

DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX

48.96

The DBOC Index established in January 2021 tracks changes in outlook of Danish companies with activities in China.

The overall picture shows a shifting sentiment across the board with a dip from the strong start to the year. The aggregate index declined to 48.96 in Q2, down from 52.92 in Q1, indicating a softening in sentiment and a return to a negative territory.

THE INDEX EXPLAINED

If a majority indicates 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 indicates a deterioration the index will be <50.

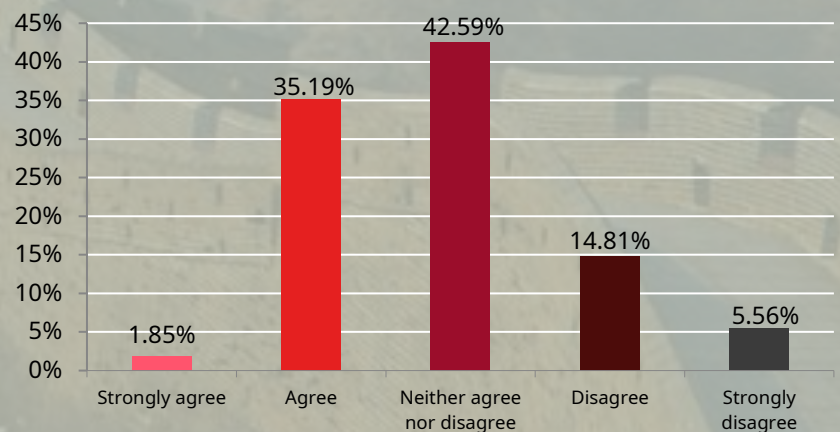
The DBOC is a diffusion index and expresses tendencies in data based on following four weighted parameters:



DECOUPLING AND REDUCED COMMUNICATION LEADS TO MISSED OPPORTUNITIES

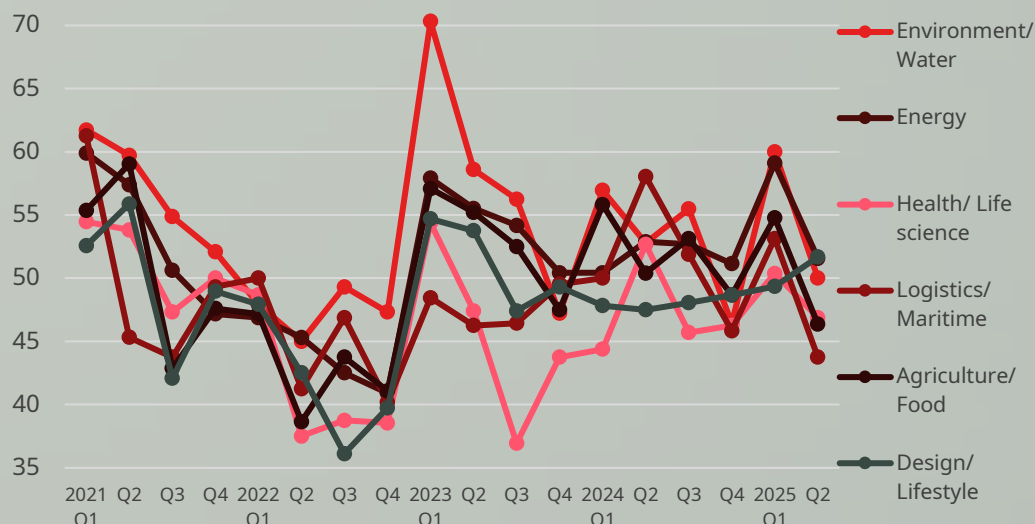
In the recent released EUCCC Business Confidence Survey 2025, almost four in 10 (38%) reported that decoupling between their China operations and their HQ has resulted in a reduced ability to capitalise on new projects or investment plans. More than one in three (36%) reported a slow-down in existing operations as a result.

When asked if respondents could agree that decoupling or reduced communication between their company's China operations and global headquarters have impacted their ability to capitalize on new projects or investment plans more than one third agreed – similar to the results identified by the EUCCC.



FIVE OUT OF SIX SECTORS WITH DECLINING SHORT TERM OUTLOOKS

Sector-wise, Design and Lifestyle was the only category to buck the downward trend, maintaining a stable outlook. All other sectors reported a decline in sentiment during Q2.



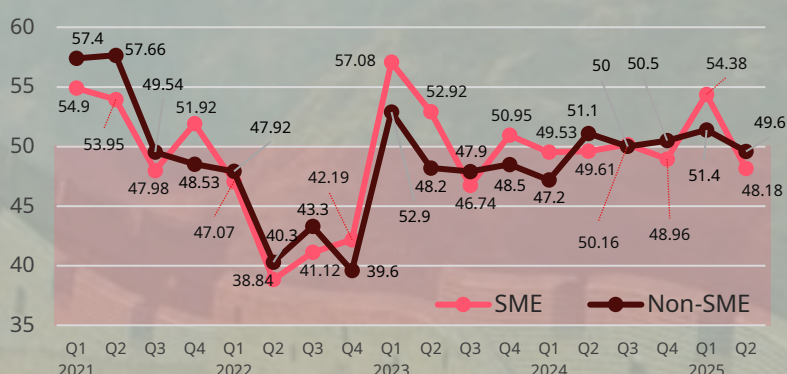
OUTLOOK DECLINES FOR RESPONDENTS BASED IN BOTH CHINA AND DENMARK

Sentiment of the respondents based in Denmark saw a noticeable decrease, with the index falling to 45.46, down from 53.52 in Q1. The respondents based in China, however, showed more resilience with the index there standing at 49.85, compared to 52.77 last quarter.



DECLINING OUTLOOK FOR BOTH LARGE COMPANIES AND SMEs

Large firms reported a modest decline, with a score of 49.6, compared to 51.4 in Q1. SMEs experienced a sharper drop, falling to 48.18 from 54.38, reversing last quarter's strong performance.



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 12 June 2025 until 25 June 2025 with the participation of 54 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: (Background picture by cescassawin, freely accessed through colourbox)



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