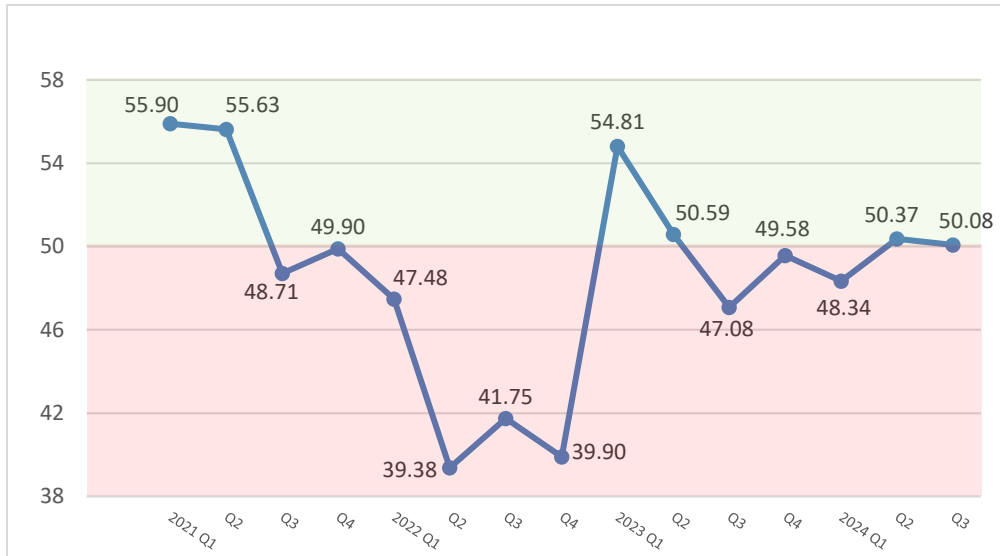


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – SEPTEMBER 2024

50.1

THE DBOC INDEX ESTABLISHED IN JANUARY 2021 TRACKS CHANGES IN OUTLOOK OF DANISH COMPANIES WITH ACTIVITIES IN CHINA.

IN Q3 OF 2024, THE AGGREGATE SHORT-TERM OUTLOOK OF DANISH COMPANIES REMAINS IN POSITIVE TERRITORY FOR THE SECOND QUARTER, WITH THE INDEX NUMBER ALMOST POSITIONING AT A NEUTRAL LEVEL. THE OVERALL SENTIMENT IS ESPECIALLY DRIVEN BY AN IMPROVED SENTIMENT WITH REGARDS TO SOURCING FROM CHINA, WHILE OUTLOOK ON SALES IN CHINA IS DETERIORATING.



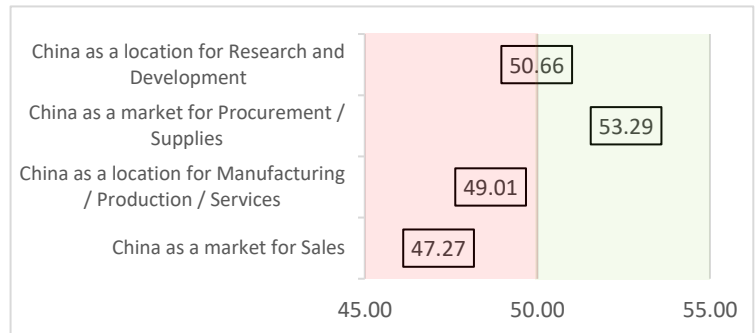
THE INDEX EXPLAINED

- If a majority indicate an improvement the index will be >50
 - If there are matching positive and negative trends in the data, the index will be exactly 50.
 - If a majority indicate a deterioration the index will be <50
- DBOC is a diffusion index. It expresses tendencies in data.

CHINA AS A MARKET FOR PROCUREMENT AND SUPPLIES DRIVES THE OUTLOOK

THE OVERALL INDEX IS DRIVEN BY AN IMPROVED OUTLOOK FOR CHINA AS A MARKET FOR PROCUREMENT AND SUPPLIES AS WELL AS LOCATION FOR RESEARCH AND DEVELOPMENT, AS OPPOSED TO THE GENERAL TREND FOR A DETERIORATING OUTLOOK ON CHINA AS A MARKET FOR SALES AND AS A LOCATION FOR MANUFACTURING.

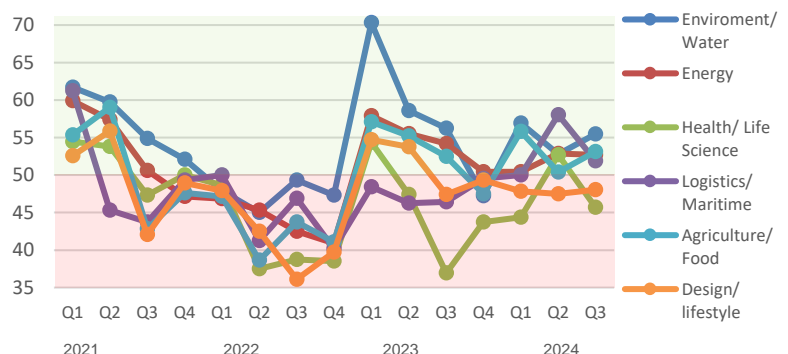
WHEN LOOKING AT THE NUMBERS ON SECTOR BASIS THE IMPROVED OUTLOOK FOR CHINA AS A MARKET FOR PROCUREMENT IS PREDOMINANTLY DRIVEN BY RESPONDENTS IN THE ENERGY, AGRICULTURE & FOOD, AS WELL AS ENVIRONMENT & WATER SECTORS. SIMILARLY THE DETERIORATING OUTLOOK FOR CHINA AS A MARKET FOR SALES IS DRIVEN BY RESPONDENTS WITHIN THE LIFESCIENCE AND LIFESTYLE SECTOR.



THREE OUT OF SIX SECTORS INDICATE IMPROVED OUTLOOKS DESPITE MIXED TRENDS

BREAKING THE OUTLOOK DOWN INTO INDIVIDUAL SECTORS, FOUR OUT OF SIX SECTORS REPORT A POSITIVE OUTLOOK FOR THE SHORT TERM. THESE SECTORS ARE AGRICULTURE & FOOD, ENVIRONMENT & WATER, LOGISTICS & MARITIME AND ENERGY.

HEALTH & LIFE SCIENCE ENTERS A NEGATIVE TERRITORY AGAIN AFTER A SINGLE IMPROVED OUTLOOK LAST QUARTER, WHEREAS RESPONDENTS WITHIN THE DESIGN & LIFESTYLE SECTOR CONTINUE TO HAVE A DETERIORATING OUTLOOK FOR THE FIFTH CONSECUTIVE QUARTER.

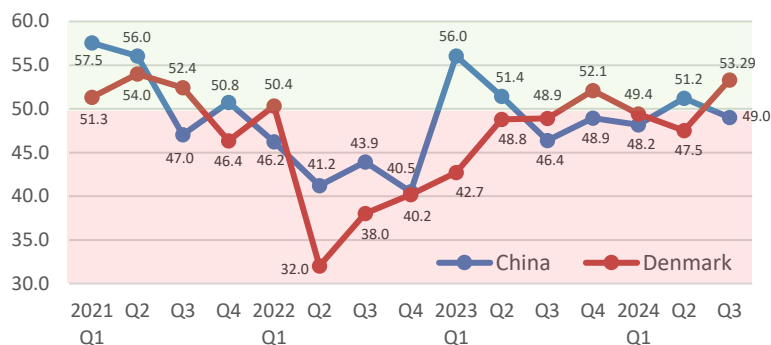


OUTLOOK IMPROVES FOR RESPONDENTS BASED IN DENMARK

THE OUTLOOK HAS SHIFTED FOR RESPONDENTS BASED IN DENMARK, WHICH NOW ENTERS POSITIVE TERRITORY FOR THE FIRST TIME IN TWO QUARTERS WITH THE INDEX RISING TO 53.29.

IN CONTRAST, RESPONDENTS BASED IN CHINA INDICATES A NEGATIVE SHORT-TERM OUTLOOK COMPARED TO LAST QUARTER REFLECTING A SLIGHT DOWNTURN.

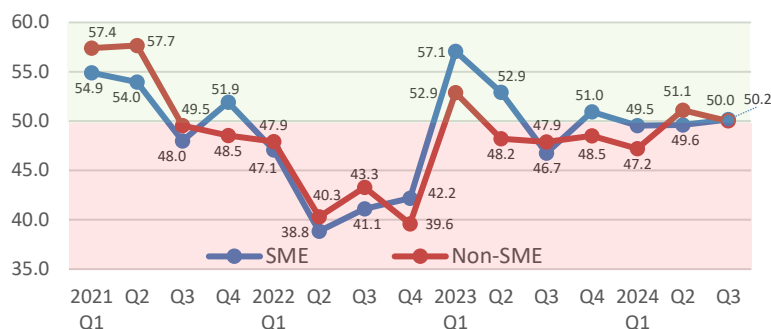
THIS REPRESENTS A REVERSAL FROM THE PREVIOUS QUARTER ON THE SENTIMENT BASED ON THE LOCATION OF THE RESPONDENTS.



THE OUTLOOK FOR LARGER COMPANIES ARE NEUTRAL

SMEs SLIGHTLY SURPASSED LARGE FIRMS IN TERMS OF SENTIMENT, WITH A DBOC INDEX OF 50.16 COMPARED TO 50.00 FOR LARGE FIRMS.

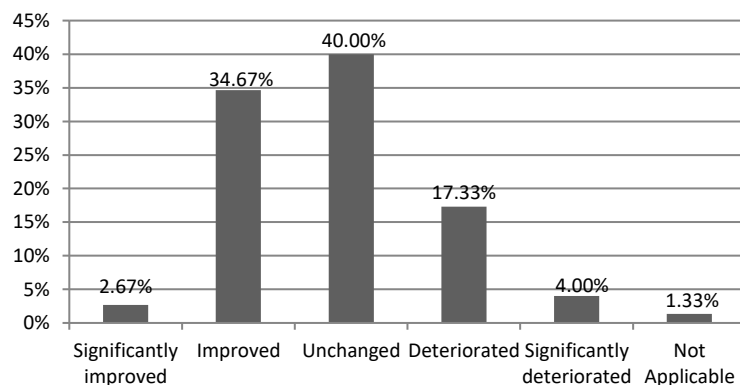
THIS ALSO REPRESENTS A REVERSAL FROM THE PREVIOUS QUARTER, WHERE LARGE FIRMS WERE MORE NOTABLY OPTIMISTIC THAN SMEs.



EXPECTATION TO FUTURE TURNOVER HAS DROPPED

IN THE SURVEY OF DANISH COMPANIES, RELEASED IN JUNE 2024, TWO THIRDS OF ALL RESPONDENTS IN THE SURVEY EXPECTED THEIR TURNOVER IN CHINA TO BE HIGHER OVER THE NEXT TWO YEARS.

ASKING THE SAME QUESTION BUT ALSO TAKING INTO CONSIDERATION THIS YEAR'S ECONOMIC PERFORMANCE IN CHINA UP UNTIL NOW AND THE MOST RECENT REFORMS, ONLY 37 PCT. OF THE REPDONDENTS STILL EXPECT THEIR TURNOVER IN CHINA TO BE HIGHER OVER THE NEXT TWO YEARS.



The Danish Business Outlook on China (or DBOC) Index is a joint initiative of the Embassy of the Kingdom of Denmark in Beijing, the Danish Chamber of Commerce in China (DCCC), the Danish-Chinese Business Forum (DCBF) and the Sino-Danish Center for Education and Research (SDC). DBOC is a quarterly index tracking changes in short-term outlook of the Danish business community regarding China using the following recurrent question: "Looking at the past three months, has your short-term outlook for China: significantly improved / improved / unchanged / deteriorated / significantly deteriorated / not applicable". Respondents provide replies separately regarding China as a market and as a location for various business related activities. This survey was conducted between 5 September 2024 until 17 September 2024 with the participation of 78 Danish companies located in either China or Denmark. All participating companies have a Danish CVR number and are either members of DCCC or DCBF. For further information or questions, please contact Minister Counsellor, Morten Kruse (morkru@um.dk) at the Embassy of the Kingdom of Denmark. Find the latest data and information about the DBOC index on the following homepages: