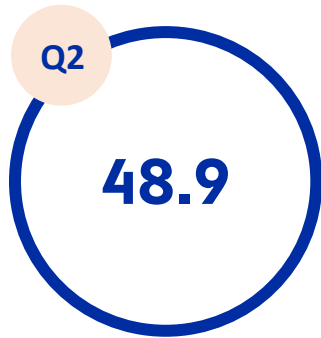
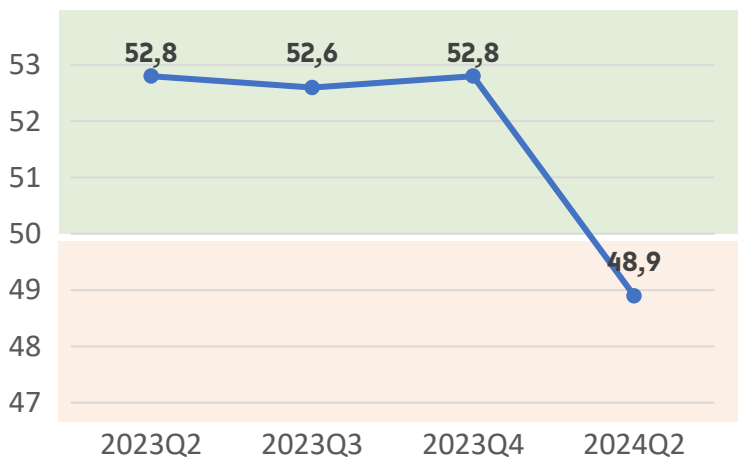


FINNISH COMPANIES' SHORT-TERM OUTLOOK ON CHINA – Q2 2024 SURVEY

20th September 2024



The survey was conducted between 26th August to 4th September in 2024. 60 out of the 366 approached Finnish companies responded to the survey. Results suggest that companies have low confidence in China's economic situation to improve. Notably this is the case with the large enterprises. China is still expected to develop positively as a site for R&D and manufacturing, although also here the trends are declining.

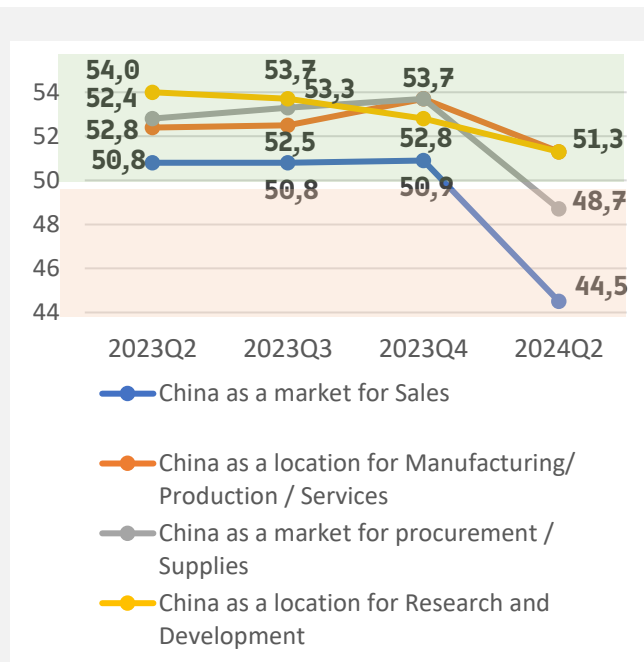


Diffusion Index Explains

If a majority indicate an improvement the index will be >50.

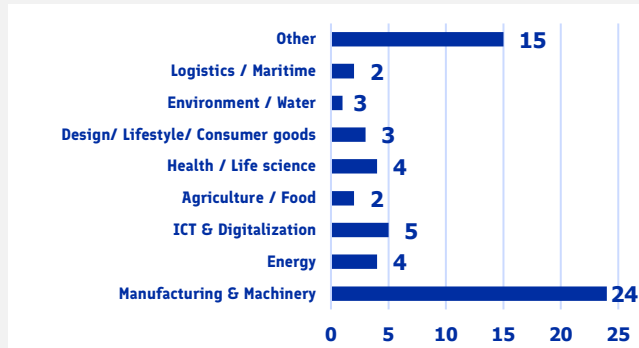
If there are matching positive and negative trends in the data, the index will be exactly 50.

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



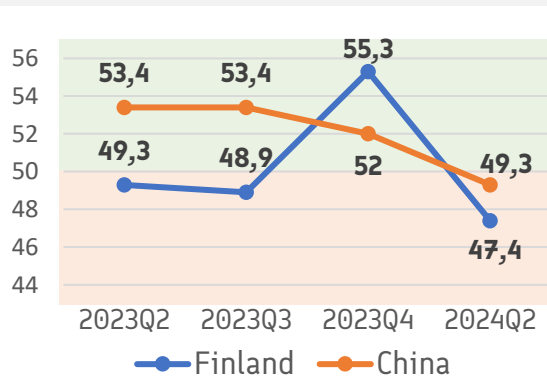
- The outlook for China as a market for sales is dropping for the first time during conducting the surveys
- In all surveyed areas the results are dropping, indicating an overall more pessimistic view of the future, than before.
- According to the survey, Finnish companies now expect China to deteriorate as a market for sourcing.
- China is still perceived to develop positively as a location for R&D and Manufacturing/Production/Services, however with declining trend.

Sector Responding to the Survey

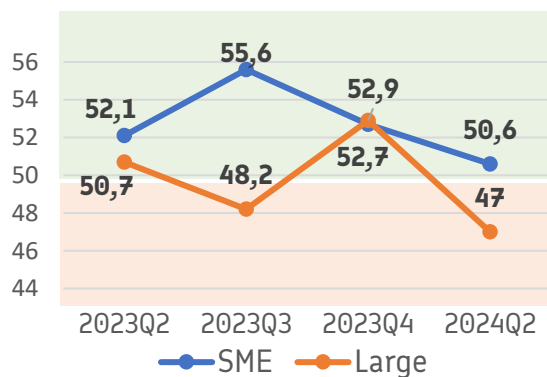


- Response rate (60 responses out of 366 contacted) and industry split are materially comparable to previous two surveys.

Working Location & Company Size

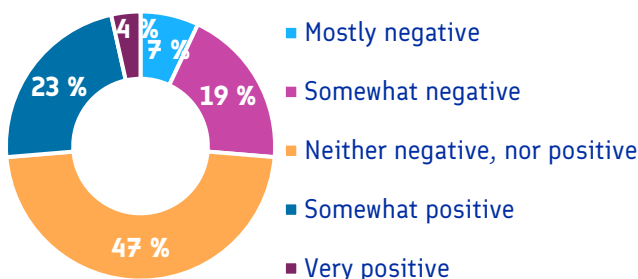


- Responses from both Finland and China show negative trend.
- Sharpest decline in expectation is from the responses in Finland (about 8 points decline)
- Chinese responses are close to neutral, but also declining.



- SME expectations on China market continue to weaken. However smaller companies are still optimistic about the outlook.
- The perception of large Finnish companies has dropped to the lowest level ever during the time surveys have been conducted.

How the recent measures taken by the government have contributed to the confidence for your company to do business in China on long run? The contribution to our business outlook is:



- 26% consider that Chinese government measures contribute negatively on their long run business outlook
- Nearly half don't expect these measures to have an impact.
- 27% expect positive contribution