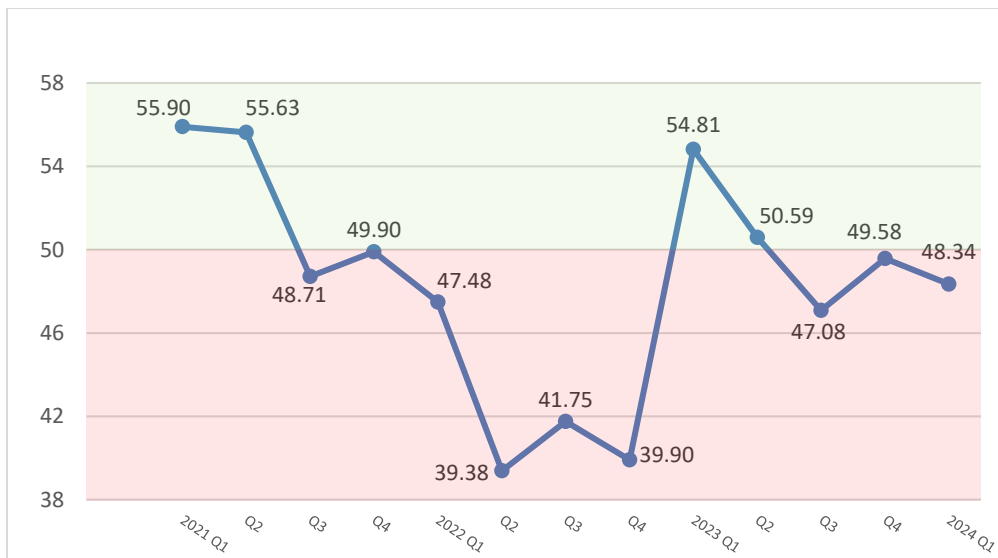


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – MARCH 2024

48.3

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

IN Q1 OF 2024, THE OVERALL SHORT-TERM OUTLOOK OF DANISH COMPANIES HAS DECREASED COMPARED TO THE PREVIOUS QUARTER, AND REMAINS IN NEGATIVE TERRITORY FOR THE THIRD CONSECUTIVE QUARTER. RESPONDENTS BASED IN DENMARK, AS WELL AS SMEs, CONTINUE TO INDICATE MORE POSITIVE SHORT-TERM OUTLOOKS, COMPARED TO RESPONDENTS BASED IN CHINA AND LARGER COMPANIES.



THE INDEX EXPLAINED

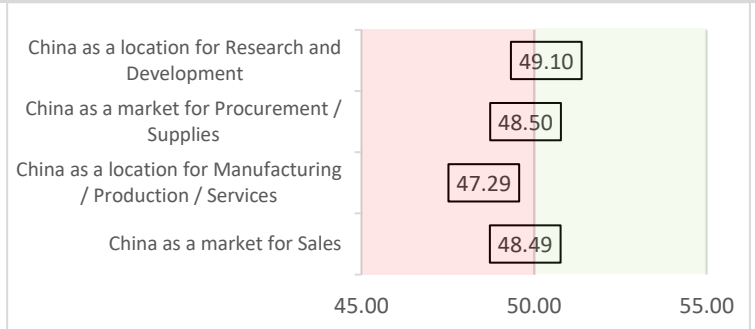
- ← If a majority indicate an improvement the index will be >50
 - ← If there are matching positive and negative trends in the data, the index will be exactly 50.
 - ← If a majority indicate a deterioration the index will be <50
- DBOC is a diffusion index. It expresses tendencies in data.

CHINA AS A MARKET FOR R&D DRIVES THE OUTLOOK

ALL FOUR MARKET CATEGORIES INDICATE AN OVERALL DETERIORATION IN SHORT-TERM OUTLOOK.

WHILE STILL IN NEGATIVE TERRITORY, THE SHORT-TERM OUTLOOKS FOR CHINA AS A MARKET FOR R&D AND SALES BOTH SHOW HIGHER INDEX SCORE COMPARED TO THE PREVIOUS QUARTER.

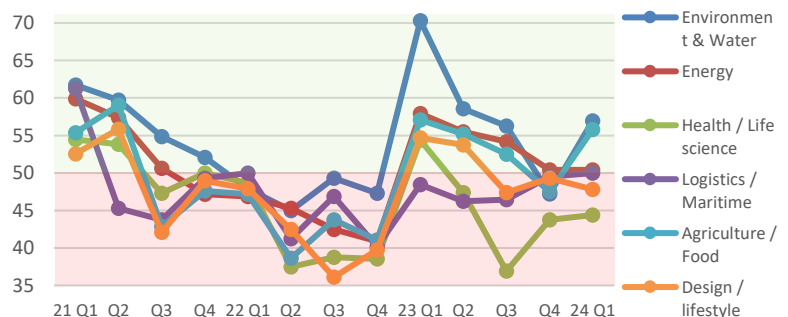
CHINA AS A MARKET FOR PROCUREMENT AND MANUFACTURING BOTH SHOW LOWER NUMBERS THAN PREVIOUS QUARTER.



FOUR OUT OF SIX SECTORS INDICATE IMPROVED OUTLOOK DESPITE MIXED SCORES

WHEN BREAKING THE OUTLOOK DOWN INTO INDIVIDUAL SECTORS – FOUR OUT OF SIX SECTORS REPORT A HIGHER INDEX SCORE, COMPARED TO THE PREVIOUS QUARTER. SECTORS WITH IMPROVED OUTLOOKS ARE ENVIRONMENT, ENERGY, LOGISTICS AND FOOD.

DESIGN AND HEALTH INDICATE DETERIORATED OUTLOOKS.

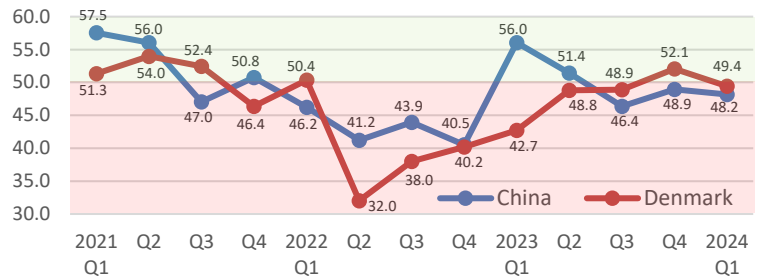


OUTLOOK DETERIORATES FOR RESPONDENTS BASED IN BOTH DENMARK AND CHINA

THE OUTLOOK IS DETERIORATING FOR RESPONDENTS BASED IN BOTH DENMARK AND CHINA.

THERE IS NO SIGNIFICANT DIFFERENCE IN OUTLOOK DEPENDING ON THE VANTAGE POINT OF THE RESPONDENTS.

WHILE HAVING A DETERIORATED OUTLOOK, RESPONDENTS BASED IN DENMARK CONTINUE TO INDICATE A LESS NEGATIVE OUTLOOK THAN RESPONDENTS BASED IN CHINA.

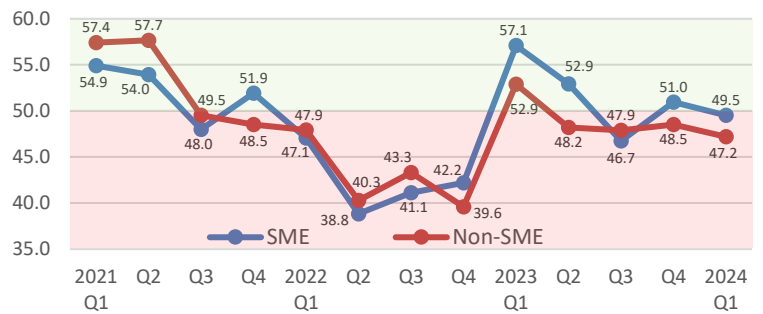


SMEs MORE POSITIVE IN OUTLOOK ON CHINA

BOTH SMEs AND LARGE COMPANIES SHOW AN OVERALL DETERIORATION IN THEIR OUTLOOKS, BASED ON THE PREVIOUS QUARTER.

SMEs INDICATE A LESS NEGATIVE SHORT-TERM OUTLOOK ON CHINA, COMPARED TO LARGE COMPANIES.

FOR LARGE COMPANIES, THEIR OUTLOOK HAS BEEN DETERIORATING FOR THE PAST FOUR QUARTERS.

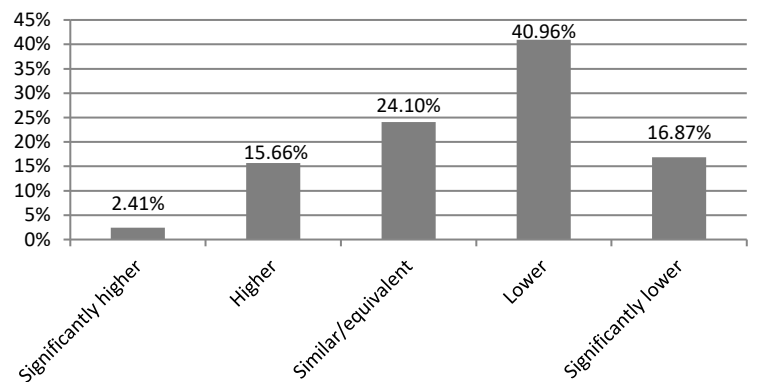


MAJORITY OF DANISH COMPANIES EXPERIENCED LOWER GROWTH THAN NATIONAL STANDARD

WHEN ASKED "IN 2023, CHINA'S OFFICIAL DATA SHOWS THAT THE COUNTRY'S ECONOMY GREW BY 5.2%. HOW WOULD YOU ASSESS THE GROWTH WITHIN YOUR SECTOR IN COMPARISON?", LESS THAN A FIFTH OF THE RESPONDENTS EXPERIENCED A HIGHER GROWTH THAN 5.2% IN 2023.

THE MAJORITY OF THE COMPANIES ACROSS ALL SECTORS INDICATED EXPERIENCING A LOWER GROWTH IN 2023 THAN THAT OF THE OVERALL ECONOMY.

THIS IS ESPECIALLY EXAMPLIFIED WITHIN DESIGN, WHERE NEARLY 80% EXPERIENCED LOWER OR SIGNIFICANTLY LOWER GROWTH THAN THAT OF THE OVERALL ECONOMY.



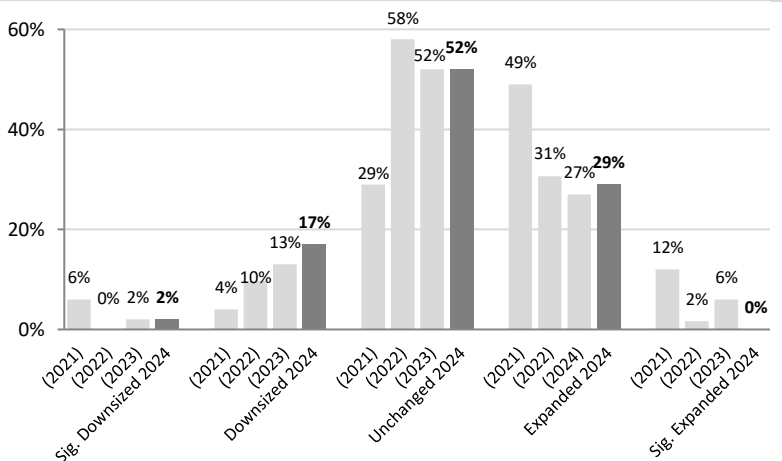
A MIXED PICTURE BY DANISH BUSINESS COMMUNITY'S INVESTMENT PLANS IN CHINA

ONCE A YEAR, COMPANIES ARE ASKED ABOUT THEIR ANNUAL INVESTMENT PLANS IN CHINA. THE FIGURE SHOWS THE HISTORICAL FIGURES FROM 2021-2024.

IN 2024, AROUND HALF OF THE RESPONDENTS EXPECT INVESTMENTS – LABOUR, ASSETS OR BOTH – IN CHINA TO REMAIN UNCHANGED THROUGHOUT THE YEAR.

THE PROPORTION OF COMPANIES THAT EXPECT TO DOWNSIZE THEIR INVESTMENTS IN CHINA HAS SLIGHTLY INCREASED IN 2024 COMPARED TO 2023. THE SAME IS TRUE FOR COMPANIES EXPECTING TO EXPAND INVESTMENTS.

FOR THE FIRST TIME SINCE DOING DBOC, NO COMPANIES EXPECT TO SIGNIFICANTLY EXPAND INVESTMENTS IN CHINA.



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 6 March 2024 until 20 March 2024 with the participation of 86 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: