

**Friday 23 May 2025**

## **GLOBAL BUSINESSES BRACE FOR SUPPLY CHAIN HEADWINDS BUT OPTIMISM ABOUT INTERNATIONAL TRADE ENDURES, HSBC SURVEY FINDS**

Global businesses have been hit with surging costs, supply chain disruptions, and are having to rethink their strategy and planned investments as tariffs and shifting trade policies continue to impact their enterprises.

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 survey reveals that two thirds of corporations have already experienced cost increases due to tariff and trade uncertainty – and the worst may be yet to come. Companies expect costs to escalate further in both the short-term (73%) and the long-term (72%). Businesses also expect an average decline in revenues of 18% due to supply chain delays. Over half of respondents (51%) feel rising costs are the number one concern for supply chain strategies and 85% of corporates have revised or plan to revise their pricing strategy upwards to reflect higher costs or market changes.

Over three quarters of corporates (78%) are having to rethink their long-term business model. If tariff instability continues over the next two years, 43% of companies will rethink their international expansion strategy and 39% will shift their focus to domestic or regional markets.

Despite these headwinds, optimism about expanding global trade is strong. Nearly 9 in 10 businesses (89%) are confident in their ability to grow international trade over the next two years. Businesses are also reconfiguring their supply chains and reassessing how and where they operate. Most are taking action or planning to carry out nearshoring (moving production closer to key customer markets, 83%) and reshoring (bringing production back to their home country, 77%).

Businesses most likely to initiate nearshoring, a practice gaining most traction by globally exposed and production-centric sectors, are those in Technology, Media and Telecoms (87% have done so or plan to). Businesses most likely to have experienced an increase in costs to date are those in Consumer (70%), followed by Healthcare (69%), and TMT (69%).

Encouragingly, a vast number of respondents see trade pressure as a catalyst for innovation, with 77% saying it has encouraged them to evolve and seek new opportunities. Many businesses (58%) have already adopted new technologies or platforms, 56% have improved internal efficiency or cost structures, and 51% have developed new products or services.

The survey points to the emergence of new trade corridors in some of the markets surveyed and we are seeing global businesses strengthening their relationships with key markets outside their borders. Malaysia (61%) and Vietnam (52%) are expanding their relationships with China; India (54%) and the United States (51%) with Europe, and the United Kingdom (46%) and India (62%) with the United States. In some markets, optimism about international trade growth endures, led by India (96%) and the United Arab Emirates (94%).

In line with the global positive outlook, larger businesses (those with a revenue over \$2 billion) are confident about their ability to grow international trade over the next two years (82%), although less so than the average, (89%). They are also more likely to have adopted new technology or digital platforms in response to trade uncertainty in comparison to smaller businesses (those with a revenue of less than \$500m) at 63% vs. 56%. Larger firms are more cautious than smaller corporates about their decision making and are more likely to have already delayed or paused investments (38% vs. 30%). This is despite larger companies having a much wider access to pools of working capital. Smaller firms on the other hand, are often more agile and quicker to make decisions despite lacking the capital depth of their larger counterparts.

**Vivek Ramachandran, Head of Global Trade Solutions at HSBC, said:** “The current landscape of tariffs and trade uncertainty presents significant challenges for businesses, but they are showing great resilience and adaptability in the way they operate.”

“With over 70% of companies anticipating sustained cost increases, and businesses facing an average 18% drop in revenue, the imperative for strategic adaptation is clear. Navigating this climate requires not only agility, but strong partnerships to ensure sustained growth in a shifting global economy.”

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#### **Notes to Editors:**

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##### **HSBC's 2025 Global Trade Pulse Survey**

[Click here to access the full report](#)

##### **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.

##### **About HSBC**

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