

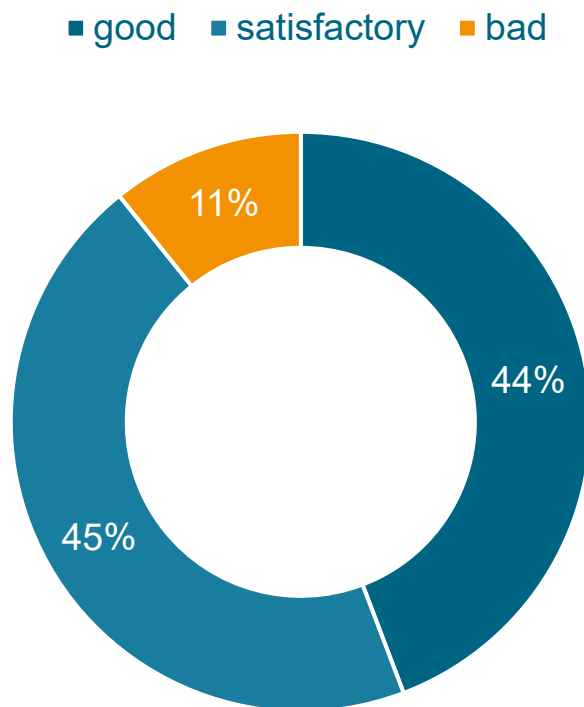
VDMA China - Business Climate Survey Autumn 2021

Survey Results

Beijing, 09.11.2021

Q: How do you evaluate your company's current business situation?

Back to normal level



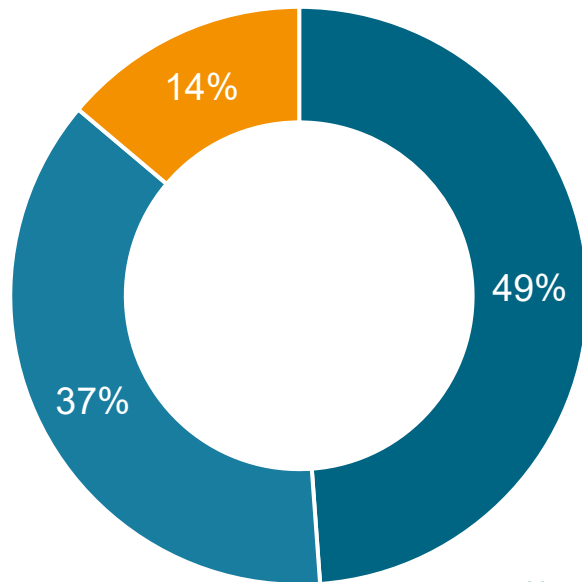
N = 260
Source: VDMA

- » The majority of the participants (89%), report a good (44%) or satisfying (45%) business situation.
- » 11% assess the current situation as bad.
- » While the start of the year has been exceptional good for the mechanical engineering sector in China with only 4% of the participants reporting a bad business situation, business activities in China weakened over the past few month. (For hindering factors, please see slide 10 and 11.)

Q: How do you evaluate your company's current level of capacity utilization?

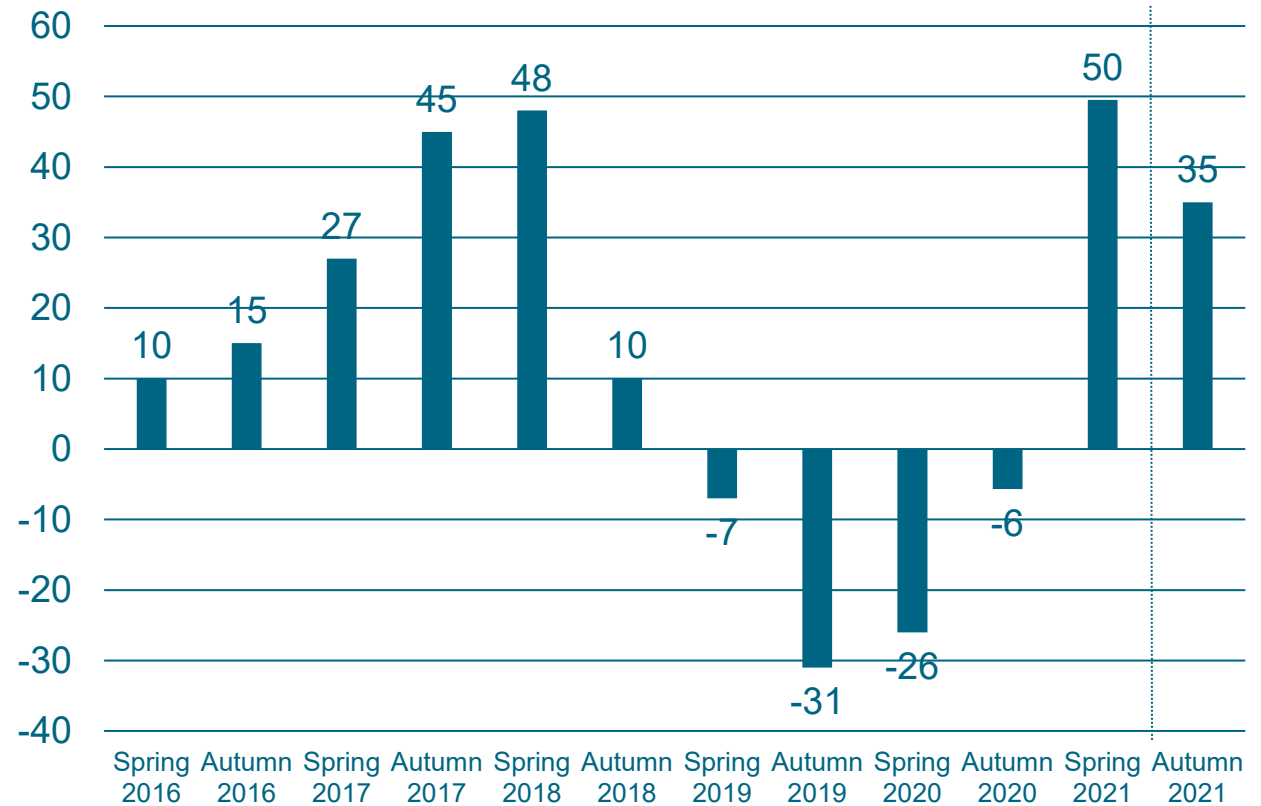
Capacity utilization declining, but still on a relatively high level

■ above normal ■ normal ■ below normal



N = 260
Source: VDMA

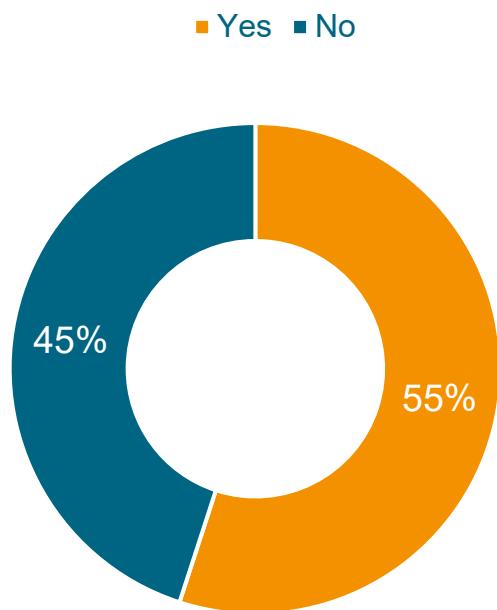
Balance in pts



Q: Is your business currently hindered? If yes, by which factors?

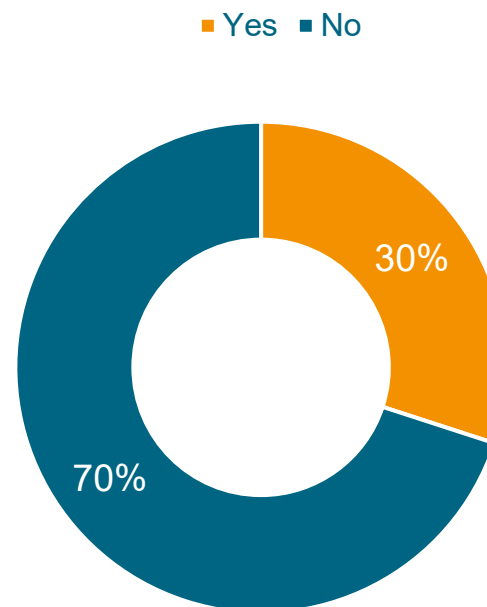
Much more companies are facing factors that are hindering their business operation

Autumn 2021 Result



N = 260
Source: VDMA

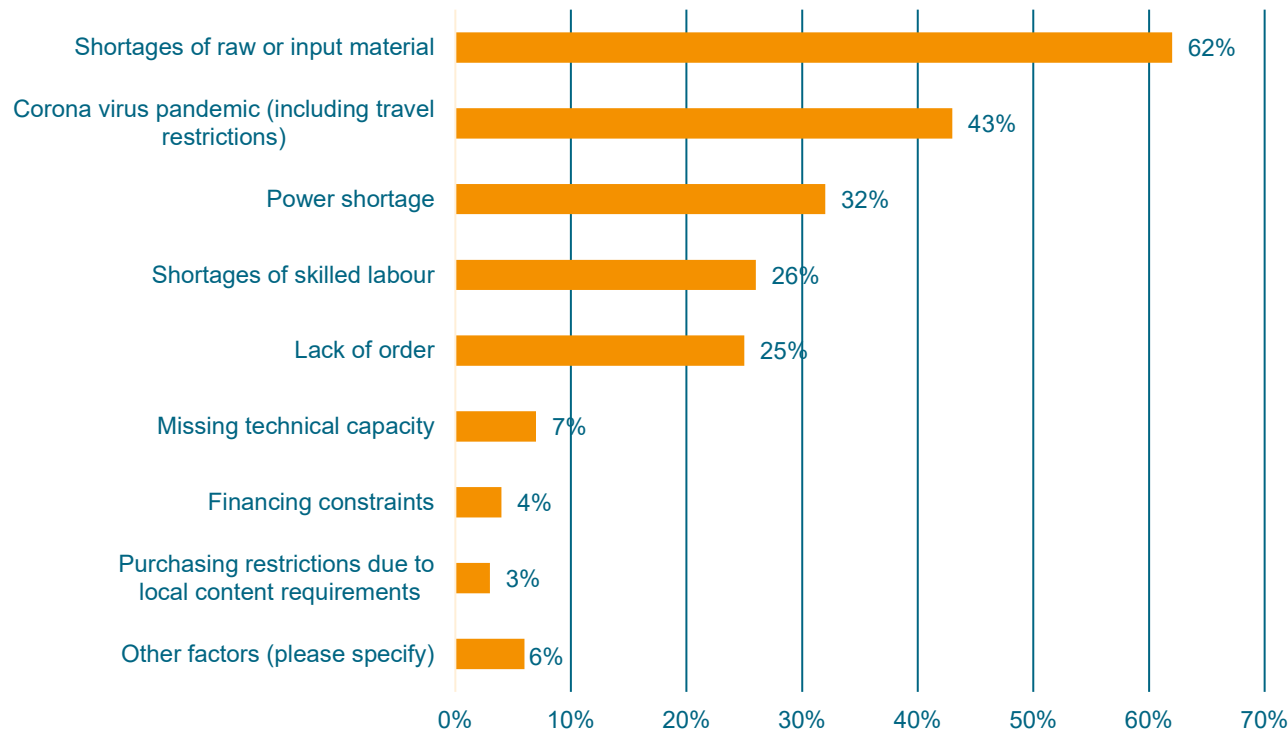
Spring 2021 Result



N = 269
Source: VDMA

Q: Is your business currently hindered? If yes, by which factors?

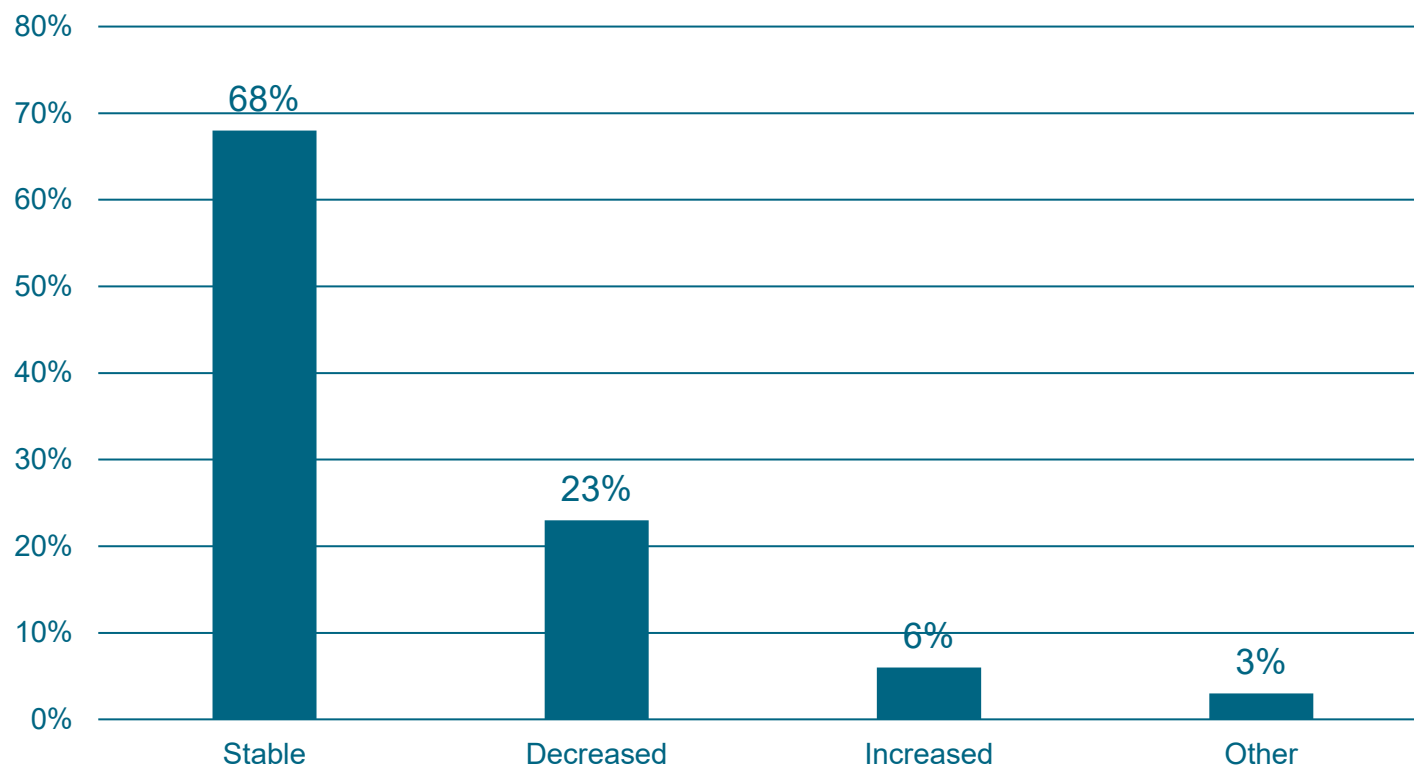
Shortages of material and electricity hinder activities



- » The **shortages of raw and input material** has become the major obstacle.
- » Coronavirus outbreak is still an issue, mainly of the travel restrictions, which are especially relevant for service technicians and management level, but also due to the sporadic outbreaks especially Q3.
- » Newly included to the hindering factors is **power shortage** which has hit many companies in September for the first time and is likely to continue until the end of the year or even until Q1/2022.

N = 143
Source: VDMA

Q17: How did the number of foreign employees (including management) in your company develop since 2020?



N = 186
Source: VDMA