

REFERENCE NOTE

DANISH BUSINESS OUTLOOK for CHINA INDEX (DBOC) INDEX

The starting point has been to create an index based on a short quarterly survey to which respondents can reply in a matter of minutes. The objective is to collect quantifiable, objective data on the Danish business community's outlook on China. The DBOC index is a brief and condensed short-term outlook expressed in a single number. The polling is limited to two to three questions with the intention to keep the survey short as well as allow respondents to take the survey from mobile devices.

The first data was collected mid-January 2021 covering the final quarter of 2020.

QUESTIONS

All questions will be closed-ended in order to produce quantifiable data.

The first (1) question makes up the index, but contains four dimensions representing a simplified view of types of activities in China (see details on the following page). The four dimensions will allow for analysis and understanding of the findings. Question (1) will remain unchanged to allow comparison over time.

The second (2) question is alternating with a focus on current developments.

A third (3) question is added once yearly, in January, concerning investment plans specifically. This question takes the outlook for the year ahead into account.

For each question, five answer possibilities are given (Likert-scale). Results indicate tendencies over a specific period of time (*significantly improved / improved / unchanged / deteriorated / significantly deteriorated / N.A.*) based around a neutral value. Survey Monkey is used as online survey software.

Data stemming from question (1) will be calculated into the DBOC index number. A diffusion index approach will be applied with a range from 0 to 100 and a midpoint at 50 to obtain the index number.

Results of question (2) and (3) can give detailed information on a specific issue or current development, as well as substantiate results of question (1). Question (2) and (3) will not be indexed but presented in percentages.

For the specific questions used see below.

RESPONDENTS

All member companies of DCCC and DCBF that have a Danish CVR number will be invited to participate with one representative (excluding service providers such as attorneys, translators, accountants etc. that do not represent individual business interests or do not have direct commercial activities in China). Companies that meet the criteria and are members of both will be limited to one respondent (the member of DCCC based in China).

Companies polled will be requested to indicate one or more sector categories to which they belong when taking the survey (Health, Energy, Agriculture/Food, Environment/Water,

Logistics/Maritime, Design/Lifestyle and Other), their size (SME/non-SME) and finally whether they are based in Denmark or China.

Respondents receive mail invitations to participate in the survey. The links are unique and may only be used once.

QUESTIONNAIRE

The following questions text is used for the survey:

<p><i>Is your company an SME* (Small and Medium-sized Enterprise)?</i></p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>*Definition SME: Not more than 250 employees, turnover equals or is lower than 50 m EUR and balance sheet equals or is lower than 43 m EUR in total.</i></p> <p><i>In which sector(s) is your company active?</i></p> <p><input type="checkbox"/> Energy</p> <p><input type="checkbox"/> Health / Life science</p> <p><input type="checkbox"/> Agriculture / Food</p> <p><input type="checkbox"/> Environment / Water</p> <p><input type="checkbox"/> Logistics / Maritime</p> <p><input type="checkbox"/> Design / Lifestyle</p> <p><input type="checkbox"/> Other</p> <p><i>Are you working from Denmark or China?</i></p> <p><input type="checkbox"/> Denmark</p> <p><input type="checkbox"/> China</p>
<p><i>Three questions will follow. All are closed-caption.</i></p> <p><i>The <u>first</u> question is to provide inputs for the index and is about your company's outlook on China. As activities in China can take on many forms, it contains several dimensions. Select the option that represents your company's view or select n.a.</i></p> <p><i>The <u>second</u> question concerns current affairs.</i></p> <p><i>The <u>third</u> question is about investment plans for 2021.</i></p>
<p>1. Looking at the past three months, has your short-term outlook for China as a ... market for <u>Sales in China/Export to China</u>:</p> <p><i>Significantly improved/improved/unchanged/deteriorated/significantly deteriorated/n.a.</i></p>



... location for Manufacturing/Production/Services:

Significantly improved/improved/unchanged/deteriorated/significantly deteriorated/n.a.

... market for Procurement/Supplies:

Significantly improved/improved/unchanged/deteriorated/significantly deteriorated/n.a.

... location for Research and Development:

Significantly improved/improved/unchanged/deteriorated/significantly deteriorated/n.a.

2. [One alternating question on current developments]

Significantly improved/improved/unchanged/deteriorated/significantly deteriorated/n.a.

3. [Only included in Q1 of every year:] In 202X, is your company's investment (labour, assets or both) in China going to be:

Significantly improved/improved/unchanged/deteriorated/significantly deteriorated/n.a.