News Release

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HONG KONG FIRMS EYEING ON MAINLAND CHINA, SOUTH ASIA, EUROPE AS TRADE UNCERTAINTY PROMPTS RETHINK, HSBC SURVEY

Nearly three quarters (74%) of Hong Kong businesses remain confident that they can grow international trade over the next two years. Mainland China (50%), South Asia (25%), and Europe (23%) emerge as the top three markets where they aim to expand their trade relationships.

This is according to the findings of HSBC's 2025 Global Trade Pulse Survey, which offers insight into the business plans and sentiment of over 5,700 international firms across 13 markets regarding tariffs and trade. The research was conducted between 30 April and 12 May 2025.

Hong Kong businesses are also reconfiguring their supply chains and reassessing how and where they operate. Most (72%) are taking action or planning to carry out nearshoring (moving production closer to key customer markets). Their preferred destinations align with their trade priorities: mainland China (53%), South Asia (39%), and Europe (29%).

In response to trade disruptions, 76% of Hong Kong respondents have either adjusted or plan to adjust their pricing strategies to address rising costs and shifting market dynamics. Additionally, 73% are entering new markets that are less affected, while another 73% are focusing more on domestic opportunities.

The survey also highlights the deepening of trade relationships in some of the markets surveyed. Malaysia (61%) and Vietnam (52%) are trading more with mainland China; India (54%) and the United States (51%) with Europe, and the United Kingdom (46%) and India (62%) with the United States.

Frank Fang, Head of Commercial Banking, Hong Kong and Macau, HSBC, said: "Hong Kong saw over 10% year-on-year growth in total exports of goods during the first quarter of 2025. While this growth is partly driven by the frontloading effect amid shifting trade dynamics and recent disruptions, our survey also underscores the resilience of Hong Kong businesses. By refining pricing strategies and tapping into new markets, they are re-positioning themselves to stay competitive, solidifying Hong Kong's role as a vital bridge for global trade."

In mainland China, optimism for global trade is even stronger. Nine in ten mainland Chinese firms are confident in their ability to grow international trade over the next two years. Eighty-four per cent think trade uncertainty has encouraged their business to evolve and explore new opportunities.

Asian trade patterns are also expected to shift should trade uncertainty persist, with 54% of Asian firms looking to trade more mainland China, 38% prioritising South Asia and 36% aiming to deepen ties with Europe.

Eighty-three per cent of Asian firms say that trade-policy changes are forcing them to rethink their long-term business model, while 81% say that trade uncertainty has made them more cautious about expansion and investment.

Currently, the biggest concern to Asian firms (51%) is rising costs due to tariffs and other trade-related factors. Thirty-four per cent of Asian firms have adjusted prices to reflect higher costs, with 51% of Asian firms planning to do so. In addition, 37% of Asian firms have increased their inventory levels to manage supply disruptions, while 49% are planning to do so.

Aditya Gahlaut, Regional Head of Global Trade Solutions, Asia, HSBC, commented: “Against a backdrop of trade uncertainty, many companies have taken a pause on their capital expenditure so that they can assess the new normal. Capex is never an overnight decision, but what is constant is that wherever trade flows, investment always follows.”

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Note to editors:

Survey Methodology
The HSBC Global Trade Pulse survey interviewed 5,750 businesses from 13 markets with international operations and a turnover of between US$50m - $2billion+. The markets included were: Bangladesh, France, Germany, Hong Kong, India, mainland China, Malaysia, Mexico, Singapore, United Arab Emirates, United Kingdom, United States, and Vietnam, and the research was conducted between April 30th and May 12th, 2025.

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