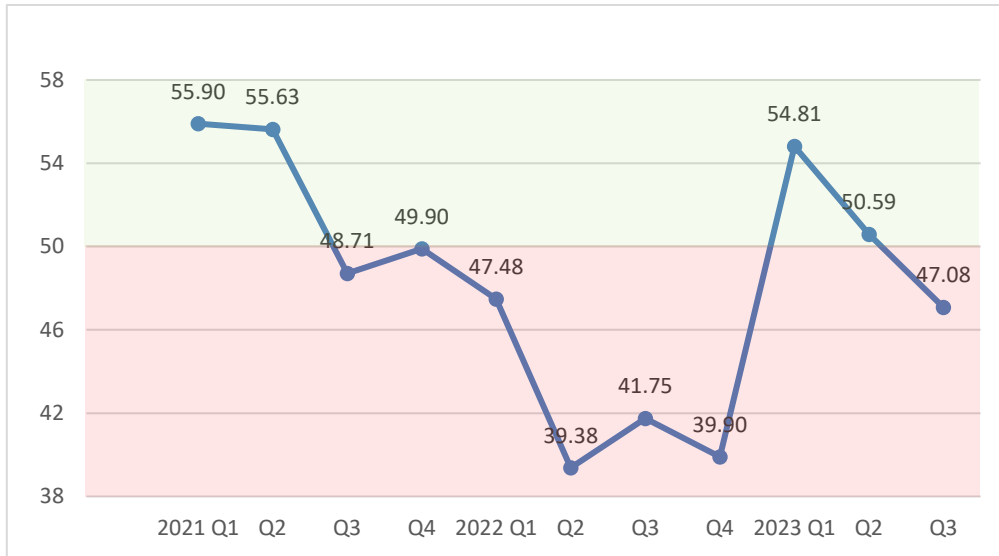


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – SEPTEMBER 2023

47.1

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

IN Q3, THE OVERALL SHORT-TERM OUTLOOK OF DANISH COMPANIES HAS DECLINED COMPARED TO THE TWO PREVIOUS QUARTERS IN 2023 AND IS NOW IN NEGATIVE TERRITORY FOR THE FIRST TIME THIS YEAR. THIS IS REFLECTED FOR BOTH LARGE COMPANIES AND SMEs, AS WELL AS RESPONDENTS BASED IN DENMARK AND CHINA.



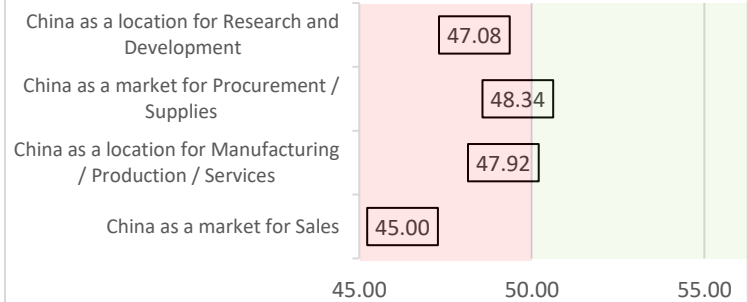
THE INDEX EXPLAINED

- 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 SALES CONTINUES TO DRIVE THE OUTLOOK

THE SHORT-TERM OUTLOOKS FOR CHINA AS A MARKET FOR SALES, MANUFACTURING, PROCUREMENT AND R&D SHOW A DOWNWARD TREND COMPARED TO PREVIOUS QUARTERS AND ARE NOW ALL IN NEGATIVE TERRITORY.

CHINA AS A MARKET FOR SALES CONTINUE TO DRIVE THE OUTLOOK, BUT AS OPPOSED TO PREVIOUS QUARTERS IN 2023, THIS TIME IN A NEGATIVE DIRECTION.

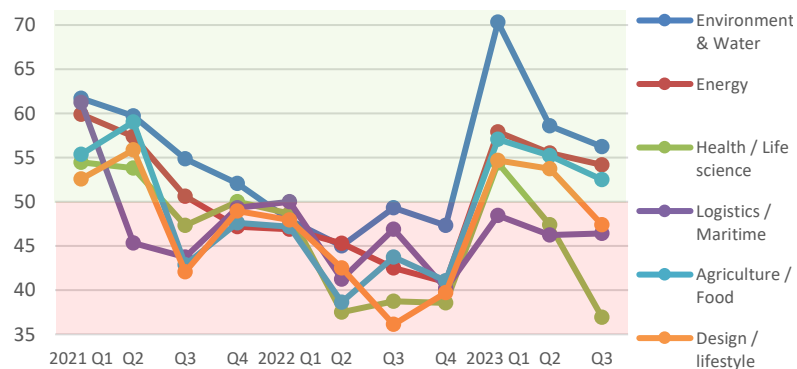


BUSINESS OUTLOOK VARIES DEPENDING ON SECTOR PERSPECTIVE

WHEN BREAKING THE OUTLOOK DOWN INTO INDIVIDUAL SECTORS – HALF OF THE SECTORS MAINTAIN A POSITIVE OUTLOOK, ALTHOUGH ALL, EXCEPT FOR LOGISTICS, HAVE DECREASED INDEX SCORES COMPARED TO THE PREVIOUS QUARTER.

ENVIRONMENT & WATER CONTINUES FOR THE FIFTH CONSECUTIVE QUARTER TO INDICATE THE HIGHEST INDEX SCORE AMONG THE RESPONDENTS.

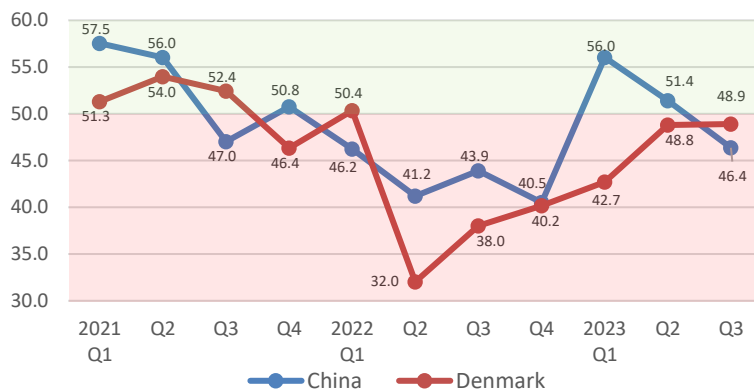
IN THE OPPOSING END OF THE SPECTRUM, THE DETERIORATING INDEX SCORE FOR LOGISTICS, LIFESTYLE AND ESPECIALLY HEALTH, DRIVES THE OUTLOOK IN A NEGATIVE DIRECTION.



UNANIMOUS BUSINESS OUTLOOK BASED ON LOCATION

THE OUTLOOK FOR RESPONDENTS BASED IN CHINA HAS ENTERED THE NEGATIVE TERRITORY FOR THE FIRST TIME IN 2023. THEREFORE, IT IS A UNANIMOUS OUTLOOK DEPENDING ON THE VANTAGE POINT OF THE RESPONDENTS, WITH BOTH INDICATING SCORES BELOW 50.

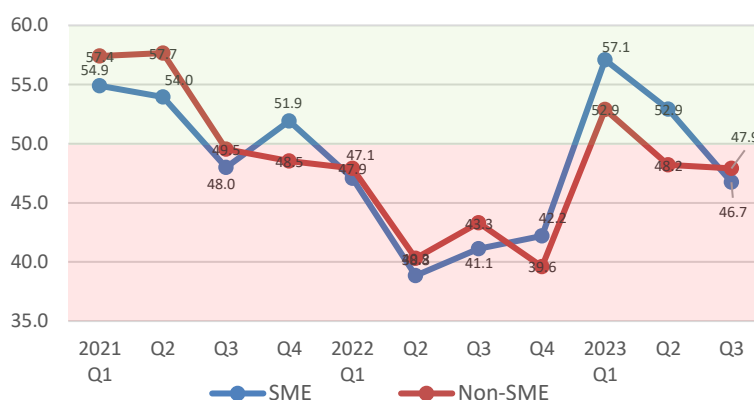
WHILE THE OUTLOOK FOR RESPONDENTS IN DENMARK CONTINUE TO REPORT NUMBERS BELOW 50, ITS NUMBER HAVE SLOWLY BEEN INCREASING OVER THE PAST FIVE QUARTERS, AND FOR THE FIRST TIME SINCE Q1, 2022 RESPONDENTS IN DENMARK HAS AN OUTLOOK ABOVE THAT OF THEIR COUNTERPARTS IN CHINA.



UNANIMOUS BUSINESS OUTLOOK BASED ON CATEGORY – BUT DIFFERENT DRIVERS

THE MAJORITY OF BOTH LARGE COMPANIES AND SMEs INDICATE A DETERIORATING SHORT-TERM OUTLOOK WITH AN INDEX BELOW 50 IN THE THIRD QUARTER, BUT THERE IS A DIFFERENCE IN THE DRIVERS BETWEEN THE TWO CATEGORIES.

FOR SMEs, THE OUTLOOK IS ESPECIALLY DRIVEN BY THEIR PERCEPTION OF CHINA AS A MARKET FOR SALES, WHILE THE PREDOMINANT DRIVER FOR LARGER COMPANIES IS THEIR PERCEPTION OF CHINA AS A LOCATION FOR RESEARCH AND DEVELOPMENT.

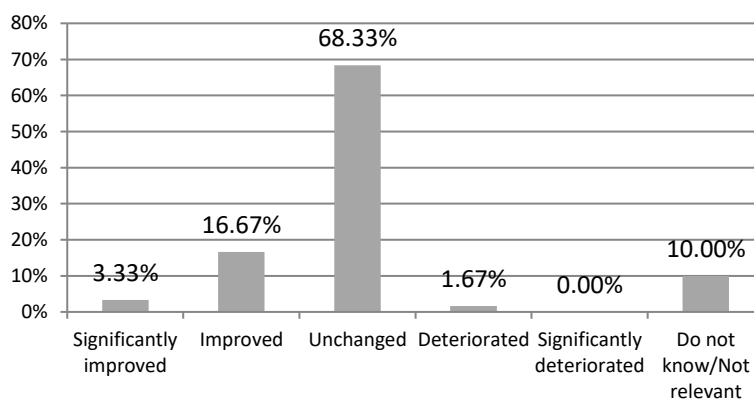


IMPACTS FROM STATE COUNCIL ANNOUNCEMENT

ON AUGUST 13th, THE STATE COUNCIL PUBLISHED THEIR “OPINION ON FURTHER OPTIMIZING THE FOREIGN INVESTMENT ENVIRONMENT AND INCREASING THE ATTRACTION OF FOREIGN INVESTMENT”

WHEN ASKED TO ASSESS THE EXTENT OF THE ANNOUNCEMENT OF THE RESPONDENTS OUTLOOK FOR 2023 MORE THAN TWO-THIRDS OF THE RESPONDENTS EXPECT IT TO REMAIN UNCHANGED.

20 PCT. INDICATE AN IMPROVED OR SLIGHTLY IMPROVED OUTLOOK FOR 2023 WHILE 10 PCT. ARE UNSURE OR THAT IT IS WITHOUT RELEVANCY.



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 11 September 2023 until 22 September 2023 with the participation of 62 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: