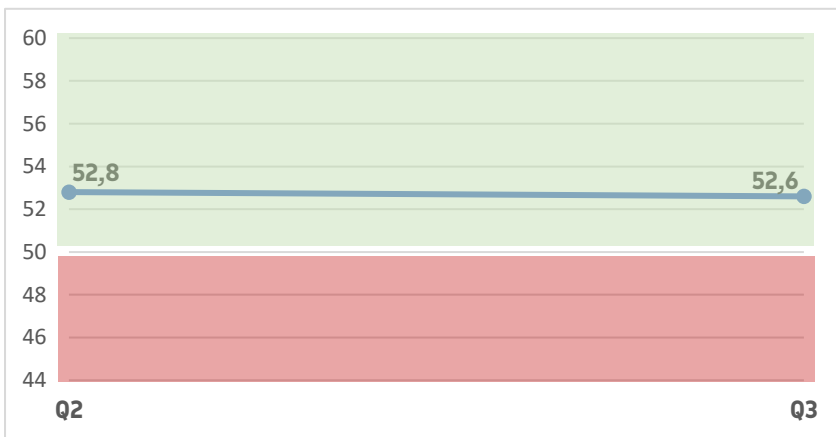


FINNISH COMPANIES' SHORT-TERM OUTLOOK IN CHINA – Q3

30th October, 2023



The survey was conducted between 9th to 13th of October 2023. 65 out of the 365 approached Finnish companies responded to the survey. Despite the negative macro-economic development in China in 3Q, the overall market sentiment of Finnish companies remains essentially the same as in Q2. Results vary between industries and company size. Responses from Finland paint a more pessimistic picture compared to ones received from China.

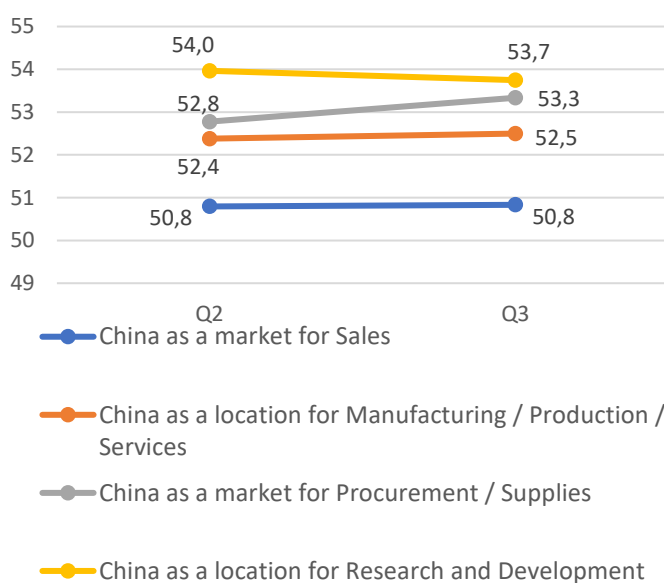


Diffusion Index Explains

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

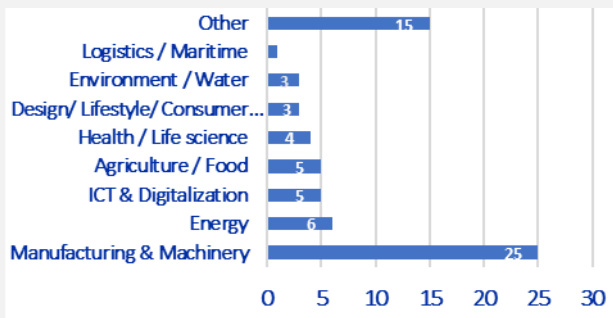
If there are matching positive and negative trends in the data, the index will be exactly 50.

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



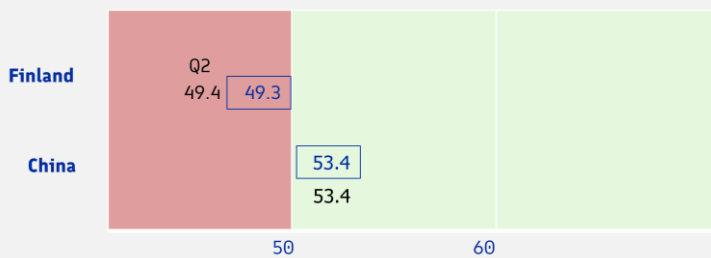
- Outlook for China as a site for research and development declined slightly, but still stays as most optimistic area in survey.
- In Q3 survey, Finnish companies see China market developing more optimistically as a location for sourcing.
- As a market for manufacturing/production /services and sales, the outlook for China remains materially the same in Q3 compared to Q2.

Sectors Responding to the Survey

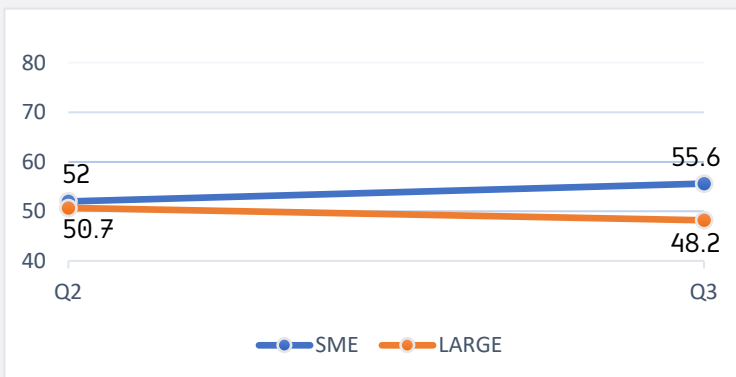


Overall score is dominated by manufacturing & machinery industries, which also illustrates the Finnish industry structure in China.

Working Location & Company Size



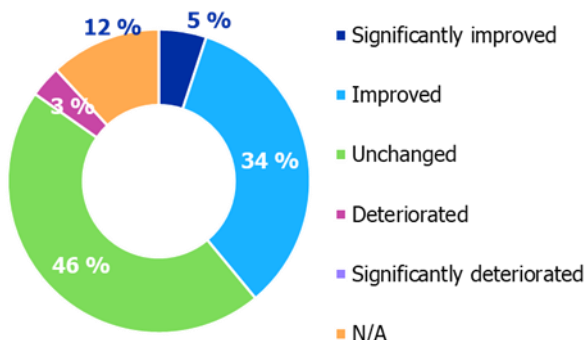
Responses received from Finland reflect deteriorating outlook for China, but the ones responding from China have remained positive and at the same level as in Q2.



Small and medium size companies responded that the outlook for China has clearly improved from Q2.

Large enterprises consider the opposite and their overall sentiment has changed expecting negative development in the market.

HOW THE ACTIONS OF CHINESE AUTHORITIES ON IMPROVING BUSINESS ENVIRONMENT AND BOOSTING FDI INFLUENCE YOUR BUSINESS OUTLOOK?



- 58% consider actions don't have an impact or are not relevant to their business outlook.
- 39% of respondents expect their businesses in China benefit from actions taken by Chinese authorities during Q3.
- 3% consider these actions have a negative impact on their business outlook.