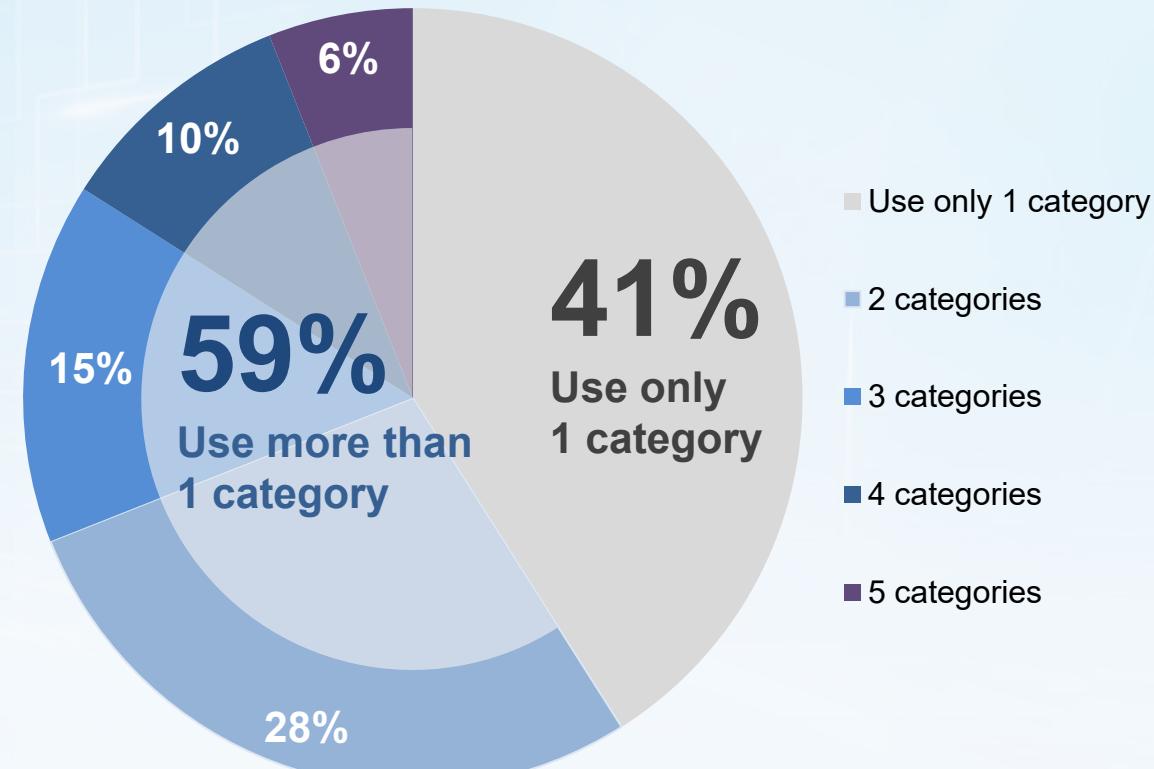
AI Tools Used by SMEs

Among SMEs that have used AI in daily operations:

Types of AI Tools Used by SMEs

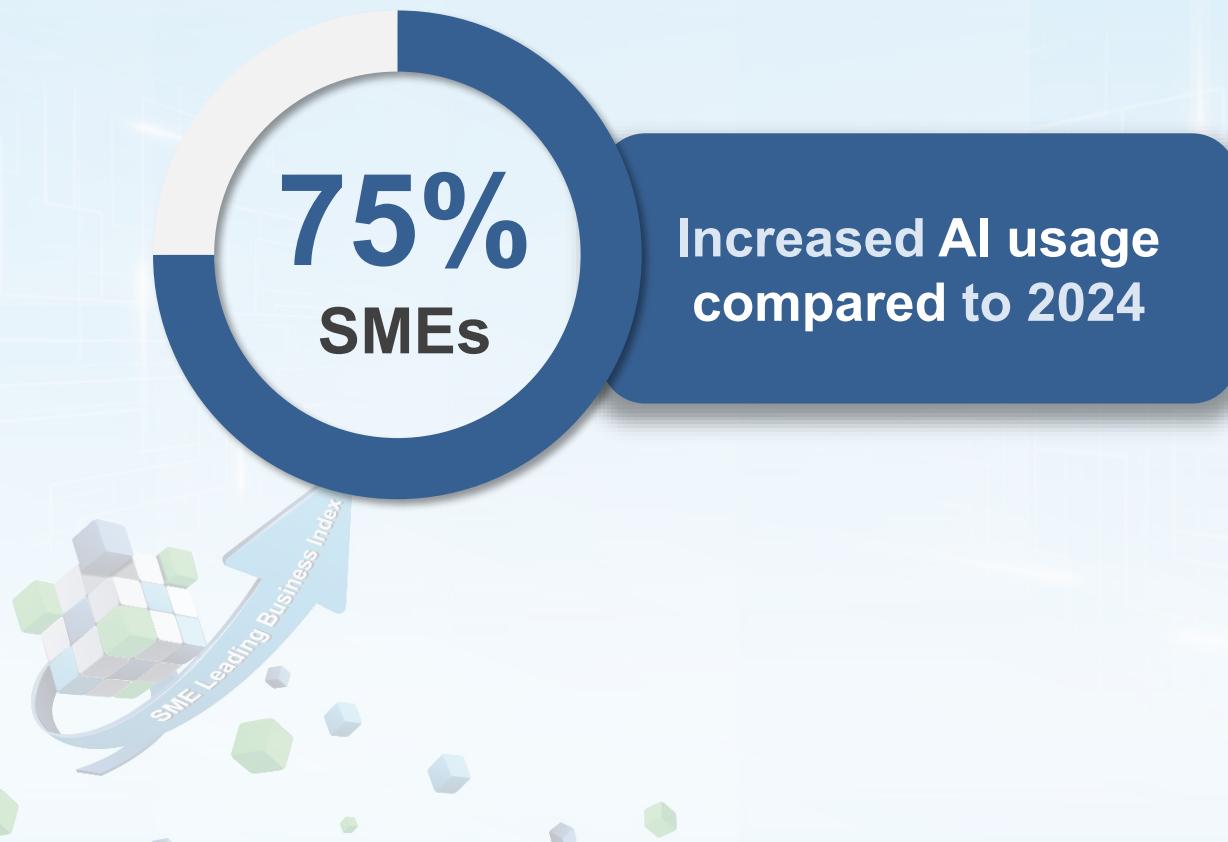


Number of AI Tool Categories Used



Comparison with 2024: Changes in AI Usage

Among SMEs that have used AI in daily operations:

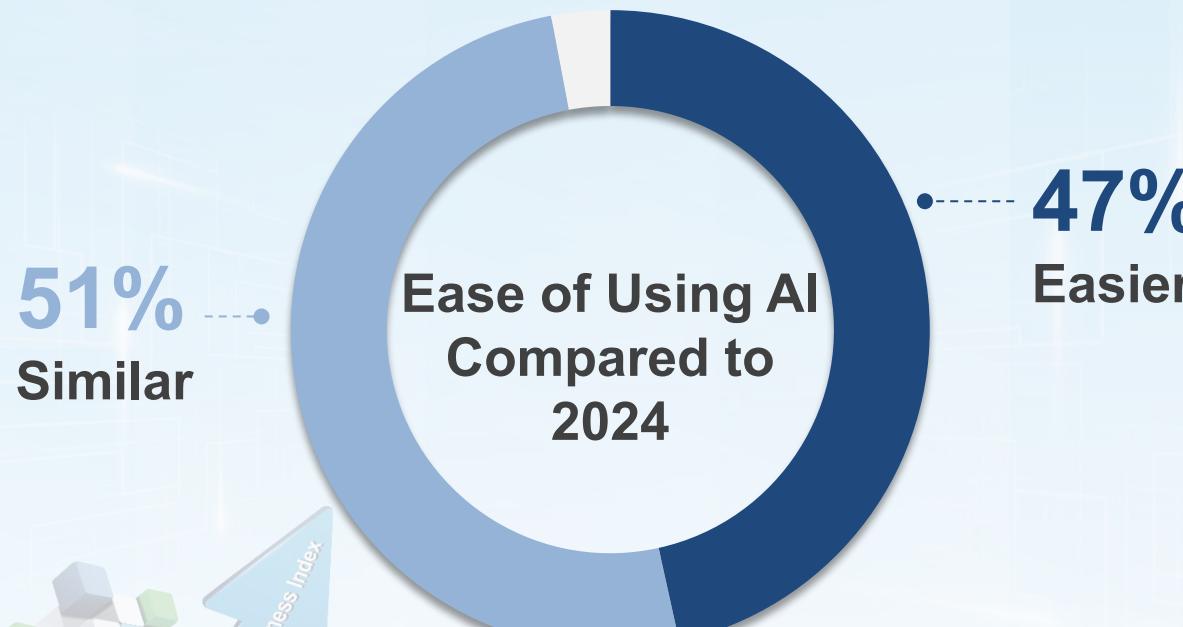


Areas where SMEs Have Increased AI Usage:

- 64% Used more AI tools
- 56% More Employees using AI
- 48% Applied AI to more Business Areas
- 10% Invested more Money in AI

Comparison with 2024: Ease of Using AI

Among SMEs that have used AI in daily operations:



Reasons SMEs Find AI Easier to Use

1 AI technology is more mature

2 More AI tool options available

3 Employees' acceptance of AI has improved

AI Investment in the Coming Year

Among SMEs that have used AI in daily operations:

