

20 November 2025

**HONG KONG BUSINESSES GAIN TRADE CLARITY,
INCREASE DIVERSIFICATION, FINDS HSBC SURVEY**

Hong Kong businesses are gaining more clarity over international trade policy changes, according to HSBC's Global Trade Pulse survey. Nearly half (47%) of Hong Kong businesses feel more certain about the impacts of trade policies than six months ago. Sixty-one per cent find it easier to understand recent trade policy changes.

The survey, which gathered insights from 6,750 decision-makers across 17 markets, highlights a cautiously positive outlook for Hong Kong's international trade.

Optimism for international trade growth over the next two years remains strong at 69%, though it has slightly decreased from 74% six months ago. Hong Kong firms are notably more optimistic than their global peers about cost, with 22% expecting pressures from tariffs to ease, compared to just 14% globally.

Additionally, concerns over revenue losses have decreased. Only 13% of Hong Kong business leaders now fear severe revenue losses (exceeding 25%), a significant drop from 27% six months ago. This reflects that Hong Kong businesses are confident in their coping strategies to effectively manage costs and minimise their impact on revenue.

To navigate current trade dynamics, 68% of Hong Kong firms are either diversifying their supply chains and maintaining buffer inventory, or planning to do so. Saudi Arabia (18%) and the Chinese Mainland (14%) have emerged as the top markets for Hong Kong businesses to expand production, with the technology, media, and telecoms sector showing the strongest interest. This trend is also bolstered by favourable policies, including a USD1 billion fund to be launched by the Hong Kong Monetary Authority and the Public Investment Fund of Saudi Arabia for Hong Kong and Greater Bay Area businesses expanding into the Kingdom.

Frank Fang, Head of Commercial Banking, Hong Kong and Macau, HSBC, said: "Amid the ongoing shifts in global trade dynamics, Hong Kong continues to demonstrate its resilience and adaptability. This is evidenced by a significant 15% year-on-year growth in the city's merchandise exports during the third quarter of 2025. The proactive supply chain diversification strategy of local businesses, coupled with its enduring appeal as a highly efficient export and re-export hub, reinforce Hong Kong's role as a major gateway in global trade."

Hong Kong continues to be an attractive location within the supply chains of global businesses, particularly those in Asia. One in ten respondents outside Hong Kong are planning to increase their reliance on the city in their production process, with Bangladesh (24% of the market's respondents), Malaysia (19%), and Singapore (18%) leading this intent.

For Chinese Mainland businesses, Hong Kong (11%) ranks among the top five preferred locations as they realign their supply chain, following Saudi Arabia (16%), Singapore (14%), Japan (13%) and the United States (12%).

A new trade map is also shaping up in Asia, with Asian firms dialling up their focus on Asia in their trade strategy. Among Asian firms, 41% plan to increase reliance on Southeast Asia; 34% plan to increase reliance on East and North Asia; and 29% plan to increase reliance on South Asia. 30% of Asian firms also plan to increase reliance on Europe.

Aditya Gahlaut, Regional Head of Global Trade Solutions, Asia, HSBC, added: "Asia for Asia is no longer a slogan: it is borne out by the fact that it is home to world's largest free-trade agreement, the Regional Comprehensive Economic Partnership. What's more, Asia's growing consumer market, its thriving digital economy, and deeply rooted supply network make the region an appealing target not only for Asia firms but for companies worldwide."

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Note to editors:

Survey Methodology

The Trade Pulse Report is based on the insights of 6,750 decision-makers at businesses with international operations. Responses were collected from 6-21 October 2025 across 17 markets: Bangladesh, Brazil, France, Germany, Hong Kong, India, Indonesia, Italy, Chinese Mainland, Malaysia, Mexico, Singapore, Spain, UAE, UK, USA and Vietnam. Of the 6,750 corporate respondents, 683 reported global turnover of over USD2 billion in the past 12 months, 2,448 turned over between USD500 million and USD2 billion, and 3,619 had turnover of USD50 million to USD500 million.

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