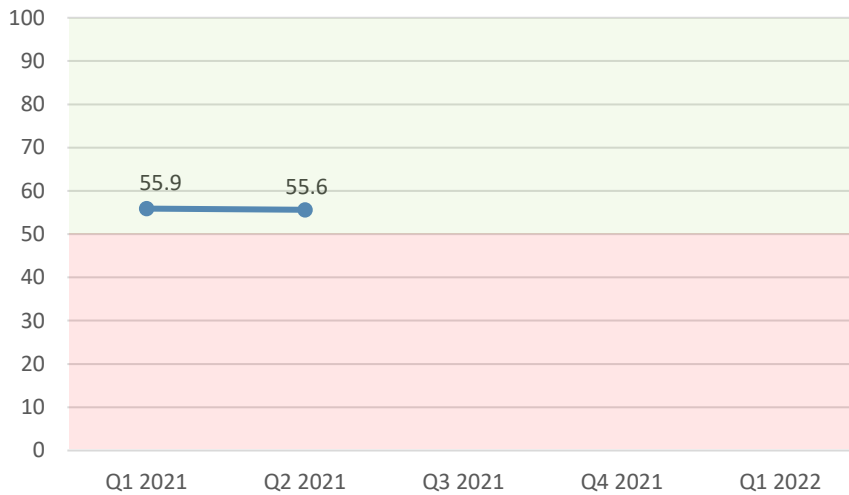


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – MAY 2021

55.6

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

IN Q2, THE OVERALL SHORT-TERM OUTLOOK OF DANISH COMPANIES REMAINS UNCHANGED. THE OUTLOOK OF CONSUMER-ORIENTED SECTORS SHOWS SOME IMPROVEMENT, WHILE OTHER SECTORS SHOW DETERIORATION, ESPECIALLY SMES. THE CHINESE MARKET IS THE MAIN DRIVER OF THE POSITIVE OUTLOOK.



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.

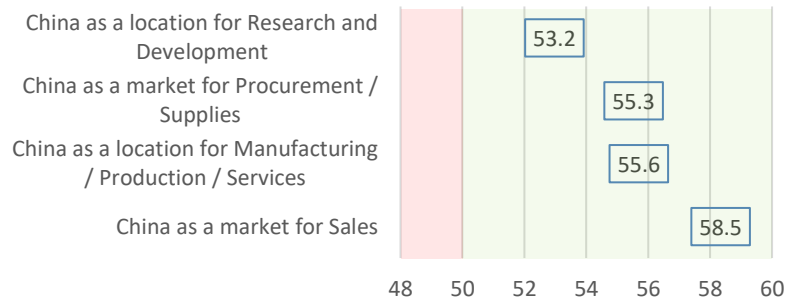


If a majority indicate a deterioration the index will be <50

MARKET OPPORTUNITIES IS STILL DRIVING THE OUTLOOK

THE SHORT TERM OUTLOOK REMAINS MOST POSITIVE IN TERMS OF CHINA'S MARKET OPPORTUNITIES. LEAST SO IN TERMS OF R&D.

OVERALL, THE NUMBERS REMAIN ALMOST UNCHANGED FROM LAST QUARTER.

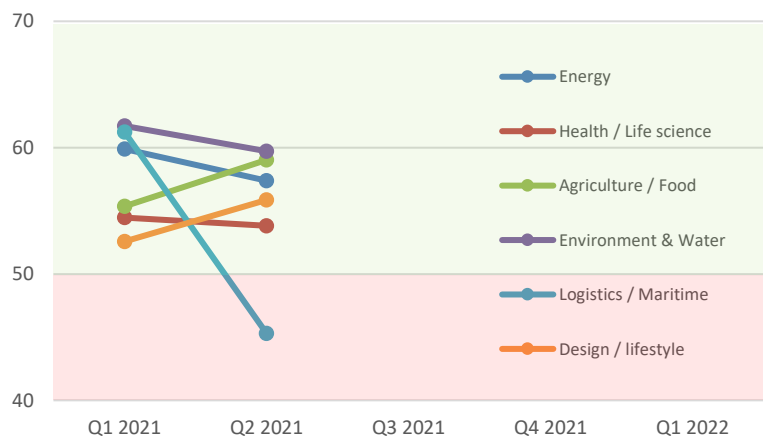


ONLY AGRICULTURE/FOOD & DESIGN/LIFESTYLE COMPANIES REPORT PROGRESS

WHILE THE OVERALL OUTLOOK REMAINS STABLE, SOME SECTORAL CHANGES BECOME CLEAR.

THE AGRICULTURE/FOOD AND DESIGN/LIFESTYLE CONSUMER-FOCUSED SECTORS ARE ALONE IN SEEING AN IMPROVED OUTLOOK FOR THEIR ACTIVITIES IN CHINA IN THE PAST QUARTER.

AT THE OPPOSITE END OF THE SPECTRUM, THE LOGISTICS / MARITIME SECTOR IN PARTICULAR REPORT A VERY SIGNIFICANT DETERIORATION IN OUTLOOK.

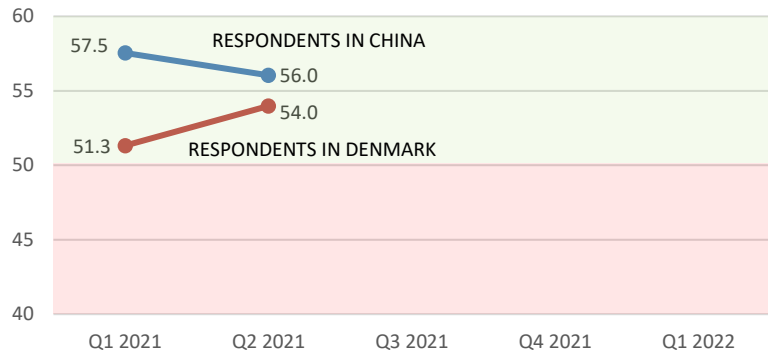


OUTLOOK DETERIORATING AMONG RESPONDENTS BASED IN CHINA

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

THE OUTLOOK OF RESPONDENTS LOCATED IN CHINA OVERALL IS DETERIORATING, WHILE THAT OF RESPONDENTS IN DENMARK IS IMPROVING.

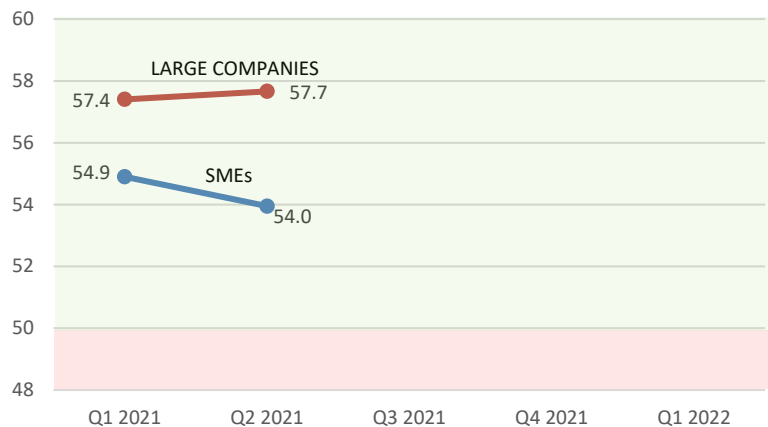
A LARGE PROPORTION OF DESIGN & LIFESTYLE COMPANIES AMONG THE RESPONDENTS IN DENMARK LARGELY EXPLAINS THIS PATTERN.



SMEs SEE LESS IMPROVEMENT IN OUTLOOK ON CHINA

SMEs ARE SIGNIFICANTLY LESS POSITIVE ABOUT THE OUTLOOK FOR ACTIVITIES IN CHINA THAN THEIR LARGER COUNTERPARTS AND THIS QUARTER SEES A FURTHER DROP.

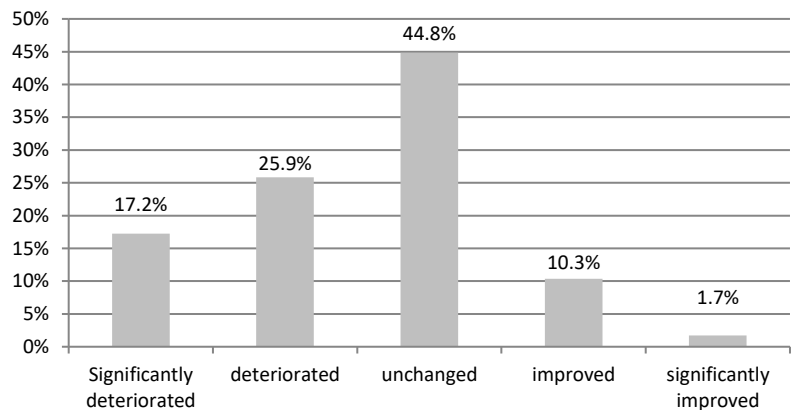
FOR LARGE COMPANIES THERE IS A VERY SLIGHT INCREASE IN OVERALL OUTLOOK THIS QUARTER MORE AKIN TO A STATUS QUO THAN A POSITIVE DEVELOPMENT.



TRAVEL REGULATIONS IMPACT OUTLOOK FOR CLOSE TO HALF THE COMPANIES

ASKED TO ASSESS THE EFFECT OF TRAVEL REGULATIONS INTO CHINA, 43% OF COMPANIES SAY IT HAS DETERIORATED OR SIGNIFICANTLY DETERIORATED THEIR OUTLOOK.

ABOUT THE SAME NUMBER – CLOSE TO 45% - SAY TRAVEL REGULATIONS INTO CHINA HAVE NOT CHANGED THEIR 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, Thierry Hoppe (thihop@um.dk) at the Embassy of the Kingdom of Denmark.

Find the latest data and information about the DBOC index on the following homepages: