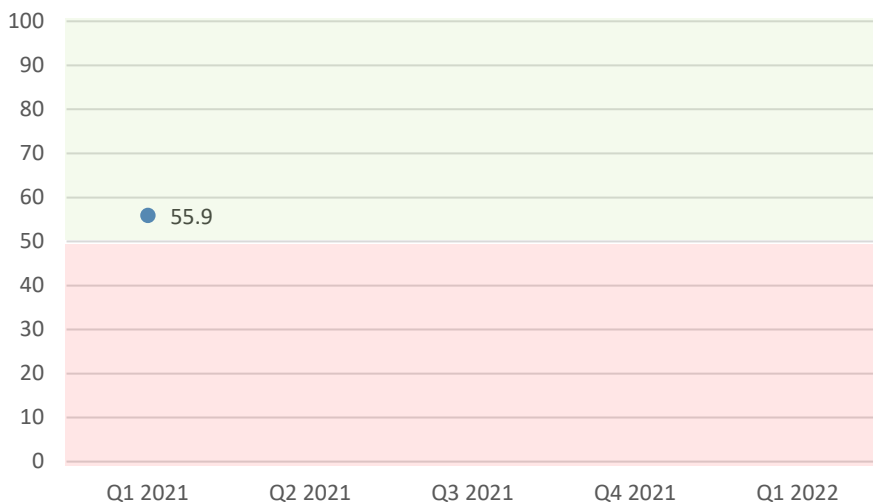


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – JANUARY 2021

55.9

AT THE START OF 2021, THE SHORT TERM OUTLOOK OF THE DANISH BUSINESS COMMUNITY ON DOING BUSINESS IN CHINA HAS GENERALLY IMPROVED.

THIS IS THE LAUNCH OF THE DBOC INDEX. THIS QUARTERLY INDEX WILL TRACK CHANGES IN OUTLOOK OF THE DANISH BUSINESS COMMUNITY IN TERMS OF DOING BUSINESS IN CHINA.



THE INDEX EXPLAINED

DBOC is a diffusion index. It expresses tendencies in data.

If a majority indicate an improvement the index will be >50

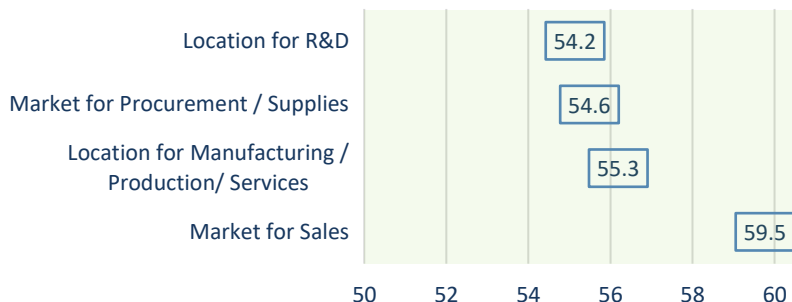
If there are matching positive and negative trends in the data, the index will be exactly 50.

If a majority indicate a deterioration the index will be <50

As this is the first data collected, there is currently only one data point shown in the figure.

THE CHINESE MARKET IS DRIVING THE IMPROVED OUTLOOK

THERE IS AN IMPROVED SHORT TERM OUTLOOK FOR ALL CATEGORIES OF ACTIVITIES, BUT IT IS BY FAR THE MOST SIGNIFICANT IN TERMS OF THE DANISH BUSINESS COMMUNITY'S VIEW OF CHINA AS A MARKET FOR SALES AND EXPORTS OF GOODS AND SERVICES.



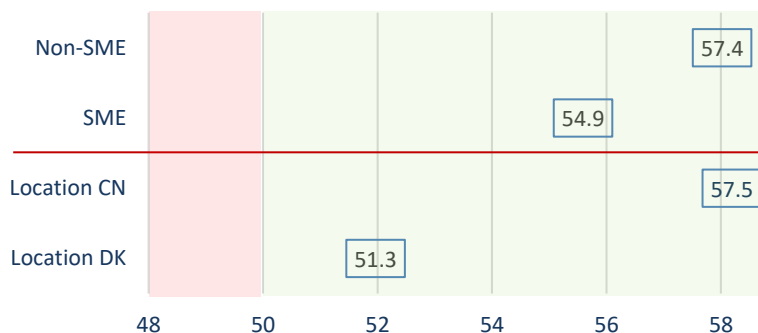
OUTLOOK VARIES CONSIDERABLY AMONG COMPANIES

THE OVERALL POSITIVE SHORT TERM OUTLOOK AT THE START OF THE YEAR COVERS SIGNIFICANT VARIATION IN THE REPLIES. ABOUT HALF THE COMPANIES SAY THEIR OUTLOOK IS UNCHANGED, LESS THAN ONE IN TEN THAT IT HAS DETERIORATED TO SOME DEGREE, WHILE THE REST STATE THAT THEIR OUTLOOK HAS IMPROVED OR SIGNIFICANTLY IMPROVED.

SIZE AND GEOGRAPHY MATTERS

ON AVERAGE SMALL AND MEDIUM SIZED ENTERPRISES (SMEs) REPORT SMALLER IMPROVEMENTS IN OUTLOOK THAN NON-SMEs.

SIMILARLY, RESPONDENTS BASED IN DENMARK REPORT A SIGNIFICANTLY LESS POSITIVE CHANGE IN OUTLOOK THAN THOSE LOCATED IN CHINA.

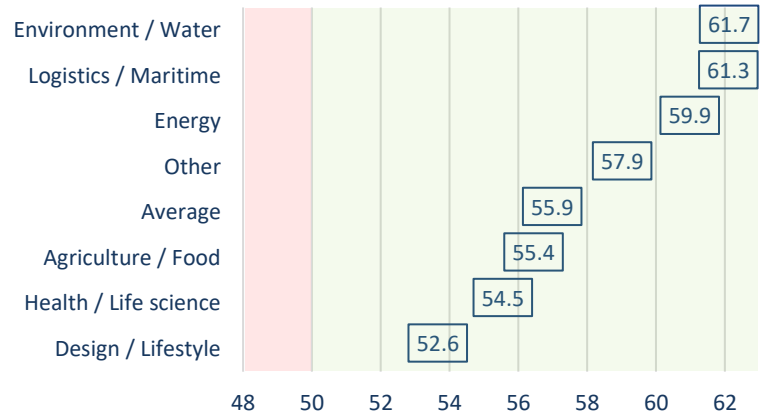


CONSIDERABLE SECTORAL DIFFERENCES

WHILE ALL SECTORS REPORT IMPROVEMENTS IN OUTLOOK, THERE IS CONSIDERABLE VARIATION BETWEEN THEM.

COMPANIES IN HEALTH AND AGRICULTURE & FOOD (THE LARGEST EXPORT CATEGORIES) AS WELL AS THE DESIGN & LIFESTYLE REPORT LOWER THAN AVERAGE OUTLOOK IMPROVEMENTS.

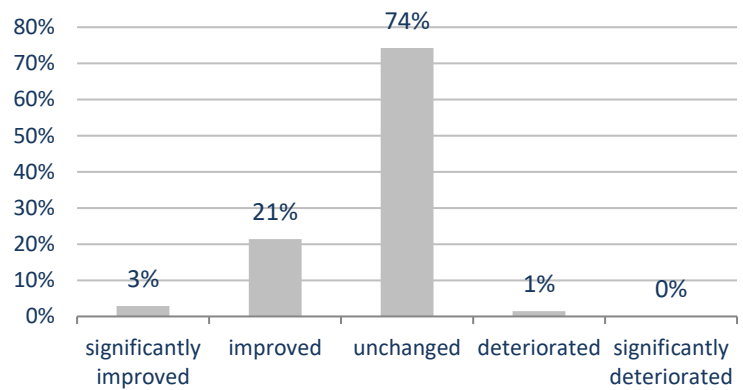
THE ENVIRONMENT & WATER, LOGISTICS & MARITIME AND ENERGY SECTORS REPORT THE LARGEST OUTLOOK IMPROVEMENTS.



US PRESIDENTIAL ELECTION OF LITTLE IMPACT ON OUTLOOK

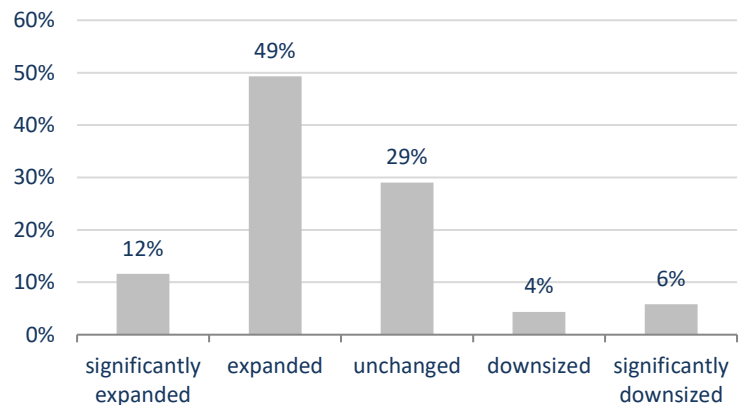
THREE OUT OF FOUR DANISH COMPANIES THAT ARE ACTIVE IN CHINA SAY THAT THE OUTCOME OF THE US PRESIDENTIAL ELECTION HAS HAD NO IMPACT ON THEIR OUTLOOK ON CHINA.

ABOUT ONE IN FIVE SAY IT HAS IMPROVED THEIR OUTLOOK, WHILE PRACTICALLY NO RESPONDENTS FINDS IT HAS HAD A NEGATIVE IMPACT ON THEIR OUTLOOK.



BUSINESS COMMUNITY EXPECTS TO INVEST FURTHER IN 2021

LOOKING AHEAD AT 2021 AS A WHOLE, ALMOST TWO THIRDS OF THE COMPANIES POLLED EXPECT INVESTMENTS – LABOUR, ASSETS OR BOTH – IN CHINA TO INCREASE IN THE COURSE OF THE YEAR.



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). The DBOC is a quarterly index that tracks changes in short-term outlook of the Danish business community regarding China as a market and location for various business related activities. The first index data was compiled in January 2021 covering the fourth quarter of 2020. All participating companies have a Danish CVR number and are either member of DCCC or DCBF.

You can always find the latest data series and information about DBOC on the following homepages:

[kina.um.dk link](http://kina.um.dk)

[DCCC link](#)

[DCBF link](#)

[SDC link](#)