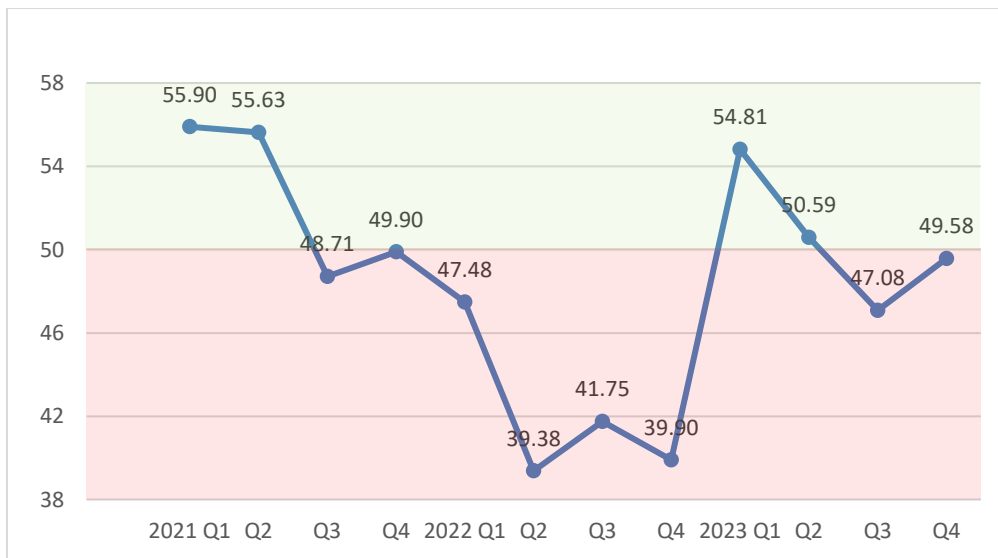


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – DECEMBER 2023

49.6

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

IN Q4 OF 2023, THE OVERALL SHORT-TERM OUTLOOK OF DANISH COMPANIES HAS INCREASED COMPARED TO THE PREVIOUS QUARTER, BUT REMAINS IN NEGATIVE TERRITORY FOR THE SECOND CONSECUTIVE QUARTER. MORE POSITIVE SHORT-TERM OUTLOOKS ARE INDICATED FROM RESPONDENTS BASED IN DENMARK, AS WELL AS FROM SMEs, COMPARED TO RESPONDENTS BASED IN CHINA AND LARGER COMPANIES.



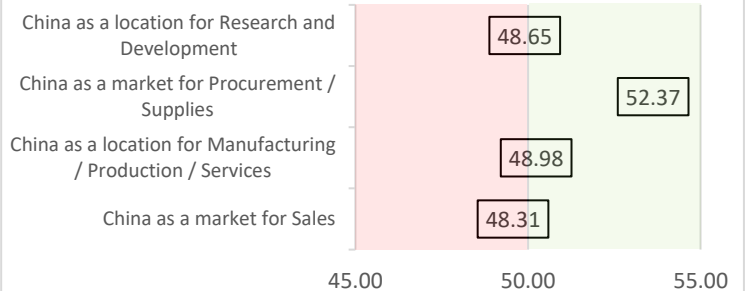
THE INDEX EXPLAINED

- ← 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 DRIVES THE OUTLOOK

THE SHORT-TERM OUTLOOKS FOR CHINA AS A MARKET FOR R&D, PROCUREMENT, MANUFACTURING AND SALES ALL SHOW AN INCREASED INDEX SCORE COMPARED TO THE PREVIOUS QUARTER.

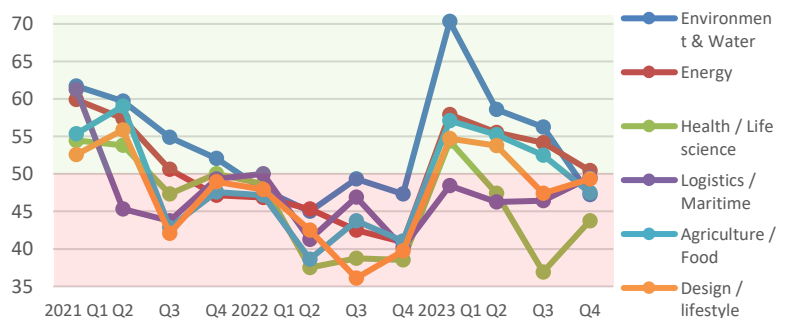
HOWEVER, CHINA AS A MARKET FOR PROCUREMENT IS THE ONLY INDEX TO REACH POSITIVE TERRITORY IN Q4.



BUSINESS OUTLOOK VARIES DEPENDING ON SECTOR PERSPECTIVE

WHEN BREAKING THE OUTLOOK DOWN INTO INDIVIDUAL SECTORS – HALF OF THE SECTORS REPORT AN INCREASE IN INDEX SCORE, COMPARED TO THE PREVIOUS QUARTER, WHILE THE OTHER HALF REPORT A DECREASE. SECTORS WITH AN INCREASE ARE HEALTH, LOGISTICS AND DESIGN.

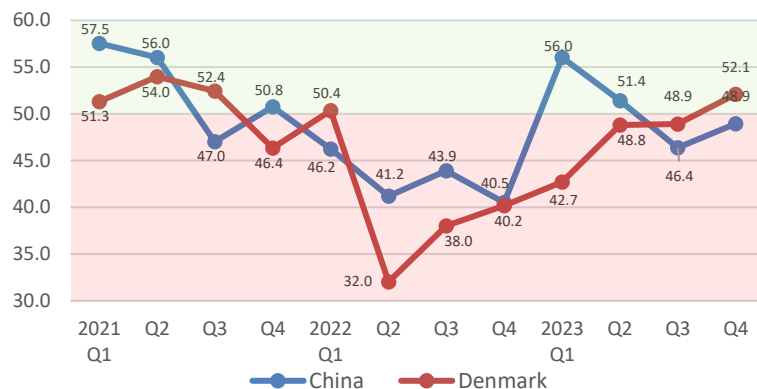
DESPITE A DECLINE IN INDEX NUMBERS FOR THE SECOND CONSECUTIVE QUARTER, ENERGY INDICATES THE HIGHEST SCORE AMONG THE RESPONDENTS, AND REMAINS THE ONLY SECTOR IN POSITIVE TERRITORY.



OUTLOOK BECOMES POSITIVE FOR RESPONDENTS BASED IN DENMARK

THE OUTLOOK FOR RESPONDENTS BASED IN DENMARK RE-ENTERS POSITIVE TERRITORY, WITH AN INDEX SCORE ABOVE 50. ITS INDEX NUMBER HAS CONTINUOUSLY BEEN INCREASING OVER THE PAST SIX QUARTERS.

DESPITE AN INCREASE IN INDEX SCORE, THE OUTLOOK FOR RESPONDENTS BASED IN CHINA REMAINS IN NEGATIVE TERRITORY FOR THE SECOND CONSECUTIVE QUARTER.

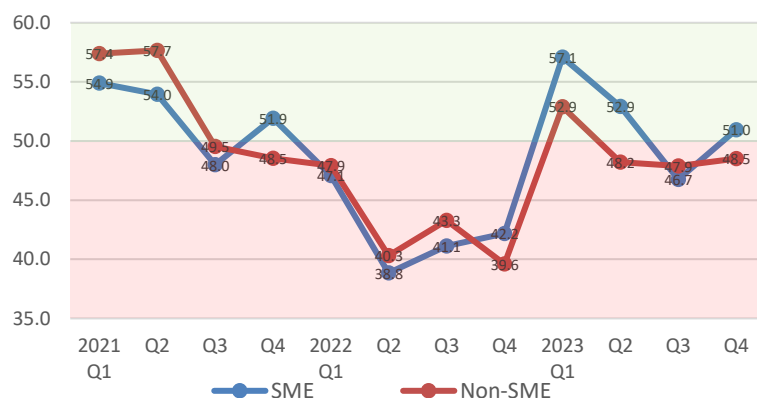


SMEs MORE POSITIVE IN OUTLOOK ON CHINA

BOTH SMEs AND LARGE COMPANIES SHOW AN OVERALL IMPROVEMENT IN THEIR INDEX SCORES, COMPARED TO THE PREVIOUS QUARTER.

SMEs INDICATE A MORE SIGNIFICANT INCREASE IN THEIR SHORT-TERM OUTLOOK ON CHINA, AS THEY ENTER POSITIVE TERRITORY IN Q4.

FOR LARGE COMPANIES, THEIR OUTLOOK REMAINS SIMILAR TO THE TWO PREVIOUS QUARTERS, DESPITE A SLIGHT INCREASE IN INDEX SCORE.

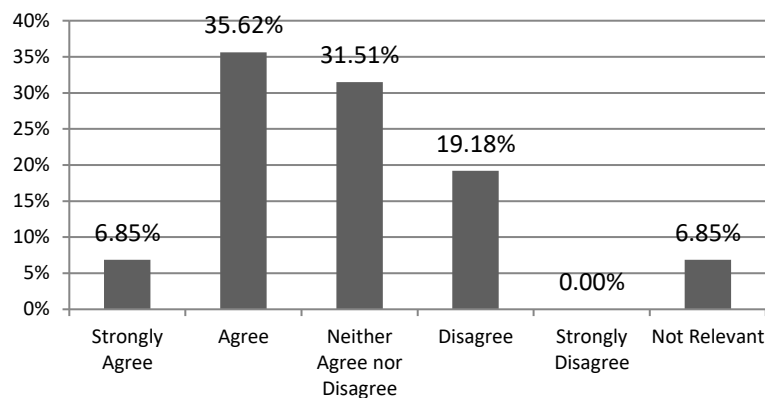


FRAMEWORK CONDITIONS FOR GREEN TRANSITION IN CHINA

WHEN ASKED TO ASSESS IF THE RESPONDENTS AGREE OR DISAGREE THAT THE FRAMEWORK CONDITIONS IN CHINA ARE SUFFICIENTLY IN PLACE TO IMPLEMENT THEIR COMPANY'S DESIRED SUSTAINABILITY PLANS TO ENSURE THEIR GLOBAL COMMITMENTS TO A GREEN TRANSITION, THE ANSWERS WERE MOSTLY AGREEING, ALTHOUGH MIXED.

42 PCT. AGREE – OR STRONGLY AGREE - THAT THE FRAMEWORK CONDITIONS IN CHINA ARE SUFFICIENT FOR THEIR COMPANIES. WHILE 19 PCT. DISAGREE, NO COMPANIES INDICATED TO “STRONGLY DISAGREE”.

38 PCT. OF THE RESPONDENTS EITHER FOUND THE QUESTION IRRELEVANT FOR THEIR BUSINESSES, OR NEITHER AGREED OR DISAGREED THAT THE FRAMEWORK CONDITIONS WERE SUFFICIENT FOR THEM.



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 22 November 2023 until 6 December 2023 with the participation of 74 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: