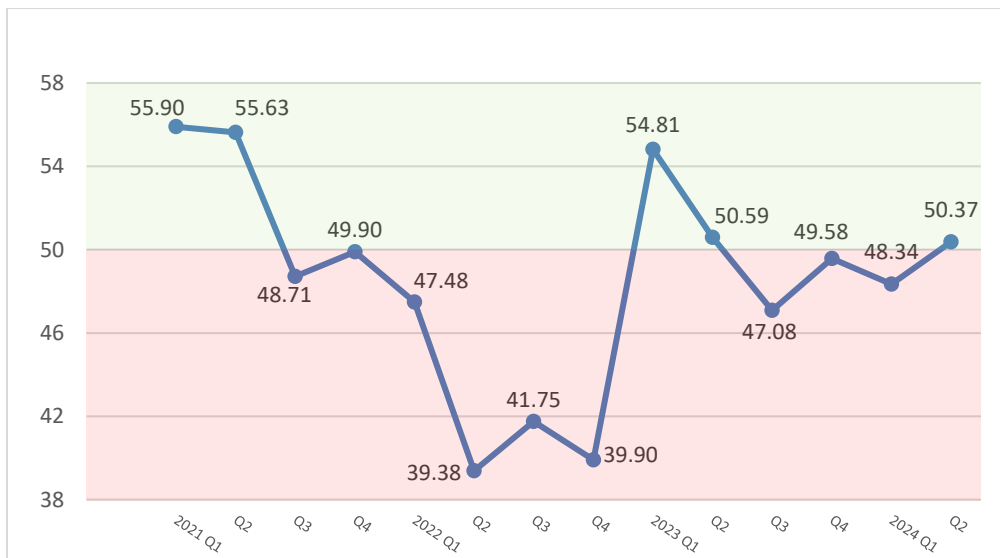


# DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – JUNE 2024

50.3

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

IN Q2 OF 2024, THE OVERALL SHORT-TERM OUTLOOK OF DANISH COMPANIES HAS IMPROVED COMPARED TO THE PREVIOUS QUARTER AND ENTERS POSITIVE TERRITORY FOR THE FIRST TIME IN FOUR QUARTERS. IN THIS QUARTER, RESPONDENTS BASED IN CHINA INDICATE MORE POSITIVE SENTIMENTS THAN RESPONDENTS BASED IN DENMARK, WHILE LARGE COMPANIES INDICATE A SLIGHTLY MORE POSITIVE SHORT-TERM OUTLOOK, COMPARED TO SMEs.



## THE INDEX EXPLAINED

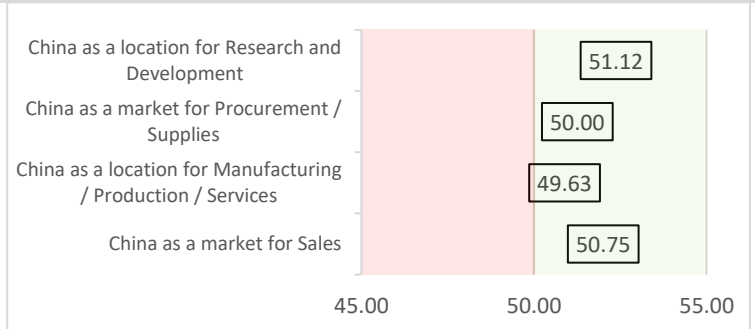
- ← If a majority indicate an improvement the index will be >50
  - ← If there are matching positive and negative trends in the data, the index will be exactly 50.
  - ← If a majority indicate a deterioration the index will be <50
- DBOC is a diffusion index. It expresses tendencies in data.

## CHINA AS A MARKET FOR R&D CONTINUES TO DRIVE THE OUTLOOK

TWO OF FOUR MARKET CATEGORIES INDICATE AN OVERALL IMPROVEMENT IN SHORT-TERM OUTLOOK, WHILE ONE IS NEUTRAL. LAST QUARTER, ALL FOUR WERE DETERIORATING.

THE SHORT-TERM OUTLOOKS FOR CHINA AS A MARKET FOR R&D AND SALES HAVE BOTH ENTERED POSITIVE TERRITORY.

WHILE STILL IN NEGATIVE TERRITORY, THE SHORT-TERM OUTLOOK FOR CHINA AS A MARKET FOR MANUFACTURING SHOWS HIGHER NUMBERS THAN PREVIOUS QUARTER. THE OUTLOOK FOR PROCUREMENT ALSO IMPROVED.

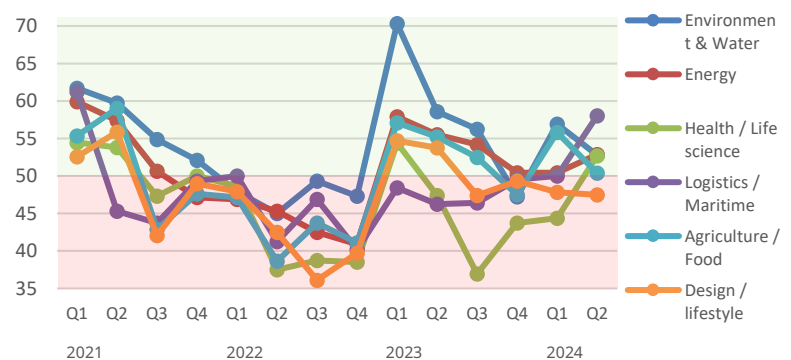


## THREE OUT OF SIX SECTORS INDICATE IMPROVED OUTLOOKS DESPITE MIXED SCORES

WHEN BREAKING THE OUTLOOK DOWN INTO INDIVIDUAL SECTORS, THREE OUT OF SIX SECTORS REPORT HIGHER INDEX SCORES, COMPARED TO THE PREVIOUS QUARTER. SECTORS WITH IMPROVED OUTLOOKS ARE LOGISTICS, ENERGY AND HEALTH.

WHILE ENVIRONMENT AND FOOD HAVE LOWER INDEX NUMBERS THAN PREVIOUS QUARTER, THEY BOTH REMAIN IN POSITIVE TERRITORY.

DESIGN REMAINS IN NEGATIVE TERRITORY FOR FOURTH CONSECUTIVE QUARTER.

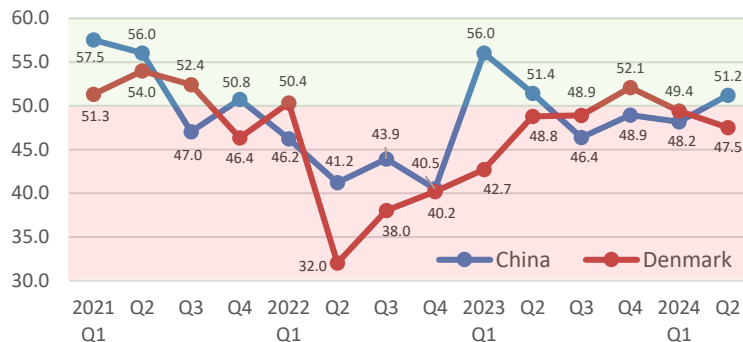


## OUTLOOK IMPROVES FOR RESPONDENTS BASED IN CHINA

THE OUTLOOK IS IMPROVING FOR RESPONDENTS BASED IN CHINA, AND ENTERS POSITIVE TERRITORY FOR THE FIRST TIME IN FOUR QUARTERS.

FOR RESPONDENTS BASED IN DENMARK, THE SHORT-TERM OUTLOOK CONTINUES TO DETERIORATE FOR THE SECOND CONSECUTIVE QUARTER.

THERE IS A SIGNIFICANT DIFFERENCE IN OUTLOOK DEPENDING ON THE VANTAGE POINT OF THE RESPONDENTS.

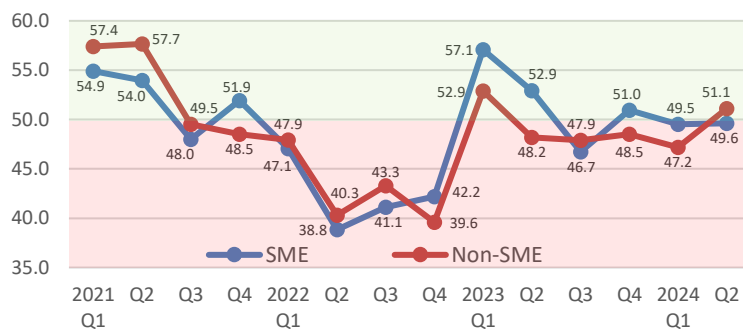


## LARGER COMPANIES MORE POSITIVE IN OUTLOOK ON CHINA

LARGE COMPANIES SHOW AN OVERALL IMPROVEMENT IN THEIR OUTLOOK, BASED ON THE PREVIOUS QUARTER.

SMEs INDICATE A SLIGHTLY NEGATIVE SHORT-TERM OUTLOOK WITH NO MAJOR CHANGE COMPARED TO THE PREVIOUS QUARTER.

FOR LARGE COMPANIES, THEIR OUTLOOK ENTERS POSITIVE TERRITORY FOR FIRST TIME IN FIVE QUARTERS.

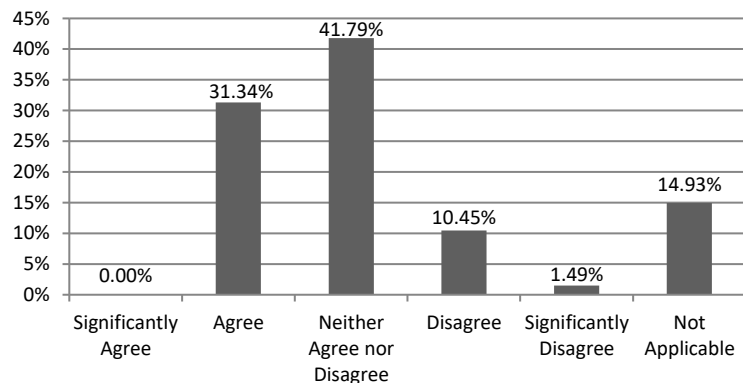


## SOURCING/PROCUREMENT FROM CHINA MORE FAVOURABLE IN 2024 THAN 2023?

WHEN ASKED “BASED ON EXPERIENCE SO FAR THIS YEAR, DO YOU FEEL THAT IT HAS BECOME MORE FAVOURABLE (TERMS OR PRICE) TO SOURCE/PROCURE FROM CHINESE SUPPLIERS IN 2024, AS OPPOSED TO 2023?”, NEARLY A THIRD OF THE RESPONDENTS AGREED.

THE MAJORITY OF THE COMPANIES NEITHER AGREED NOR DISAGREED.

APPROXIMATELY 1 IN 10 DISAGREE OR SIGNIFICANTLY DISAGREE.



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 June 2024 until 19 June 2024 with the participation of 71 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: