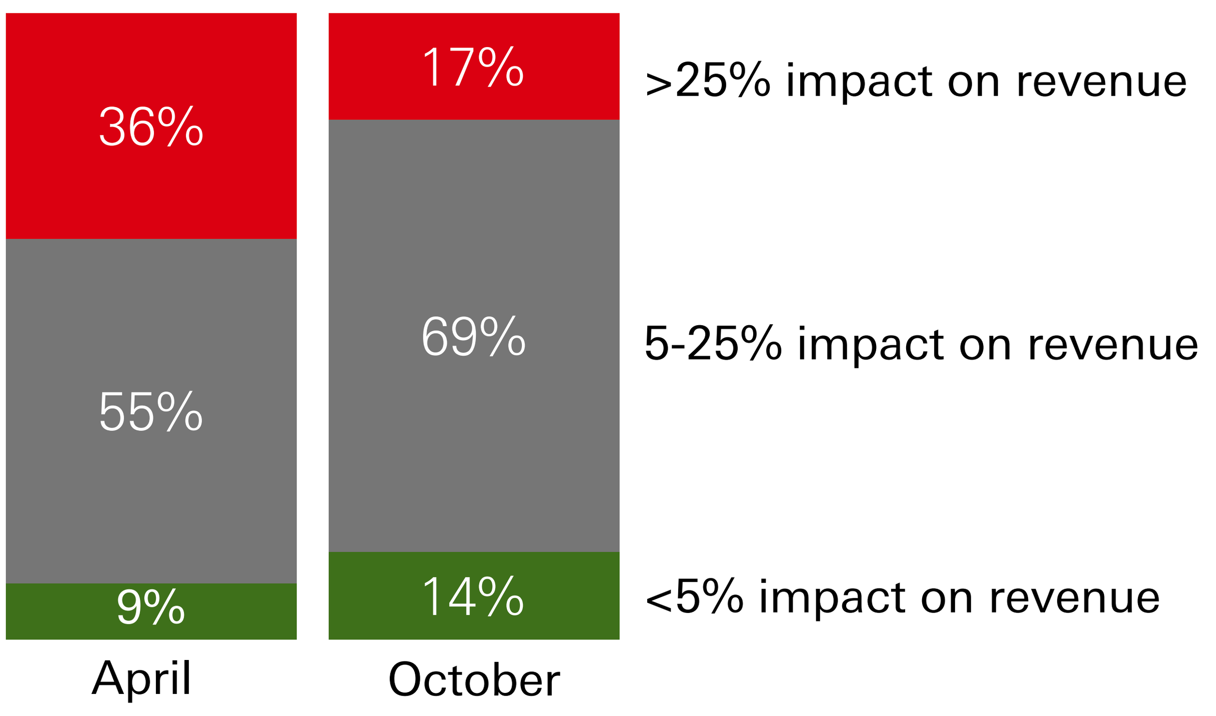
HSBC Trade Pulse Survey Transport & Industrials Sector

Key findings

- **85%** of Transport & Industrials businesses are **confident that their business will be able to grow international trade** over the next 2 years (-3 pts vs. global average). Of these, only 31% feel very confident (-12 pts vs. global average)
- In response to trade or tariff dynamics, **54%** of Transport & Industrials businesses are **actively considering changes to where substantial transformation** is made to their goods (+4 pts vs. global average). However, the industry has proved slow to adapt their processes so far, with only 20% of businesses having already made changes (-5 pts vs. global average).
- **Almost three quarters** of Transport & Industrials businesses (74%) are **rethinking their long-term business model** as a result of trade policy changes, in line with the global average.

Adapting to the new normal

Only **17%** of Transport & Industrials businesses now **expect a significant revenue loss** (25% or more) if supply chains were disrupted - down from **36% six months ago - showing that recent actions have strengthened preparedness.**



Primary cost drivers

58% of Transport & Industrials businesses **experienced an increase in costs to date** (-4 pts vs. global average), and 65% expect an increase in the next 2 years (-2 pts vs. global average). The main cost drivers over the past 6 months have been:

55% Tariffs or customs duties (+6 pts vs. global average).

51% Shipping or freight costs (+8 pts vs. global average).

47% Raw materials or input cost (+6 pts vs. global average).

Diverse coping strategies

Rather than relying on a single approach, Transport & Industrials businesses are **converging on key measures** to manage the rising costs due to tariffs and trade uncertainty. The three most popular actions undertaken or being planned are:

- **85%** Developing risk management plans
- **84%** Revising pricing strategy
- **83%** Diversifying revenue streams

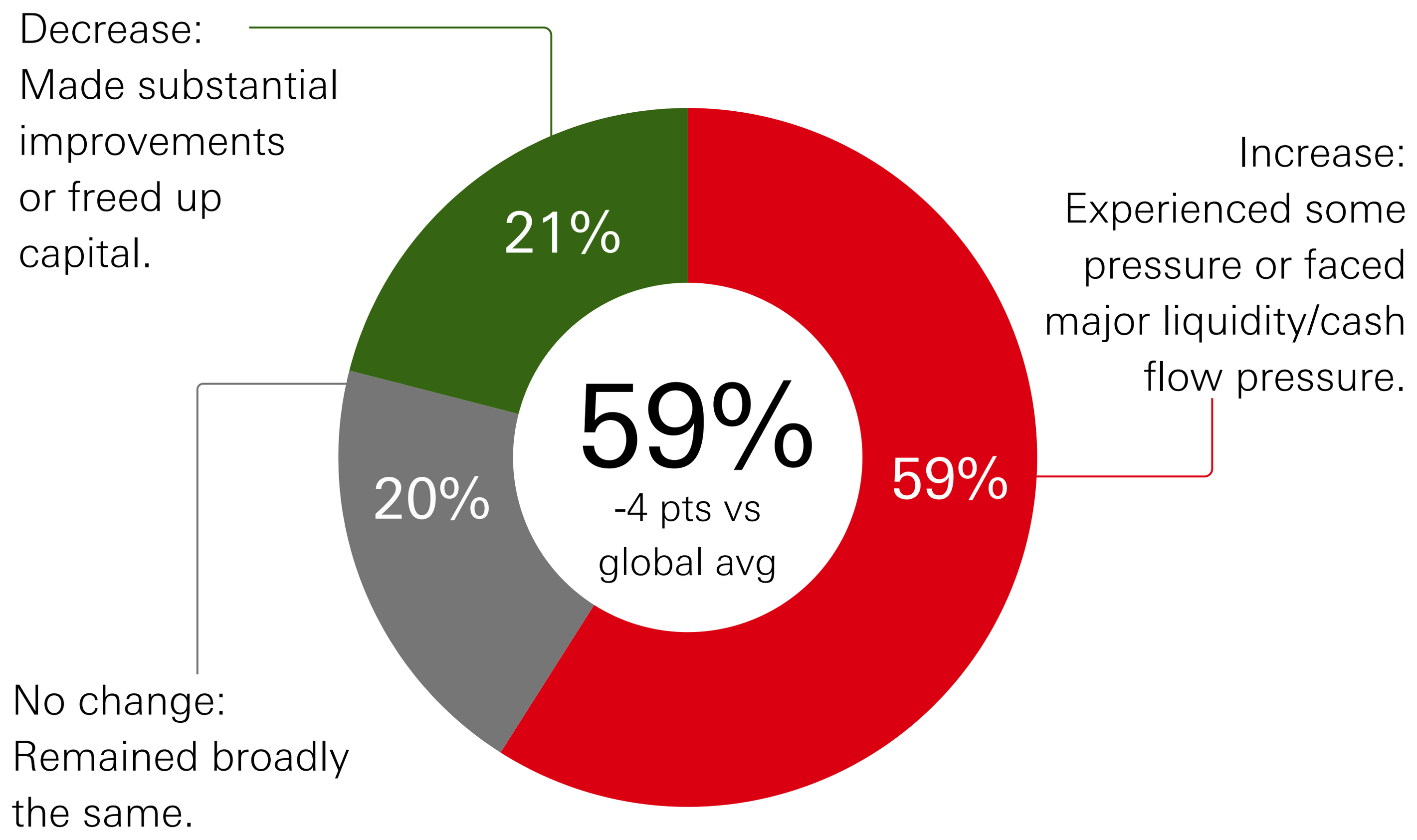
Key markets increasing sales

Transport & Industrials firms are increasing their sales to the USA, Germany, Singapore, Japan and India.

USA	19%
Germany	18%
Singapore	18%
Japan	17%
India	17%

Liquidity takes centre stage

62% of Transport & Industrials businesses **have seen an increase in short-term financing** to address their working capital needs and 59% have **faced increased cash flow or liquidity pressure** since 2024 as a result of trade and tariff uncertainties:

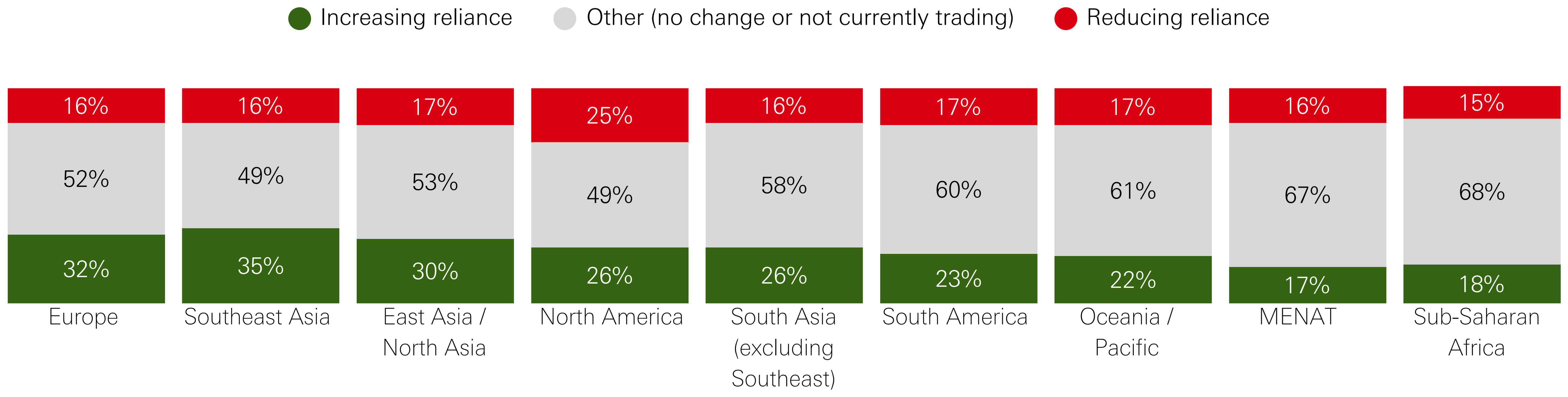


64% (-3 pts vs. global avg) Of Transport & Industrials businesses **feel significantly or somewhat more certain** around trade policy affecting their business compared to six months ago.

27% (+5 pts vs. global avg) Of Transport & Industrials businesses find understanding the impact of recent trade policy changes **difficult to understand,** significantly above the global average.

Global ambitions endure

A clear geographic reorientation is underway - a quarter of Transport & Industrials businesses are reducing their reliance on North America (+3 pts vs. global average). In light of trade dynamics, Transport & Industrials businesses are increasingly looking to Southeast Asia as a key market to mitigate uncertainty, in line with the global average.



6,750 corporates were surveyed between 6th - 21st October 2025 across 17 markets. 250 responses were collected in: Bangladesh, Brazil, France, Germany, India, Indonesia, Italy, Malaysia, Mexico, Singapore, Spain, UAE, and Vietnam. 500 responses were collected in: Hong Kong. 1,000 responses were collected in: mainland China, UK, USA. 683 businesses had a global turnover of over $2 billion in the past 12 months, and the rest turned over between $50 million and $2 billion.

The corporates surveyed were split across the following key sectors; Commercial Real Estate 331, Conglomerates 137, Consumer 859, Energy, Materials & Power 1,025, Healthcare 327, Professional Services 305, Telecoms, Media & Transport 2,370, Transport and Industrials 1,173.

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