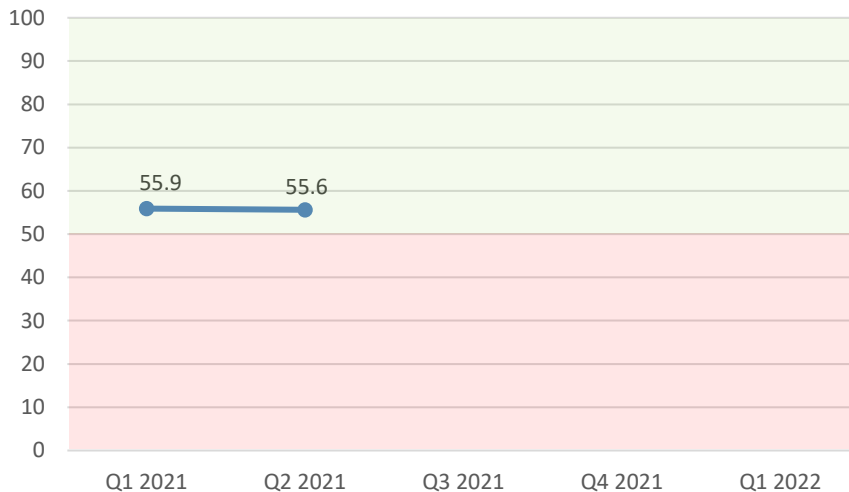


# DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – MAY 2021

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.



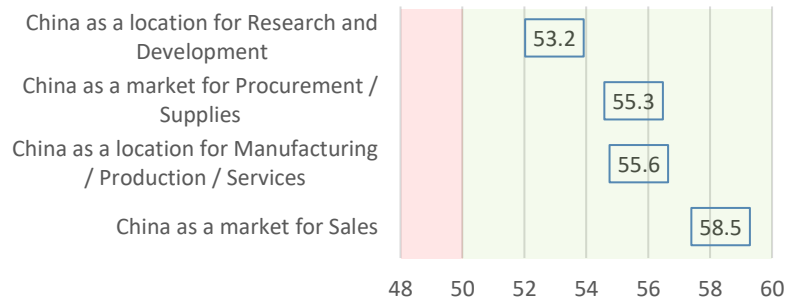
If a majority indicate a deterioration the index will be <50

As this is the first data collected, there is currently only one data point shown in the figure.

## 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.

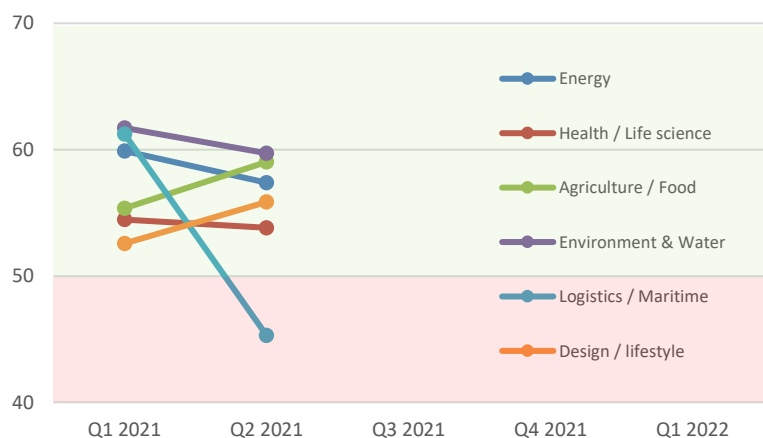


## ONLY AGRICULTURE/FOOD & DESIGN/LIFESTYLE COMPANIES REPORT PROGRESS

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.

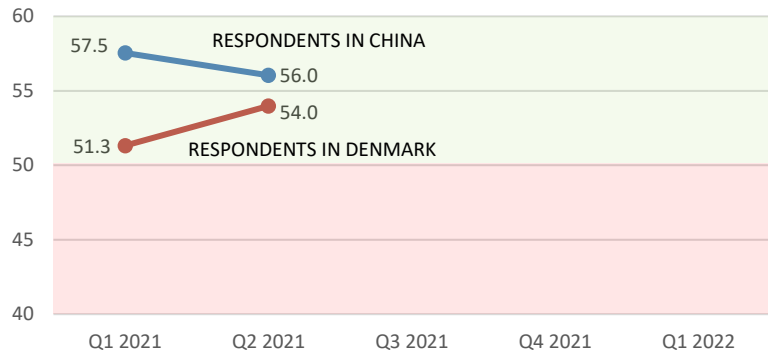


## OUTLOOK DETERIORATING AMONG RESPONDENTS BASED IN CHINA

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.

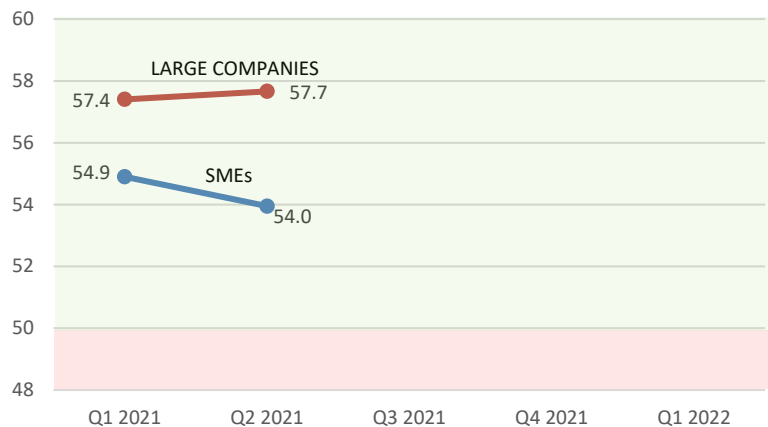
A LARGE PROPORTION OF DESIGN & LIFESTYLE COMPANIES AMONG THE RESPONDENTS IN DENMARK LARGELY EXPLAINS THIS PATTERN.



## 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.

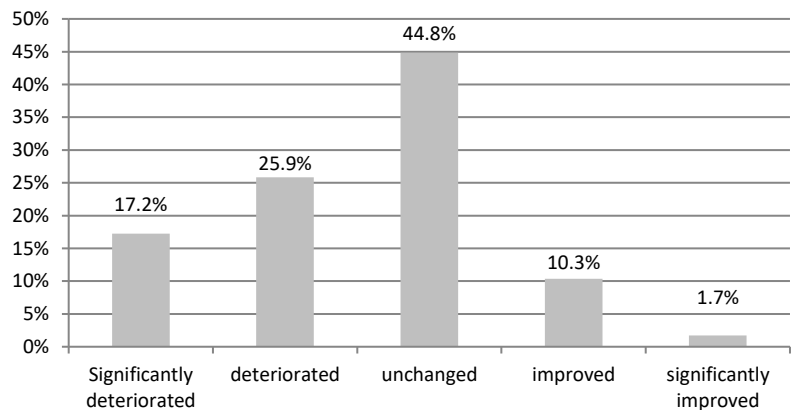
FOR LARGE COMPANIES THERE IS A VERY SLIGHT INCREASE IN OVERALL OUTLOOK THIS QUARTER MORE AKIN TO A STATUS QUO THAN A POSITIVE DEVELOPMENT.



## 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: