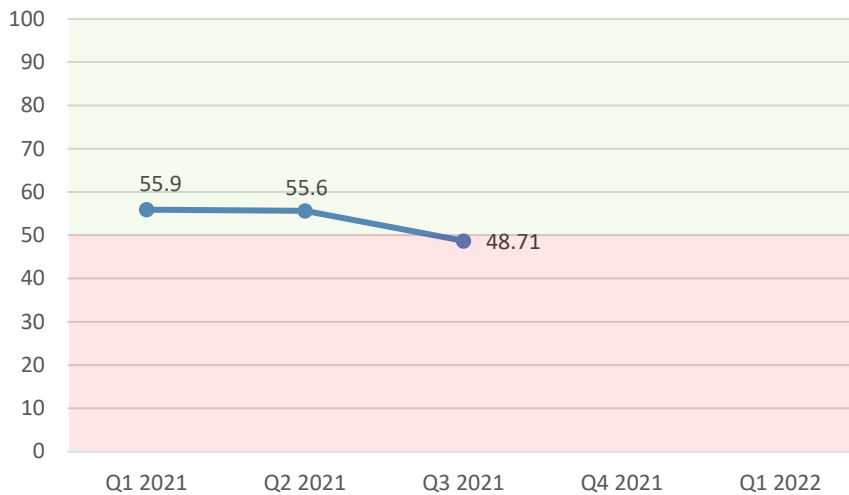


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – SEPTEMBER 2021

48.7

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

IN Q3, THE OVERALL SHORT-TERM OUTLOOK OF DANISH COMPANIES HAS DECLINED COMPARED TO THE TWO PREVIOUS QUARTERS. THIS IS REFLECTED FOR BOTH LARGE COMPANIES AND SMEs. RESPONDENTS BASED IN DENMARK SEEM TO HAVE A POSITIVE SHORT-TERM OUTLOOK ON THEIR ACTIVITIES 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.

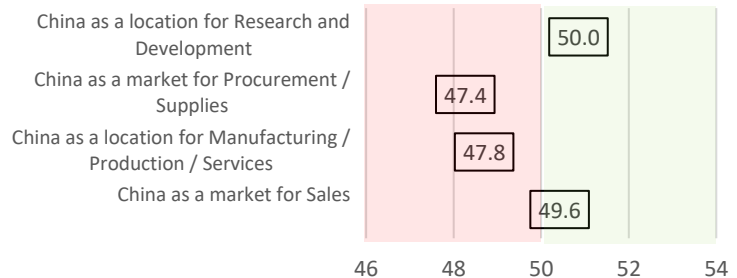


If a majority indicate a deterioration the index will be <50

RETRACTION IN MARKET OPPORTUNITIES ACROSS ALL AREAS IS DRIVING THE OUTLOOK

THE SHORT TERM OUTLOOK FOR ALL CATEGORIES OF ACTIVITIES SHOW DOWNWARD TREND COMPARED TO PREVIOUS QUARTERS.

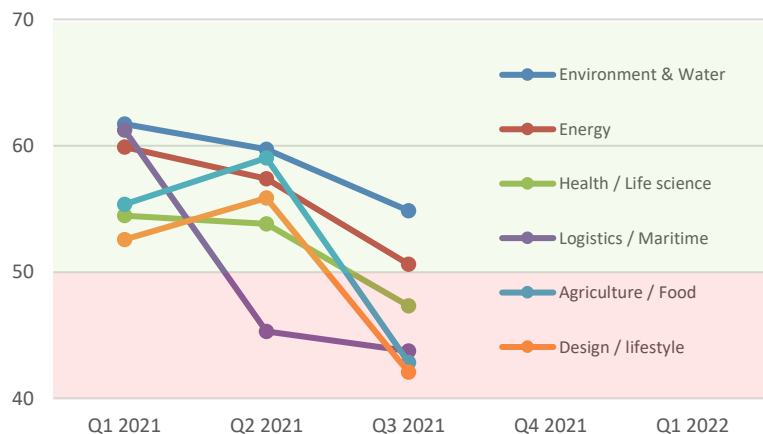
ONLY THE OUTLOOK FOR CHINA AS A LOCATION FOR R&D REMAINS UNCHANGED OVER THE PAST 3 MONTHS.



ENERGY AND ENVIRONMENT & WATER COMPANIES STILL REPORT POSITIVE OUTLOOK

SAME WAY AS THE OVERALL TREND – WHEN BREAKING DOWN THE OUTLOOK ON INDIVIDUAL SECTORS – THE TREND SHOWS A SIMILAR DOWNWARD PATTERN WITH REGARD TO THE SHORT-TERM OUTLOOK COMPARED TO THE PREVIOUS QUARTER.

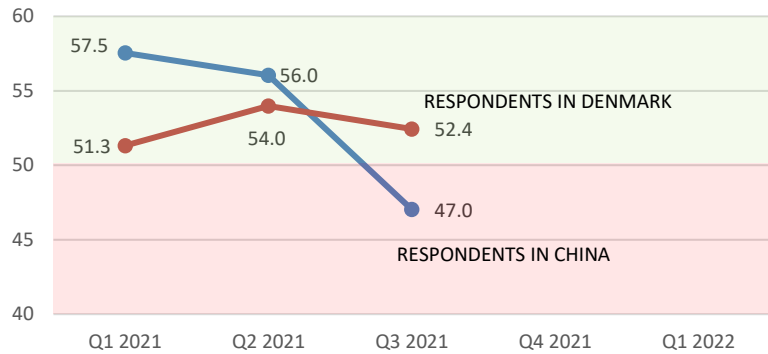
COMPANIES ACTIVE IN THE ENERGY AND ENVIRONMENT & WATER SECTORS REMAIN POSITIVE ABOUT THEIR OUTLOOK.



OUTLOOK REMAINS POSITIVE AMONGST RESPONDENTS BASED IN DENMARK

THERE IS A NOTICEABLE DIFFERENCE IN OUTLOOK DEPENDING ON THE VANTAGE POINT OF THE RESPONDENTS.

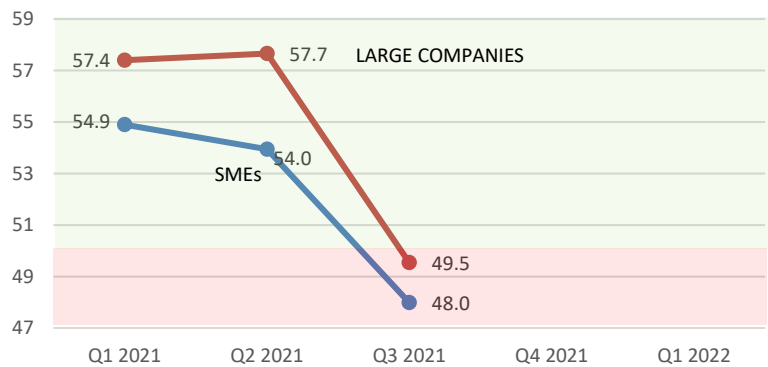
THE OUTLOOK OF RESPONDENTS LOCATED IN CHINA IS OVERALL DETERIORATING, WHILE THAT OF RESPONDENTS IN DENMARK, ALTHOUGH REDUCED COMPARED TO THE PREVIOUS QUARTER, REMAIN POSITIVE.



SMEs ARE LESS OPTIMISTIC IN OUTLOOK ON CHINA

IN CONTRAST TO Q1 AND Q2, BOTH LARGE COMPANIES AND SMEs ARE EXPRESSING A DETERIORATION IN THEIR SHORT-TERM OUTLOOK IN Q3.

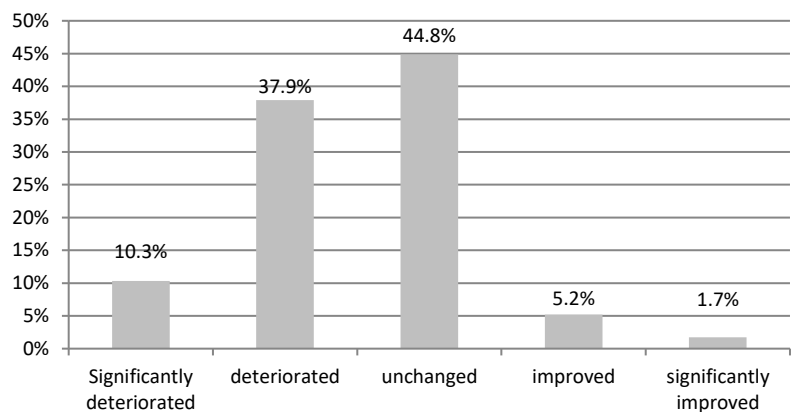
FOR SMEs, THE OUTLOOK ON SALES IN CHINA REMAINS UNCHANGED IN Q3. THE MAIN REASON FOR A DETERIATING OUTLOOK FOR THIS SEGMENT IS DUE TO A DETERIORATING SHORT-TERM OUTLOOK FOR CHINA AS A PRODUCTION AND PROCUREMENT MARKET.



DOMESTIC TRAVEL REGULATIONS IMPACT OUTLOOK FOR HALF OF THE RESPONDENTS

ASKED TO ASSESS THE EFFECT OF POSSIBLE DOMESTIC TRAVEL REGULATIONS IN CHINA, 48% OF COMPANIES REPORTED THAT BECAUSE OF SUCH REGULATIONS THEIR SHORT-TERM OUTLOOK ON CHINA HAS DETERIORATED OR SIGNIFICANTLY DETERIORATED. THE TREND IS ESPECIALLY PRONOUNCED AMONG THE RESPONDENTS THAT ARE SMEs OR BASED IN CHINA.

ABOUT THE SAME NUMBER – CLOSE TO 45% - SAY DOMESTIC TRAVEL REGULATIONS IN CHINA HAVE NOT CHANGED THEIR OUTLOOK, WHILE VERY FEW INDICATE AN IMPROVED OUTLOOK



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. 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: