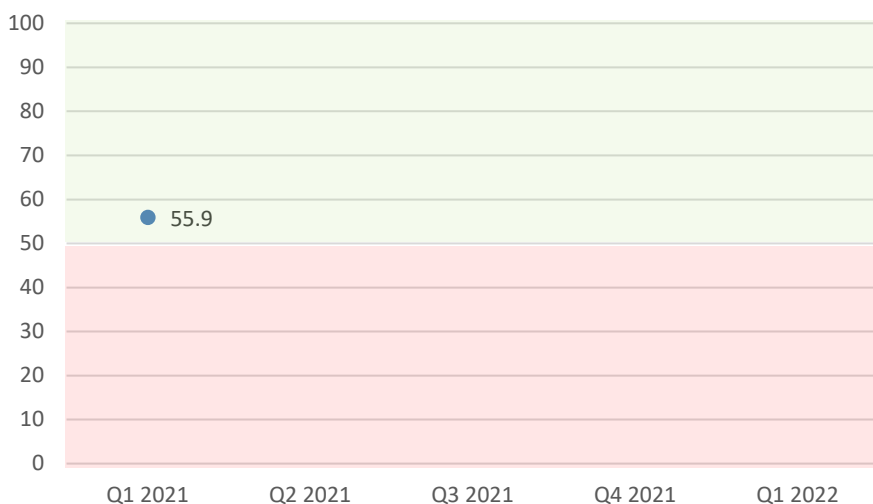


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – JANUARY 2021

55.9

IN THE FIRST QUARTER OF 2021, THE OVERALL SHORT-TERM OUTLOOK OF THE DANISH BUSINESS COMMUNITY ON THEIR ACTIVITIES IN CHINA HAS IMPROVED (COMPARED TO THREE MONTHS AGO). FURTHER DETAILS BELOW.

(THIS IS THE LAUNCH OF THE DBOC INDEX. THIS QUARTERLY INDEX WILL TRACK CHANGES IN OUTLOOK OF DANISH COMPANIES WITH ACTIVITIES IN CHINA OVER TIME.)



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 MOST SIGNIFICANT IN TERMS OF THE DANISH BUSINESS COMMUNITY'S VIEW OF CHINA AS A MARKET FOR SALES AND EXPORTS OF GOODS AND SERVICES.



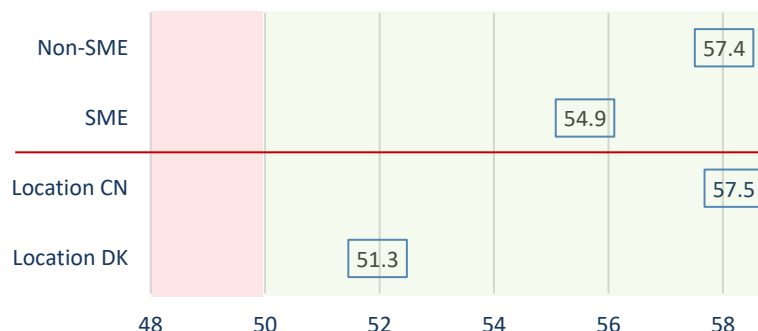
OUTLOOK VARIES CONSIDERABLY AMONG COMPANIES

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.

COMPANY SIZE AND GEOGRAPHY HAS INFLUENCE ON OUTLOOK

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.

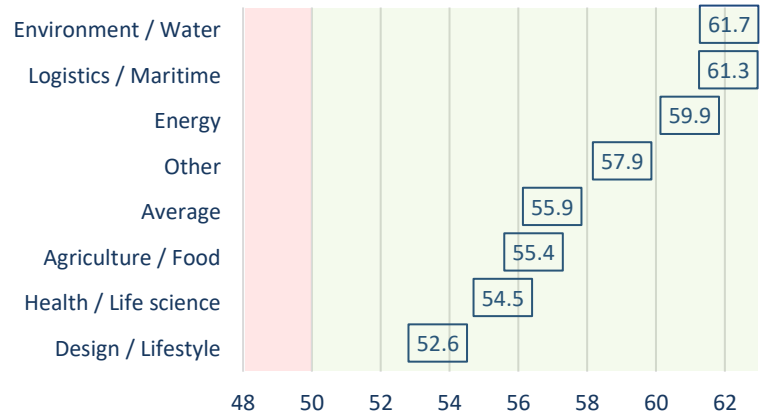


CONSIDERABLE SECTORAL DIFFERENCES IN OUTLOOK

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.

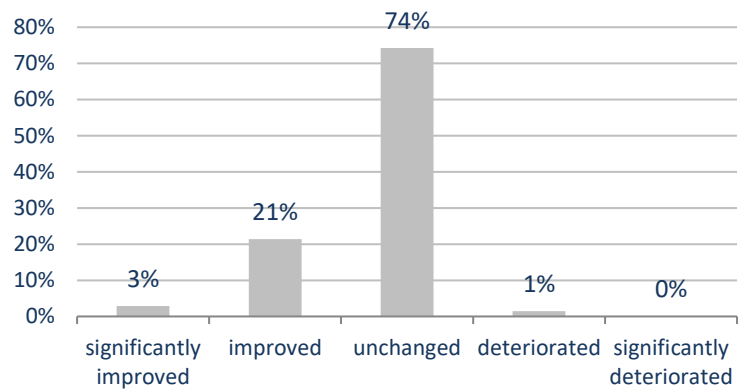
THE ENVIRONMENT & WATER, LOGISTICS & MARITIME AND ENERGY SECTORS REPORT THE LARGEST OUTLOOK IMPROVEMENTS.



US PRESIDENTIAL ELECTION HAS LITTLE IMPACT ON OUTLOOK

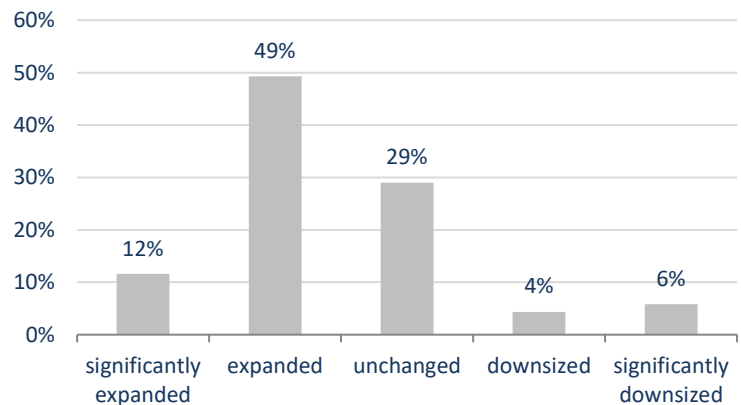
THREE OUT OF FOUR DANISH COMPANIES THAT ARE ACTIVE IN CHINA SAY THAT THE OUTCOME OF THE US PRESIDENTIAL ELECTION HAS HAD NO IMPACT ON THEIR OUTLOOK ON CHINA.

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



DANISH BUSINESS COMMUNITY EXPECTS TO INVEST FURTHER IN CHINA 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). 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: