



Quarterly Business Sentiment Survey of CICC Members, Q2

Results and Analysis

July 23rd, 2020



About the Survey

From July 2020, CICC started a **quarterly survey** to gather information on the business sentiment of all our Members in China.

GOAL: direct and up-to-date knowledge of how business is doing in our industries every quarter.

TIMING: at the beginning of each quarter we will learn how the previous one performed and what's the forecast for the following one.

REPLY TIME: 1 minute is enough.

CONTENT: 5 questions, no figures, just assessments.

OUTPUT: results of the survey will be distributed to all Members with data split by geographic area and main industry.

Key Findings

- ✓ Period of time: 10-15 July, 2020
- ✓ Total number of respondents:
171 out of 450 (38% redemption)

**Q2,
First edition**

- ✓ East: 72,51%
- ✓ South: 14,62%
- ✓ North: 8,76%

Location

- ✓ Service Providers, 23,98%
- ✓ Manufacturing, 22,22%
- ✓ Machinery, 15,79%
- ✓ Automotive, 10,53%
- ✓ F&B, 5,26%

**Main
Business
sector**

Executive summary

Survey background

- ✓ High redemption rate of replies (38%)
- ✓ Business sector of the replies are consistent with the proportion of CICC Members
- ✓ Reliable level of data representativity

Q2 orders portfolio

- ✓ Severe reduction of business for 40%
- ✓ Another 40% indicate normal order intake in Q2
 - ✓ 20% had a higher order income in Q2

Q3 trend of new orders

- ✓ 34% still forecasting lower order trend, Slight improvement from Q2
- ✓ Normal order intake grows to 48% from 40% in Q2
 - ✓ 18% expect increase

6-12 months business forecast

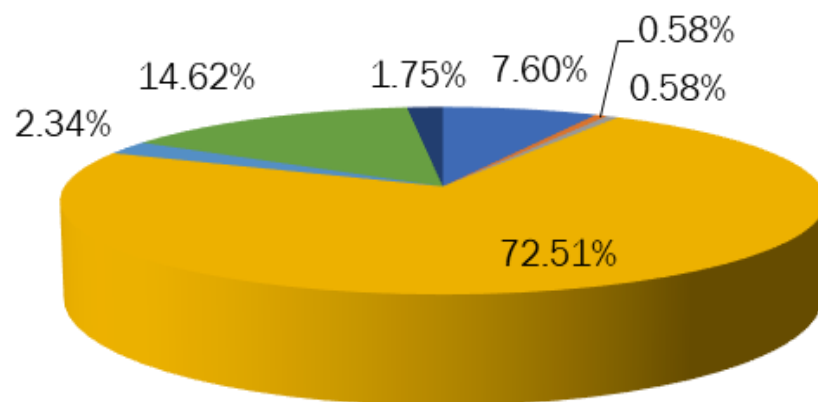
- ✓ 18% lower
- ✓ 41% normal
- ✓ 41% higher

Recovery expected for medium term



Location of the sample

YOUR LOCATION

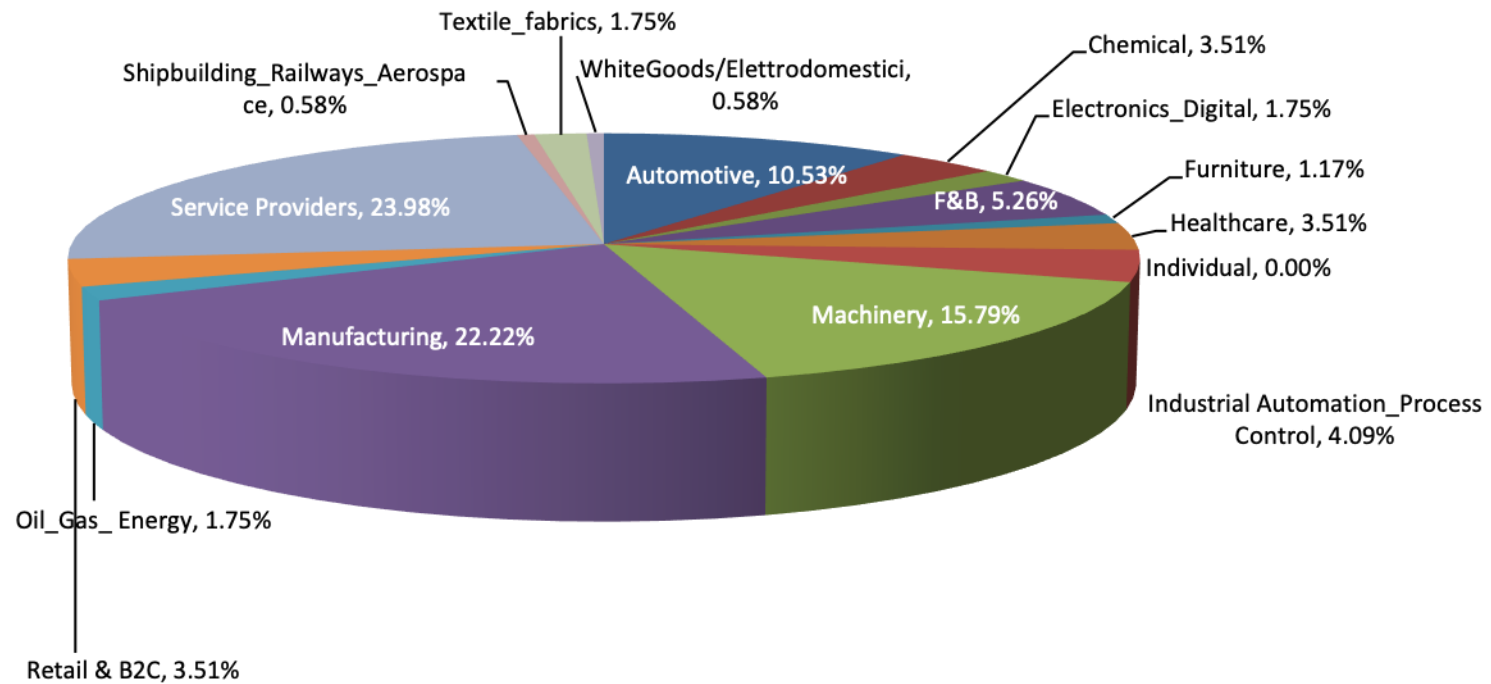


- North China (Beijing; Tianjin; Hebei; Shanxi; Mongolia)
- North-East China (Liaoning; Jilin; Heilongjiang)
- North-West China (Shaanxi; Gansu; Qinghai; Ningxia; Xinjiang)
- East-China (Shanghai; Jiangsu; Zhejiang; Anhui; Fujian; Jiangxi; Shandong)
- South-West China (Chongqing; Sichuan; Guizhou; Yunnan; Tibet)

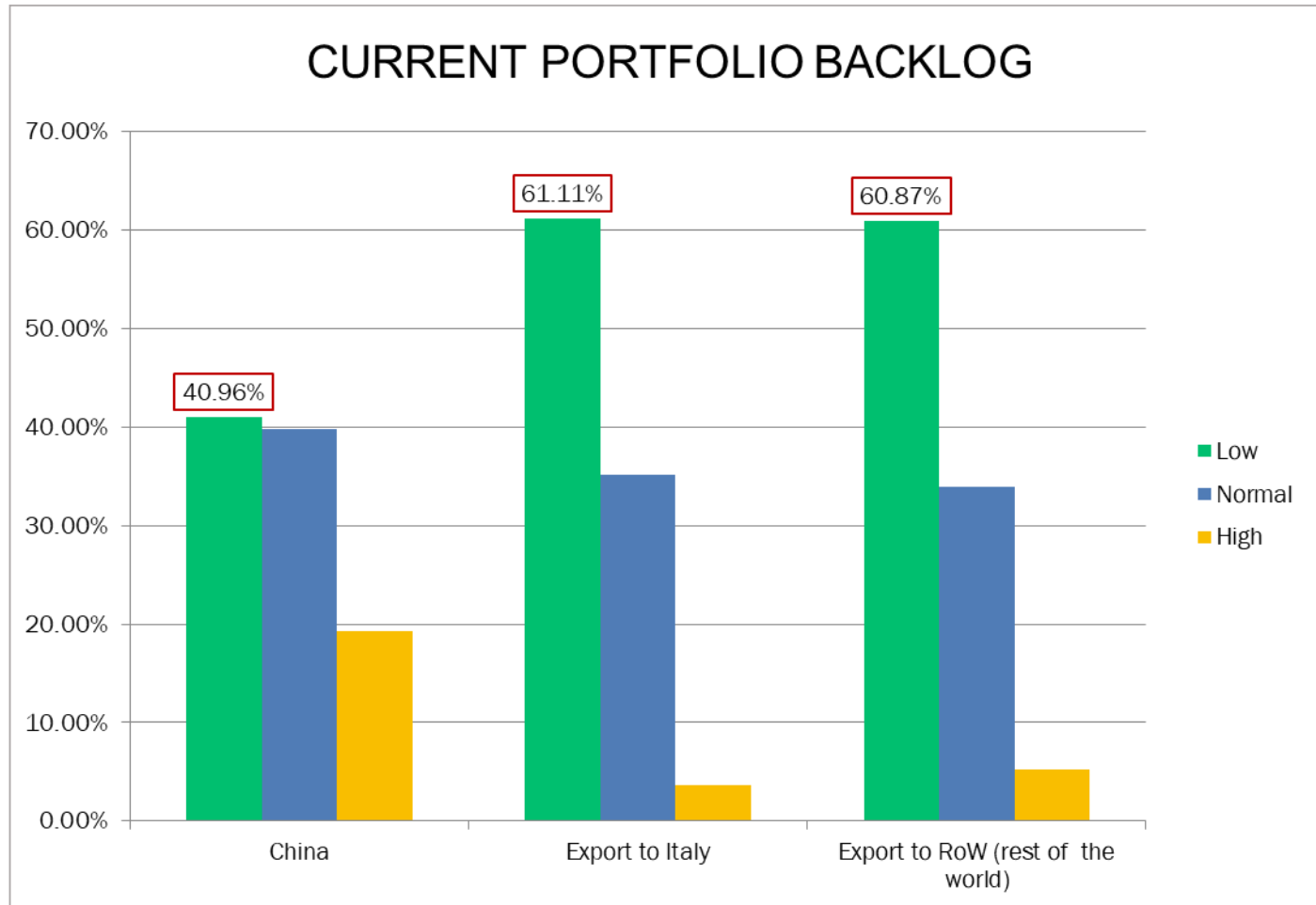


Business sectors of the sample

BUSINESS SECTOR



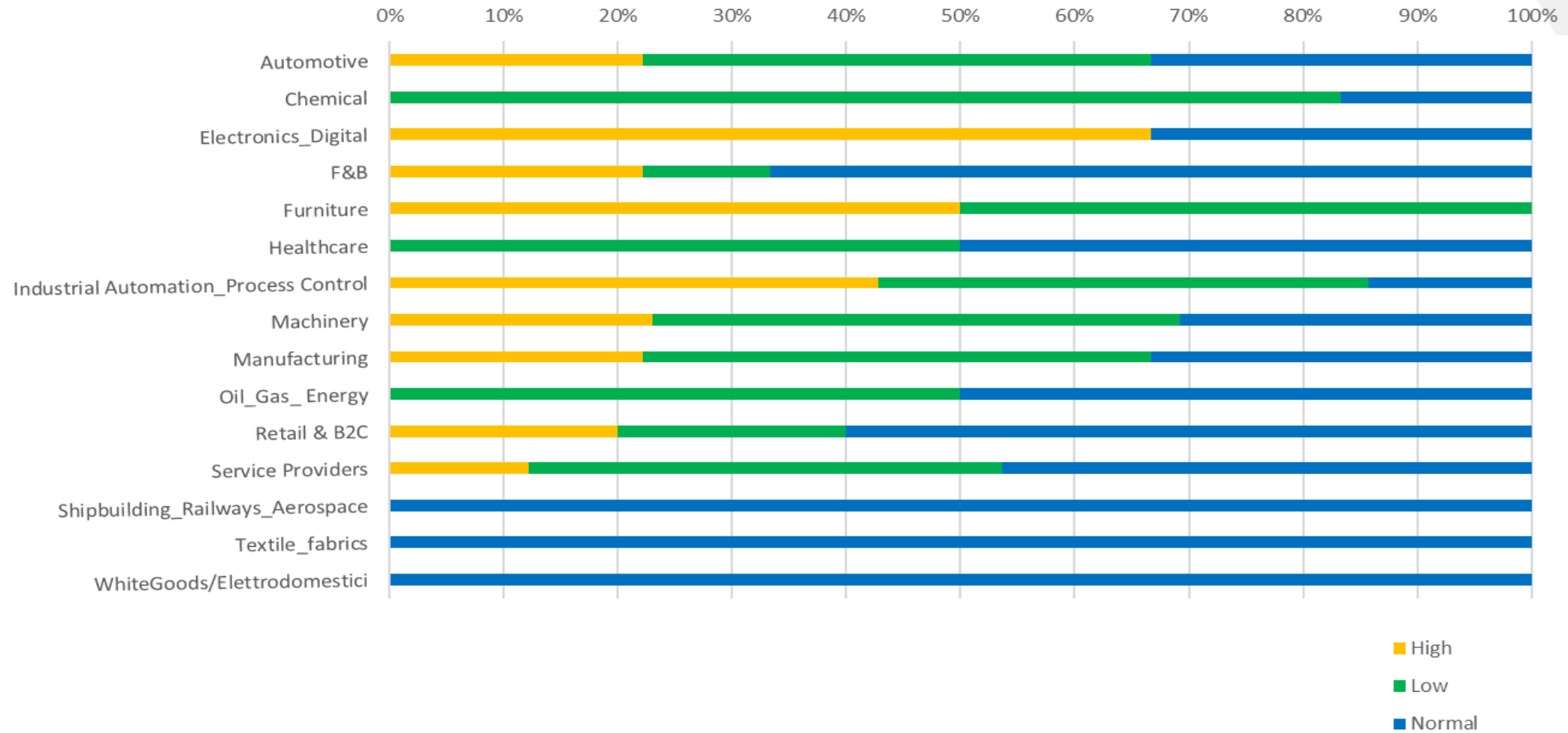
Q2 sales portfolio backlog



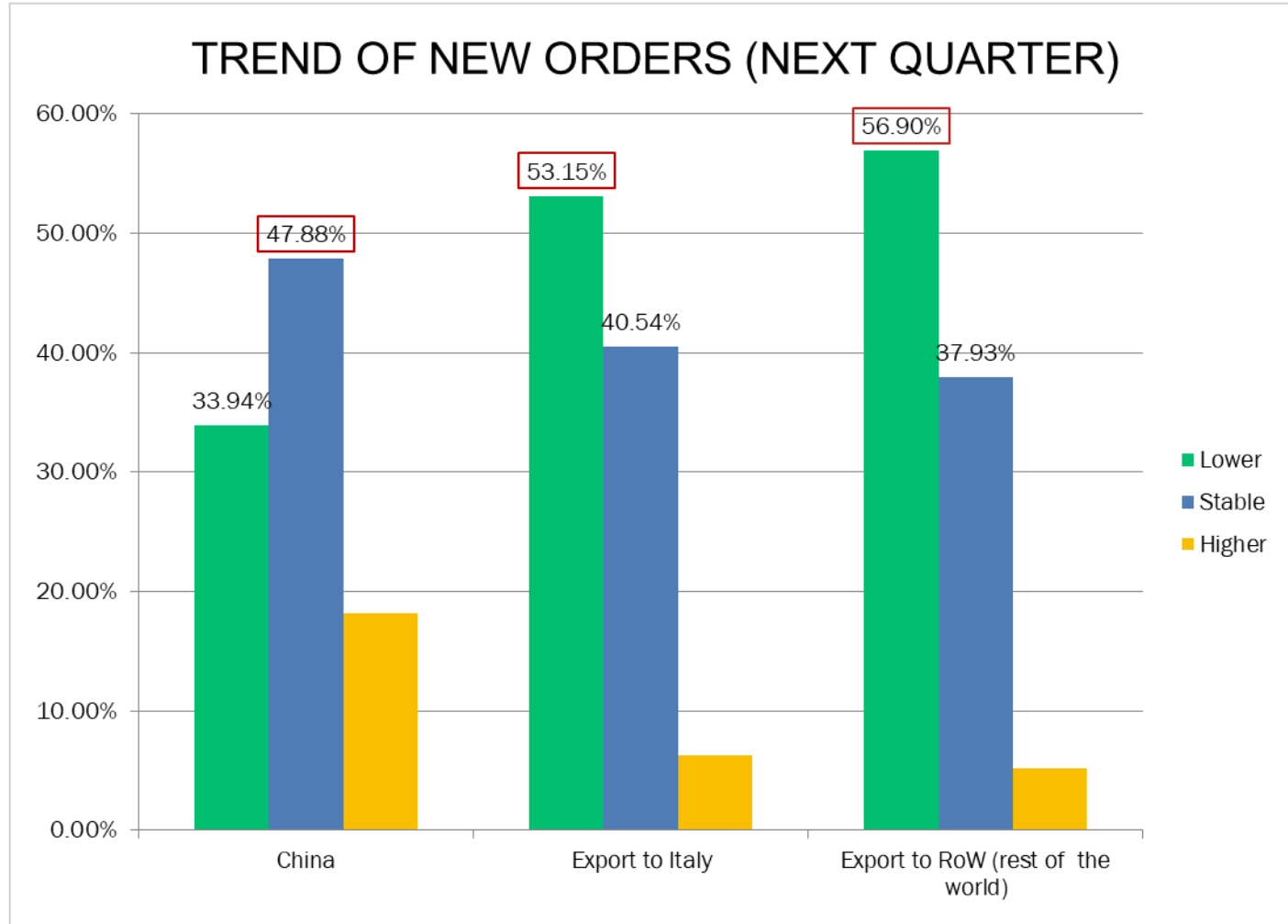
- 41% had low orders intake in Q2, it's a severe reduction caused by Covid-19 that will affect all business area for the following quarters
- 40% had a stable order income in Q2 and this can be considered a positive note during the peak of the epidemic
- A remarkable 20% also increased their orders
- Exporters had a much worse situation compared to domestic sales



Q2 Sales Portfolio Backlog by sectors, **Focus China**



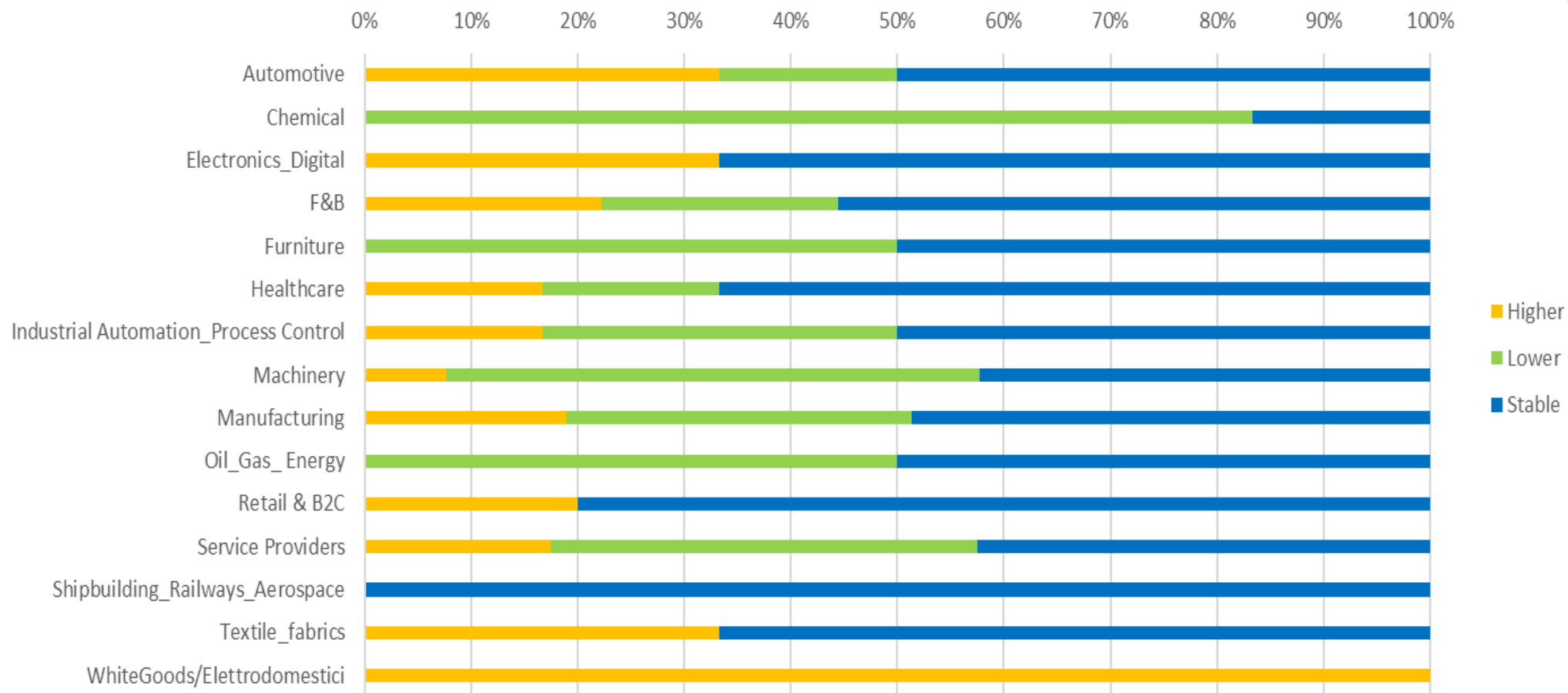
Q3 trend of new orders



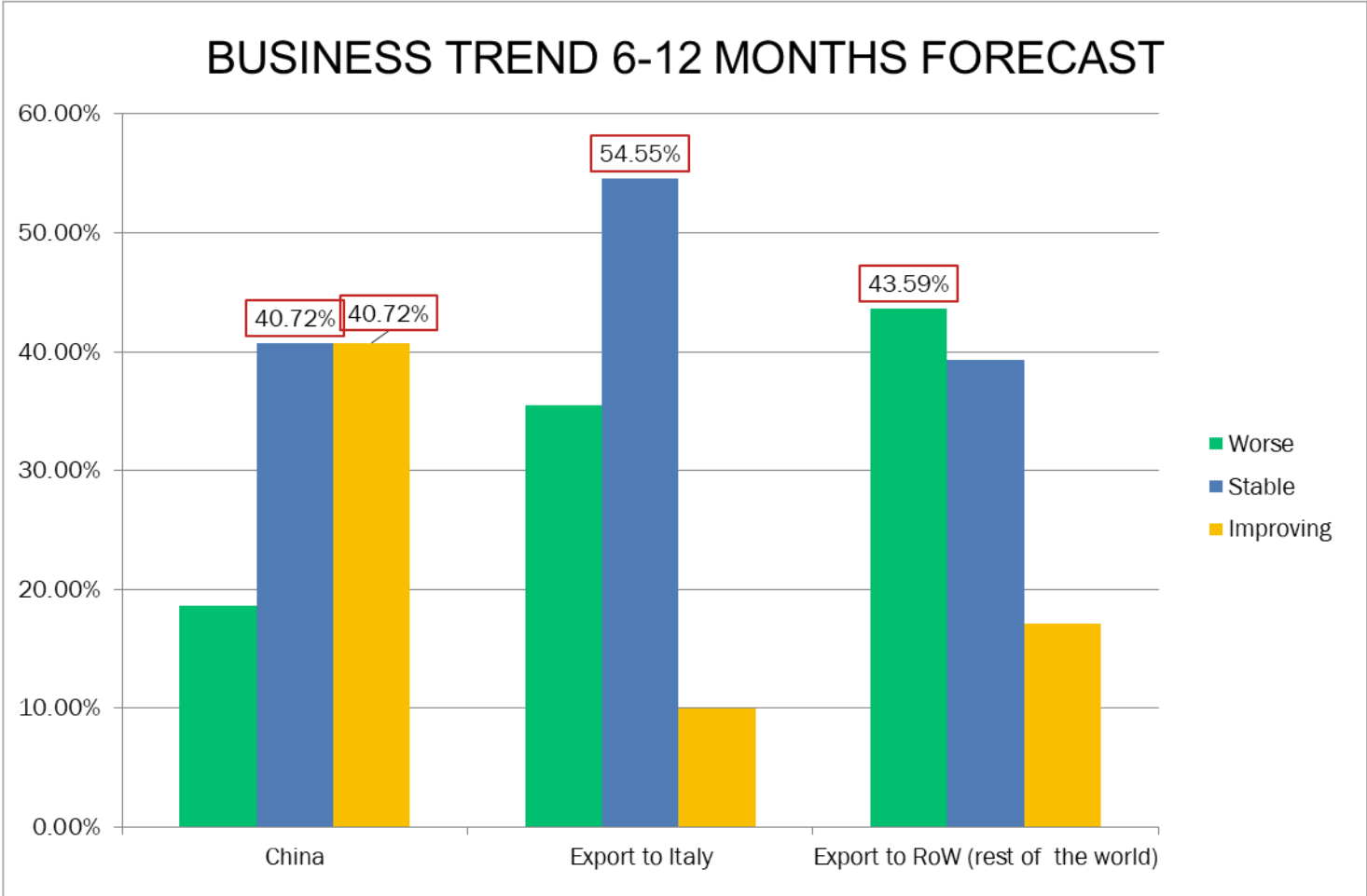
- Compared to Q2 order intake there are signs of slight improvement with new order for Q3 expected to increase by 8% approx.
- Reduction for lower order intake from 40% Q2 to 34% in Q3
- Stability increases from 40% to 48%, while the higher intake is constant
- The improvement is insight for Q3 but at a slow pace
- Exporters have to face a severe worsening for Q3



Q3 Trend of new orders divided by sectors, **Focus China**



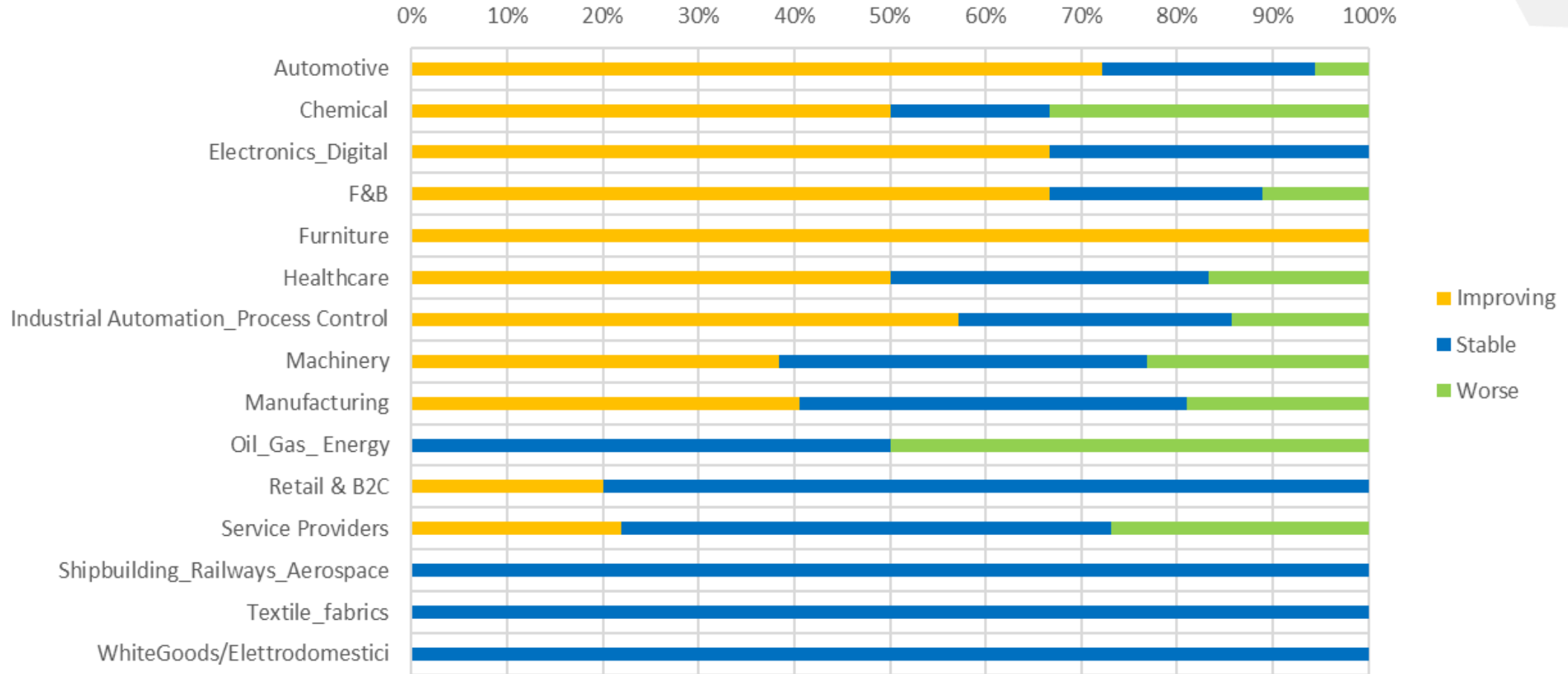
6-12 Months Forecast Business Trend



- Business trend forecast in 6-12 months shows an optimistic outlook boosting both stable and improving expectations to a total of 82%.
- Three main trends:
 - recovery is slow but steady
 - domestic market dominates the positive trend
 - exports will still be severely hit.
- Exporters had a much worse situation compared to domestic sales



6-12 Months Forecast Business Trend divided by sectors, **focus China**





The China-Italy Chamber of Commerce is committed to provide the best possible support to its members.

Thank you for helping us to better help you

See you at the next Quarterly Business Survey (Q3), that will be held in October 2020



About the CICC

The **China-Italy Chamber of Commerce (CICC)** is the only business organisation recognised by both the **Italian Government (Ministry of Economic Development, MiSE)** and **People's Republic of China (Ministry of Civil Affairs, MoCA)** that aims to boost the internationalisation of Italian business and to promote the “Made in Italy” in the PRC.

Established in 1991, CICC has now offices in Beijing, Chongqing, Guangzhou, Shanghai and Suzhou.

The CICC Members represent the Italian business community such as public-invested and multinational corporations, small and medium-sized enterprises (both manufacturing and commercial), service companies etc.

To companies settled in China and those with on-going business within the Chinese market, the CICC offers informative, training and business networking opportunities. Besides, the CICC qualifies itself as a voicing platform for them to share topics of common interest. To companies interested in strengthening their business in China, the CICC offers consultancy, assistance and marketing services.

The established network together with the institutional endorsement provided the CICC with the opportunities to organise several activities boosting private businesses, b2b, institutional and business missions, participation to fairs both in China and in Italy, networking events, gala dinners, awarding ceremonies, culinary events, concerts, career days, etc.



中国意大利商会
China-Italy Chamber of Commerce

@chinaitalycc
#ChinaItalyChamberofCommerce



China-Italy Chamber of Commerce

ChinaItalyCC



China-Italy Chamber of Commerce

China-ItalyChamberofCommerce



中国意大利商会



Camera di Commercio Italiana in Cina
中国意大利商会
China-Italy Chamber of Commerce

Quarterly Business Sentiment Survey of CICC Members, Q2

