



BUSINESS CLIMATE FOR SWEDISH COMPANIES IN CHINA 2017

A JOINT REPORT FROM TEAM SWEDEN IN CHINA

BUSINESS CLIMATE FOR SWEDISH COMPANIES IN CHINA 2017 IS A JOINT PUBLICATION FROM TEAM SWEDEN IN CHINA, THE EMBASSY OF SWEDEN BEIJING, THE CONSULATE GENERAL OF SWEDEN IN SHANGHAI, THE SWEDISH CHAMBER OF COMMERCE IN CHINA AND BUSINESS SWEDEN CHINA.



TEAM SWEDEN IN CHINA WOULD LIKE TO THANK THE PARTICIPATING COMPANIES IN THIS YEAR'S BUSINESS CLIMATE SURVEY:

Elanders, ABB (China) Limited, Talentor China, Vikland Stockholm AB, Lovepac Converting Beijing, Alimak Hek Vertical Access Equipment (Changshu) Co.Ltd., Sweden Air Handling, Silvent (Shanghai), Lyckeby Culinar Shanghai Co. Ltd, Bulten Fasteners (China) Co. Ltd, Advanced Technical Solutions Beijing Limited, Abacare, IKEA (China) Investment Co., Ltd., FESCO Adecco, business research ltd, Copenhagen Malmo Port, Radisson Blu Hotel Beijing, Visit Sweden, Perstorp Shanghai Chemical Trading, Ericsson (China) Company Limited, The Essential Learning Group, Nordic Ways, AntikWest Oriental Antiques Sweden, Current Consulting Group, Car-O-Liner, LKAB, Green Fortune, Kairos Future, Nordic Water Products, Norman global logistics, GUNNEBO, SACT AB, NPG AB, HSF Wuxi Electro Mechanical Co., Ltd, China projects holding / White peak, AP&T (Shanghai) Automation, Press and Tooling Trade Co. Ltd., Grow HR, Mastec Precision Machinery Co. Ltd., Nynas Petroleum (Shanghai) Co. Ltd., Danske Bank A/S Beijing Representative Office, Bamboo Business Consulting (SHANGHAI) CO., LTD., Pinkerton (Shanghai) Security Management Services CO, Diab (Kunshan) Co., Ltd & Diab New Materails (Zhangjiagang), Fingerprint Cards AB, Kinaresor Draken AB, APC Logistics, Roxtec, Mercuri Urval, Texo Pacific Co., Ltd., Danfoss, Absolent (Beijing) Co., Ltd., CBG Shanghai, Hexagon Metrology (Qingdao) Co., Ltd., Prime Cargo (Shanghai) Limited, Volvo (China) Investment Co., Ltd., IVL Swedish Environmental Research Institute, New Wave Trading (Shanghai) Co.,Ltd, Karlsson spools, Fonden för Exportutveckling, HP Tronic Suzhou Co., Ltd, Scania, Fagerhult Lighting Systems Co, Ltd, MPS China, New Wave Trading Shanghai Ltd, Wallvision AB, ROL, Getinge Group Maquet Shanghai Medical Equipment Co., Ltd, Permobil, Beijer Electronics, Suzuki Garphytan Wire (Suzhou) Co., Ltd, Cellwood Machinery, Trading (Shanghai) Co.,ltd, Nordic Ways, Teleopti, Celemi , Shanghai Arenco Machinery Co.,Ltd., Shine Kultur International, Blueair China, KMT Precision Grinding Technology Beijing Co., Ltd, Bona Trading (Shanghai) Co., Ltd., SEB, AWA Asia, Elekta, Nord-Lock, Mannheimer Swartling, Mölnlycke Health Care, Yogiboost, Linnaeus University, Halmstad University, Asia Perspective, Bamboo Business Consulting (Shanghai) Co, Ltd, Bonzun, Diaverum, Nordic Business House, Dalian FKAB Marine Engineering Co., Ltd., DNB bank, LeanDev, Swedbank, Ericsson (China) Communications Company Ltd, Rosers Hotel & Event, Environmental Air of Sweden AB, Granges Aluminium Shanghai co.,ltd, MPS China Management Consulting Co., Ltd., Wallenius Wilhelmsen Logistics China Ltd., HemoCue, Jula Asia Co. Ltd., Elme Spreader Trading Shanghai, HMS Industrial Networks AB Beijing Rep. Office, Brokk (Beijing) Machines Co., Ltd., Swedbank Shanghai Branch, Fredriksons Industry (Suzhou) Co., LTD, Shellman ltd., Cue Dee (Suzhou) Co., Ltd., Specma Co., Ltd., Elpress (Beijing) Electrical Components Ltd., Lotus Travel Holding AB, voestalpine, Silvent, Sino Matters Ltd., Gnotec Automotive Parts (Kunshan) Co., Ltd.

FOREWORD

China continues to be one of the most important markets for Swedish companies and entrepreneurs. In 2016 the Swedish export to China reached approximately 46 billion SEK while imports amounted to 59 billion SEK which makes China Sweden's largest trading partner in Asia. Swedish companies have an impressive footprint on the Chinese market, offering innovative and high-tech solutions as well as showing long-term commitment. This has benefited both countries and created many job opportunities.

The Chinese market and global economic importance will continue to grow. As China continues to develop economically, although at a slightly lower but still impressive pace, changes in the Chinese growth model as well as new laws and regulations impact the performance of Swedish companies as well as creates new opportunities. The interest in Swedish solutions, no matter the area, have also grown in pace with China's efforts to manage environmental challenges and accelerating urbanization. One important finding from this survey is that Swedish companies attach great importance to the Chinese market and that their global performance relies on their growth in China.

The Swedish government is a strong supporter of free trade and open markets. This survey offers an important source of reference to the bilateral trade dialogue between Sweden and China, as well as for Sweden's continued efforts to promote an open and prosperous business environment for foreign companies in China. We hope the results from this survey also serve as a tool to aid companies in the process of understanding the market, ultimately contributing to the continued success of Swedish companies in China.

Finally, we would like to extend a sincere thank you to the Swedish companies and individuals who have contributed to this survey. Without your commitment this survey would not have been possible!

Anna Lindstedt, Ambassador of Sweden to China
David Hallgren, Trade Commissioner
Martin Vercouter, Swedish Chamber of Commerce in China

ABOUT THE REPORT

The Business Climate for Swedish Companies in China 2017 report is conducted jointly by The Embassy of Sweden in Beijing, Business Sweden and The Swedish Chamber of Commerce in China. The purpose of these surveys is to further our understanding of the performance of Swedish companies, challenges and opportunities that companies are facing as well as their outlook for the Chinese market.

The participating companies in this survey are either based in Sweden, have Swedish stakeholders, are part of a Swedish conglomerate or have other significant affiliation with Sweden. The companies range from large multinational corporations to small and medium-sized companies (SME) and cover a wide range of sectors. With over 100 high level representatives from these companies responding to this survey, it provides an extensive view on how Swedish companies view the business climate in China and their performance in one of Sweden's most important markets.

The report is divided into five sections; the Swedish Footprint, Market Outlook, Business Climate, Competitive Landscape and Labour Market followed by the appendix. The majority of the questions in the survey are similar to previous surveys in order to allow for comparison over time. However, some new questions have been added on the topic of CSR activity and strategic direction.

EXECUTIVE SUMMARY

The success of Swedish companies on international markets is crucial for Sweden's future development and for the creation of jobs. In China, the world's second largest economy, the development in terms of export revenue growth has been seemingly slow, where Sweden's exports to China increased with just 2% in 2016 compared with the previous year, reaching a total of SEK 46 billion. However, when studying Swedish companies' total revenue in China a different picture emerges. When assessing the revenue of these companies, which serves as a better indicator of the real importance of China for Swedish companies, one finds that their revenue not only grew at a substantially higher rate than exports, but also that revenues are several times greater than the value of Swedish exports. That the majority of the respondents in this year's survey answered that China is a top three market in terms of group revenue further underscores the real importance of the Chinese market for Swedish companies. Additionally, the importance of the market is increasing where a larger share of corporate revenues originated from China, as the revenue of large Swedish companies generally grew faster in China than in the rest of the world during 2016.

The increasing reliance on the Chinese market for Swedish companies mean that the companies are ever more dependent on changes in China's business climate, and the impact of changes in areas such as governmental policies and regulations, macro-economic development and competitive dynamics will increase.

More than 7 out 10 companies forecast increased revenues in 2017 compared to 2016 while fewer than 10 percent expect a decrease. Moreover, twice as many respondents are either very satisfied or satisfied with the current business climate in China compared to those who are unsatisfied or very unsatisfied. For the future outlook of the business climate in the country the results demonstrate a similar ratio of positive versus negative responses. These cautiously optimistic results stand in contrast to the those of the latest Climate Survey performed by the American Chamber of Commerce released in January 2017, where respondents described the business climate to be less welcoming than previously for foreign companies and where the profits as well as investment climate is deteriorating. The difference is noteworthy as the two surveys presented similar results in all other regards.

Despite the relative optimism in the result of this study respondents perceive that Swedish companies on account on being foreign entities suffer unfavourable treatment by the government compared to their Chinese counterparts. According to the results of this study this favouritism of domestic companies stands out as one of the two primary challenges that Swedish companies are facing in China. The second one being the shortage of skilled labour.

In summary this survey shows that the Chinese market continues to be multifaceted with both great opportunities for growth but also no shortage of challenges.

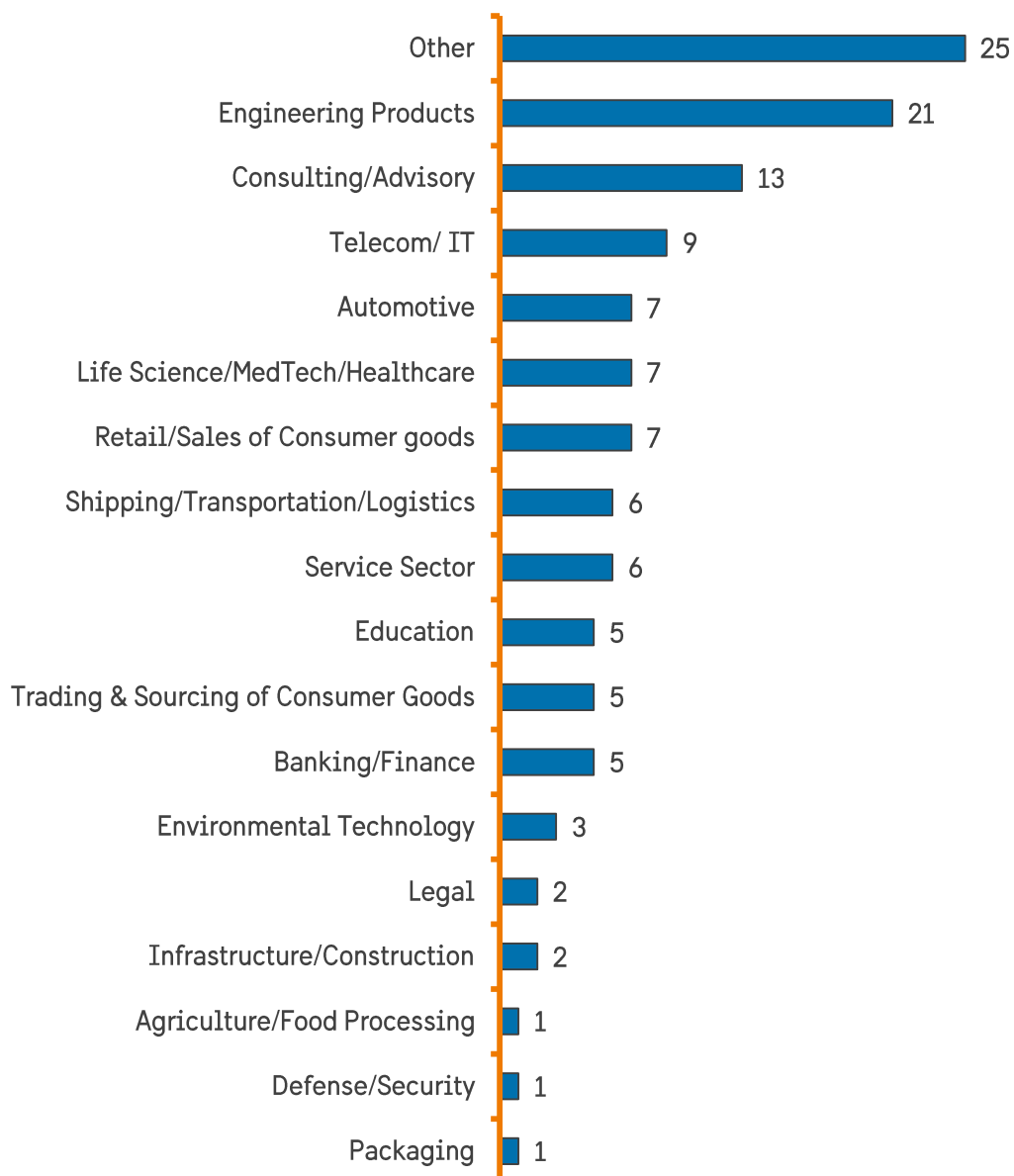
1. SWEDISH FOOTPRINT

SWEDISH COMPANIES IN CHINA ARE PRESENT ACROSS A WIDE SPECTRUM OF INDUSTRIES

Swedish companies in China operate in a wide spectrum of industries, ranging from traditional heavy industry such as automotive and telecom to retail and consumer goods and thus services. Those active in various engineering and technology sectors account for a large share. The large number of responding companies stating to belong to “other” industries highlight the diversity of the Swedish footprint in China.

WHAT IS THE MAIN INDUSTRY FOR YOUR COMPANY’S OPERATIONS IN CHINA?

(N=126)



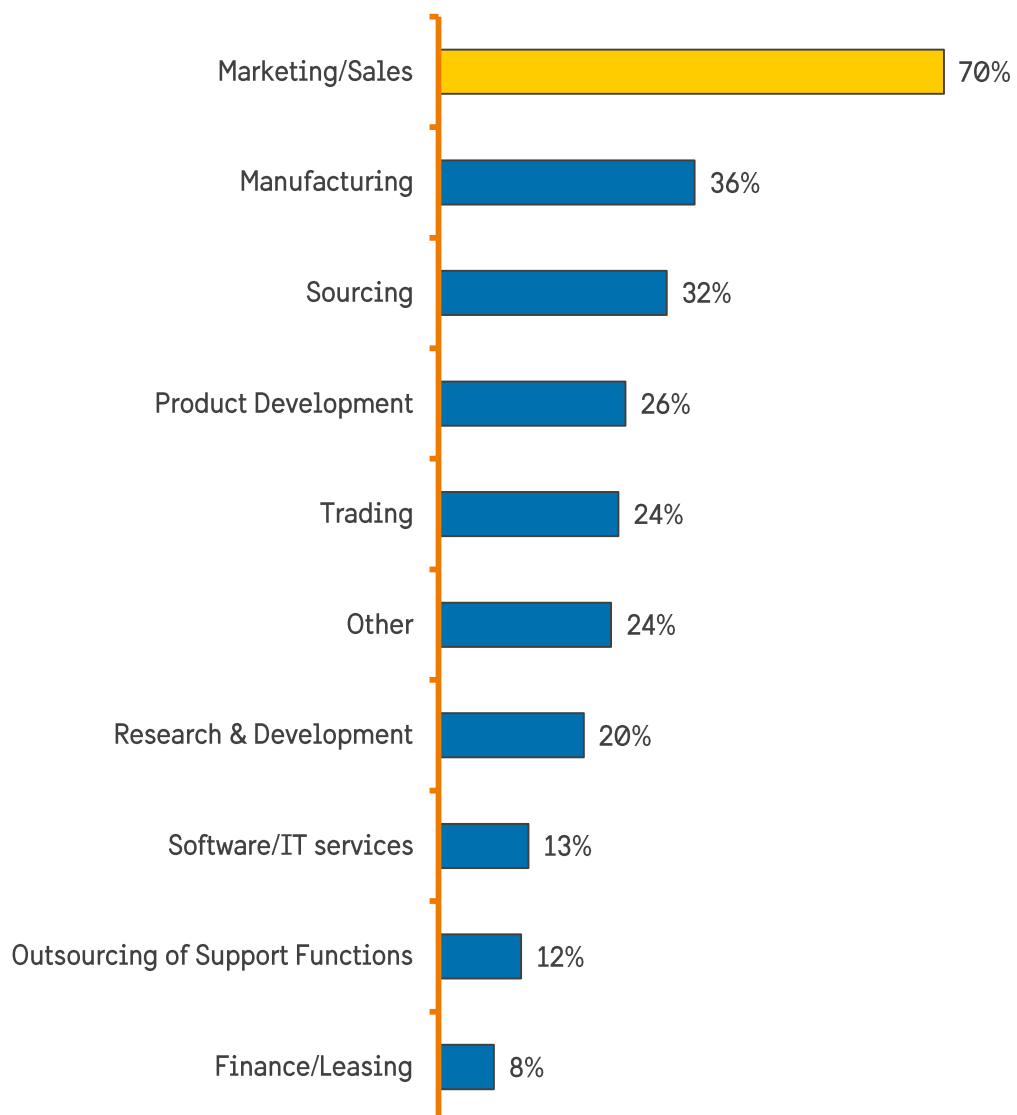
1. SWEDISH FOOTPRINT

A VAST MAJORITY OF THE COMPANIES ENGAGE IN SALES ACTIVITIES FOLLOWED BY MANUFACTURING

A large number of operational activities are being carried out by the Swedish companies in China, where a clear majority perform marketing and sales activities. Manufacturing and sourcing activities are performed by around a third, whereas about a fourth of the responding companies state to carry out product development. Closely linked but yet separated, a fifth of responding companies have research and development operations in China.

WHAT OPERATIONS DO YOU CARRY OUT IN CHINA?

(MAXIMUM 3 SELECTIONS)



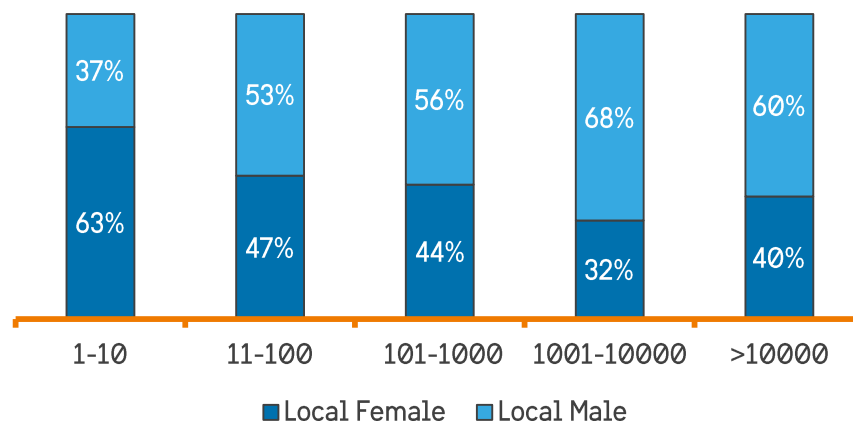
1. SWEDISH FOOTPRINT

LOOKING AT THE WORKFORCE, WOMEN ACCOUNT FOR AROUND 40% OUT OF TOTAL AMONG SWEDISH COMPANIES IN CHINA

The vast majority of all employees working for the Swedish companies in China are locals and women account for around 40% of the total headcount. In smaller companies the women outnumber their male counterparts. Moreover, the results show that there is a lower percentage of female expatriates in medium-sized companies than in small or large companies.

THE PERCENTAGE OF LOCAL EMPLOYEES THAT ARE MALE/FEMALE

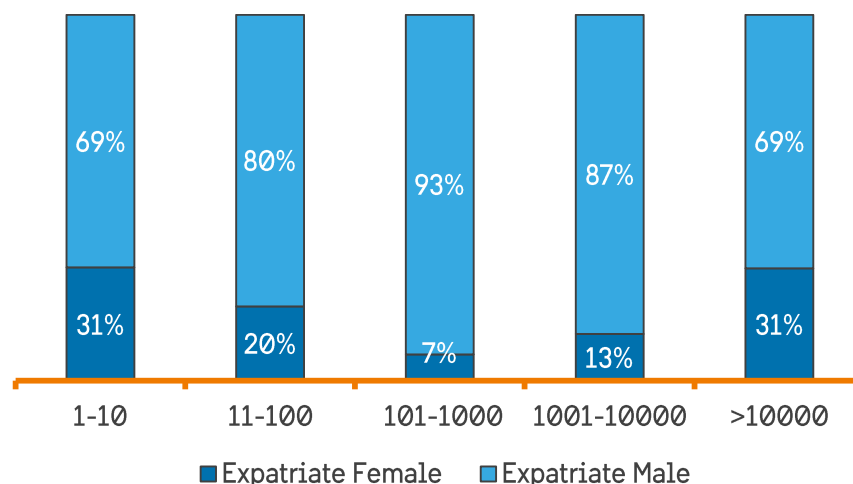
(THE GRAPH SHOWS THE AVERAGE AMONG RESPONDENT COMPANIES DIVIDED IN GROUPS BASED ON COMPANY SIZE IN TERMS OF NUMBER OF EMPLOYEES)



In smaller companies local female employees outnumber their male counterparts

THE PERCENTAGE OF EXPATRIATES EMPLOYEES THAT ARE MALE/FEMALE

(THE GRAPH SHOWS THE AVERAGE AMONG RESPONDENT COMPANIES DIVIDED IN GROUPS BASED ON COMPANY SIZE IN TERMS OF NUMBER OF EMPLOYEES)



There is a higher percentage of female expatriates in small and large companies than in medium-sized

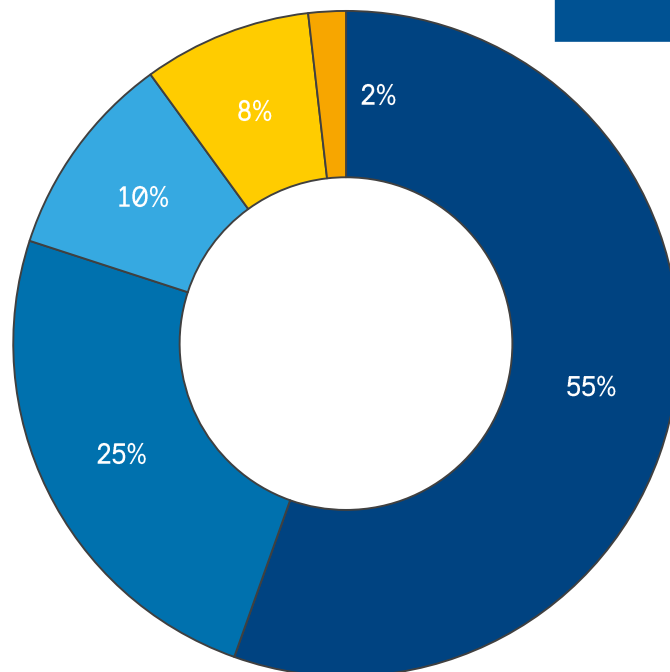
1. SWEDISH FOOTPRINT

INNOVATION AND DIFFERENTIATION ARE THE PRIORITIZED STRATEGIC INITIATIVES

Over half of the responding companies state that their key strategic initiative to succeed in China in the coming three years is to increase innovation and to drive differentiation of products and services. To improve cost competitiveness by increased efficiency is stated as the primary strategic initiative for one quarter of the responding companies, whereas a tenth see opportunities within digitalization and e-commerce as the most important strategic initiative to succeed in China over the coming three years.

WHAT IS YOUR TOP STRATEGIC INITIATIVE TO SUCCEED IN CHINA OVER THE COMING THREE YEARS?

To seize opportunities in E-commerce and digitalization is the main strategic initiative for 1/10 of the responding companies



- Increase Innovation and Drive Differentiation of Products and Services
- Improved Cost Competitiveness through Efficiency
- Capture Digitalization and E-Commerce Related Opportunities
- JV and Acquisitions for Growth and Access to New Markets/Segments
- Other

2. MARKET OUTLOOK



Yogiboost's first Chinese franchise store, opened in September 2016 at the KK ONE shopping mall in Shenzhen.



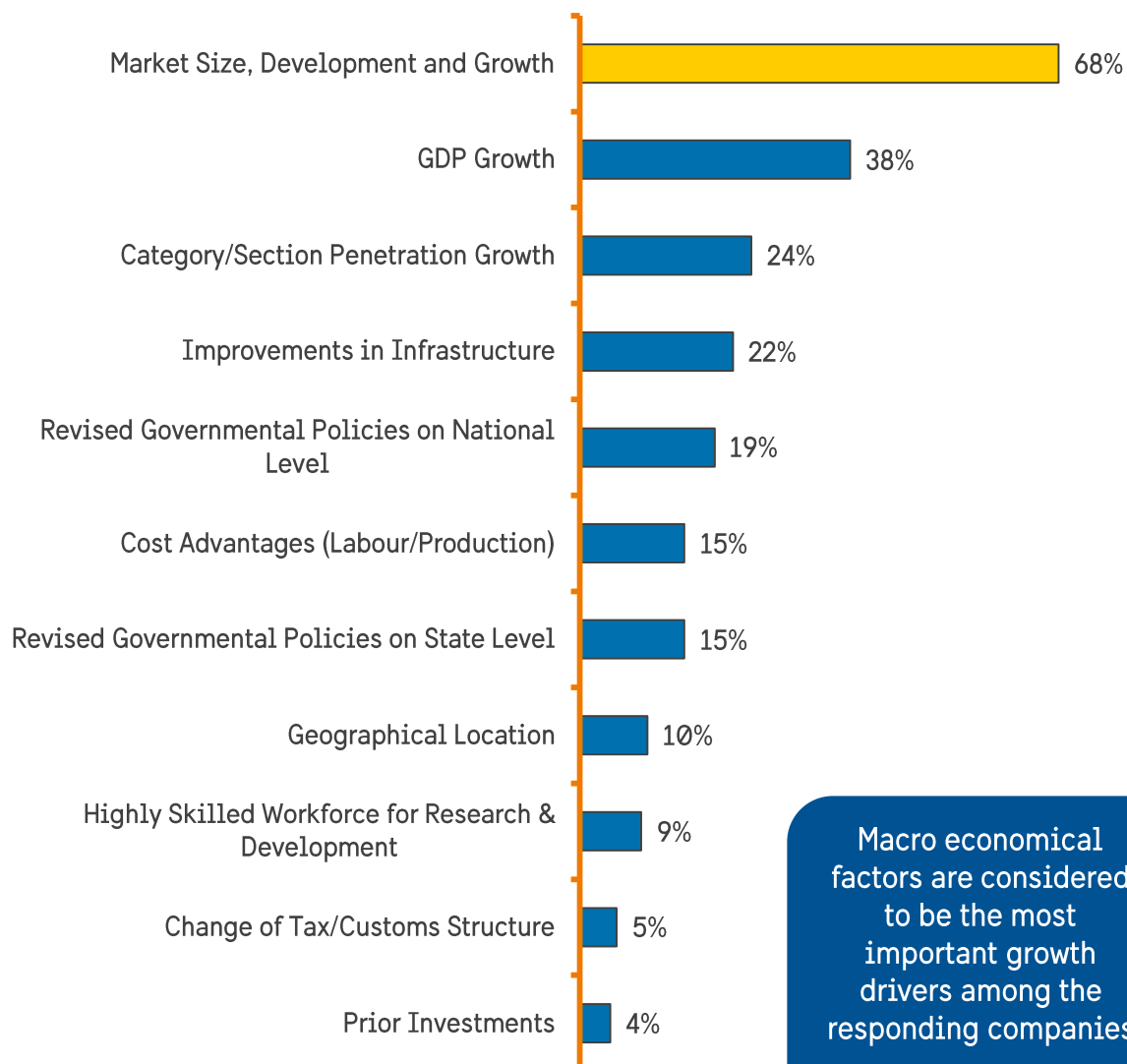
2. MARKET OUTLOOK

CHINA'S MARKET SIZE AND GROWTH ARE THE KEY EXTERNAL FACTORS CONTRIBUTING TO OPPORTUNITIES FOR SWEDISH COMPANIES

The considerable size of the Chinese economy is unsurprisingly listed as the most important factor contributing to opportunities for Swedish companies in China in the short term. GDP growth as well as growth in the responding companies' own industries are stated as other important external factors. Moreover, improvements in infrastructure and revision of governmental policies on national and state level have been stated as potential growth drivers in the Chinese market.

WHAT ARE THE KEY EXTERNAL FACTORS CONTRIBUTING TO OPPORTUNITIES FOR YOUR COMPANY IN CHINA IN THE SHORT TERM?

(MAXIMUM 3 SELECTIONS)



2. MARKET OUTLOOK

ACCESS TO THE CHINESE MARKET IS BY FAR THE MOST IMPORTANT REASON FOR SWEDISH COMPANIES TO BE OPERATING IN CHINA

According to the responding companies, the reason for almost all Swedish companies to establish operations in China is to access the market. Cost of production and cost of labour were stated as the second most important reason by slightly less than a fifth of the responding companies.

Access to the Chinese market seems to have increased in importance during the last four years because when comparing the results to the 2013 business climate survey, which included a comparable question, only 42% of responding companies stated that access to the Chinese market was their primary reason to be in China. In the same year, 29% stated they were active in China to serve other foreign companies.

WHAT ARE THE MAIN REASONS THAT YOUR COMPANY HAS CHOSEN TO SET UP OPERATIONS IN CHINA?

(MAXIMUM 3 SELECTIONS)

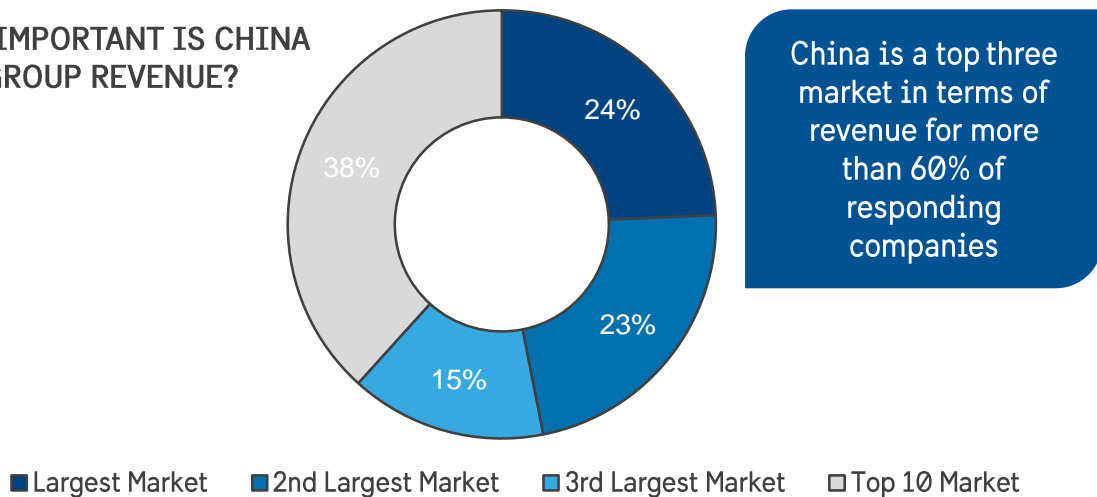


2. MARKET OUTLOOK

CHINA IS ONE OF THE MOST IMPORTANT MARKETS FOR SWEDISH COMPANIES

For more than 60% of the responding companies the Chinese market is among the top three most important markets for group turnover, and for about a quarter it is the largest market.

HOW IMPORTANT IS CHINA FOR GROUP REVENUE?

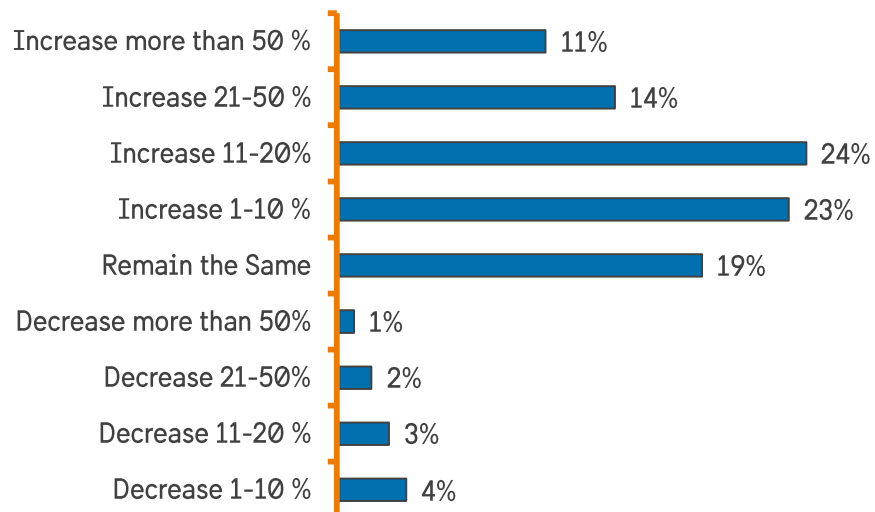


ONE FORTH BELIEVE REVENUE WILL GROW MORE THAN 20% IN 2017

More than 7 out of 10 of the responding companies forecast how revenue will increase in 2017 compared to 2016. Few have a pessimistic outlook on the development of company revenue in 2017. As many as 25% of responding companies estimate revenue to grow more than 20% in 2017.

WHAT IS YOUR REVENUE FORECAST FOR 2017?

(THE SUM OF THE RESPONSES DEVIATE FROM 100% DUE TO ROUNDING)

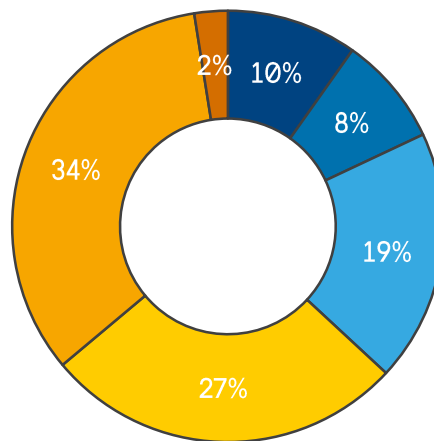


2. MARKET OUTLOOK

ALMOST TWO THIRDS WILL INCREASE INVESTMENTS IN 2017

The responding companies' investment plans for 2017 show how a majority are planning to ramp up investments compared to last year and also how very few plan to make investment reductions.

HOW DOES YOUR COMPANY'S PLANNED INVESTMENTS FOR 2017 COMPARE TO 2016 ?



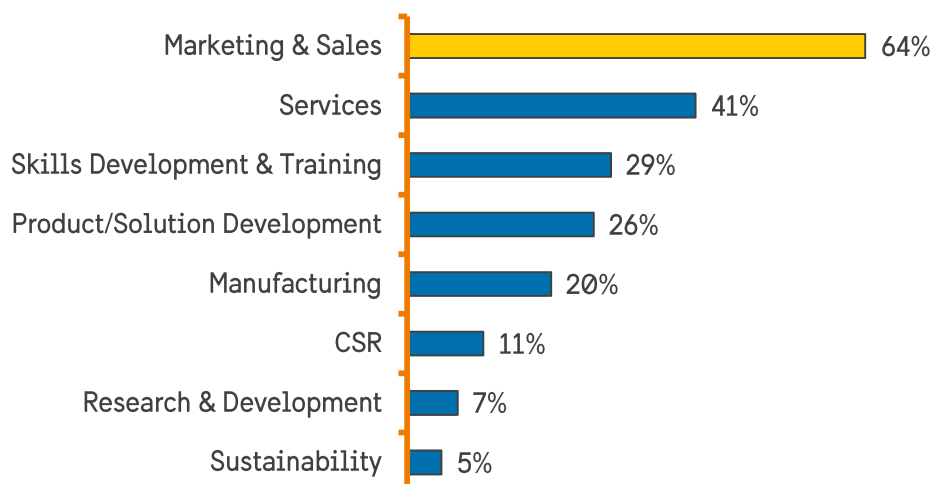
Only 2% of responding companies are planning to reduce investments

■ Increase more than 50% ■ Increase 21-50% ■ Increase 11-20%
■ Increase 1-10% ■ No Change ■ Reduce Investments

MARKETING AND SALES ARE THE AREAS WHERE MOST COMPANIES PLAN TO INVEST

Marketing and sales, stand out as the key investment area, followed by services and skills training and production/solution development. Investments in sustainability seem to not have the same priority.

IN WHAT AREAS DOES YOUR COMPANY PLAN TO INCREASE INVESTMENTS?
(MAXIMUM 3 SELECTIONS)



3. BUSINESS CLIMATE



IVL has witnessed China's great environmental changes as well as activities against pollution since 1986; IVL China has expanded from one staff to a dozen in 2017, with mature platforms set up in joint research, business promotion and technology transfer.



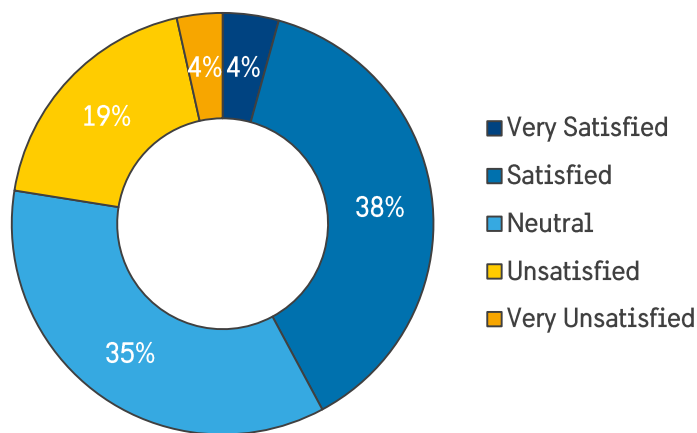
China's environmental protection market is expected to reach RMB 17 Trillion Yuan in the 13th Five-Year Period (2016-2020). IVL sees this as a golden time, and is willing to cooperate with all Swedish partners to explore every possible opportunity in China.

3. BUSINESS CLIMATE

TWICE AS MANY HAVE A POSITIVE OUTLOOK OF THE BUSINESS CLIMATE RATHER THAN NEGATIVE

42% of the responding companies are either very satisfied or satisfied with the current business climate in China, almost twice as many as those who are unsatisfied or very unsatisfied. Few respondents have a very positive or very negative attitude outlook in the matter.

HOW SATISFIED ARE YOU WITH THE CURRENT BUSINESS CLIMATE IN CHINA?

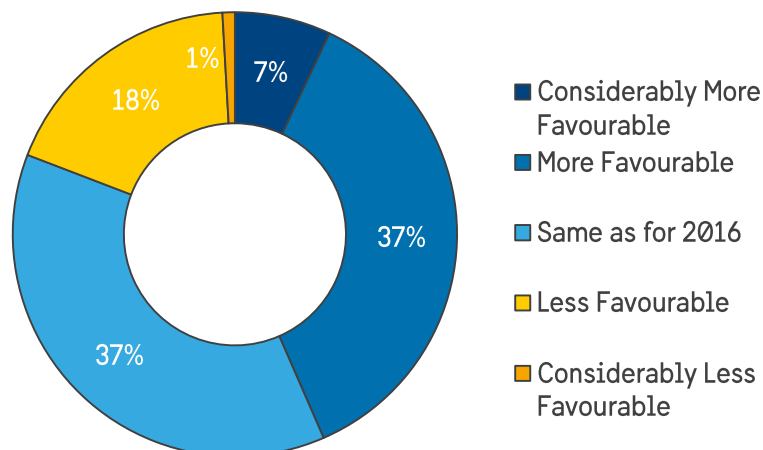


4/5 believe that the business climate will improve or stay the same in the next three years

ALMOST HALF OF THE COMPANIES BELIEVE THE BUSINESS CLIMATE WILL IMPROVE

The responses mirror those above, where roughly the same amount of the responding companies have a positive/negative outlook. One difference though from the question above is that number of responding companies who believe the business climate will improve considerably is greater while at the same time there are fewer with a very pessimistic outlook.

WHAT IS YOUR OUTLOOK ON THE BUSINESS CLIMATE IN CHINA THE COMING THREE YEARS?



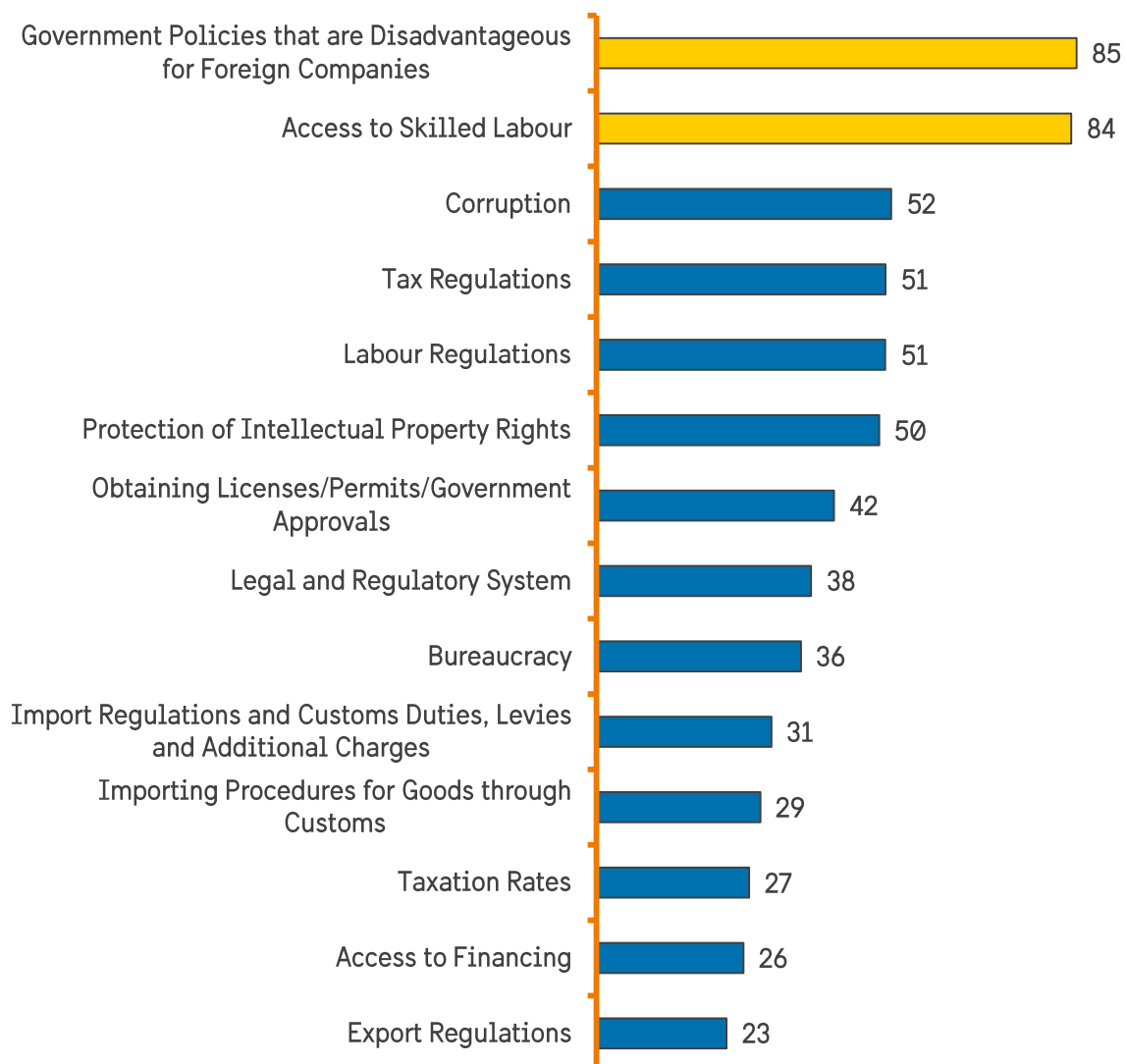
3. BUSINESS CLIMATE

GOVERNMENTAL DISCRIMINATION AND ACCESS TO SKILLED LABOUR ARE THE BIGGEST CHALLENGES

According to the responding companies the most challenging factors are governmental policies that are disadvantageous for foreign companies as well as access to skilled labour. Corruption, tax regulations, labour regulations, protection of IPR are other concerns, which all score about the same, according to the responding companies .

WHICH FACTORS DO YOU CONSIDER THE MOST CHALLENGING FOR YOUR BUSINESS IN CHINA?

(RESPONDENTS ANSWERED THE QUESTION BY ASSIGNING THE ALTERNATIVES WITH 1-3 POINTS, WITH 3 POINTS GIVEN TO THEIR BIGGEST CHALLENGE)



4. COMPETITIVE LANDSCAPE



2016 was a remarkable year for Scania's business in China. With competition in the logistics industry becoming fierce, the companies are willing to choose imported trucks with high reliability and TOE to help them improve efficiency.



Meanwhile, with big express companies been listed one after another, capital inflow became another driver of for the vehicle upgrades.

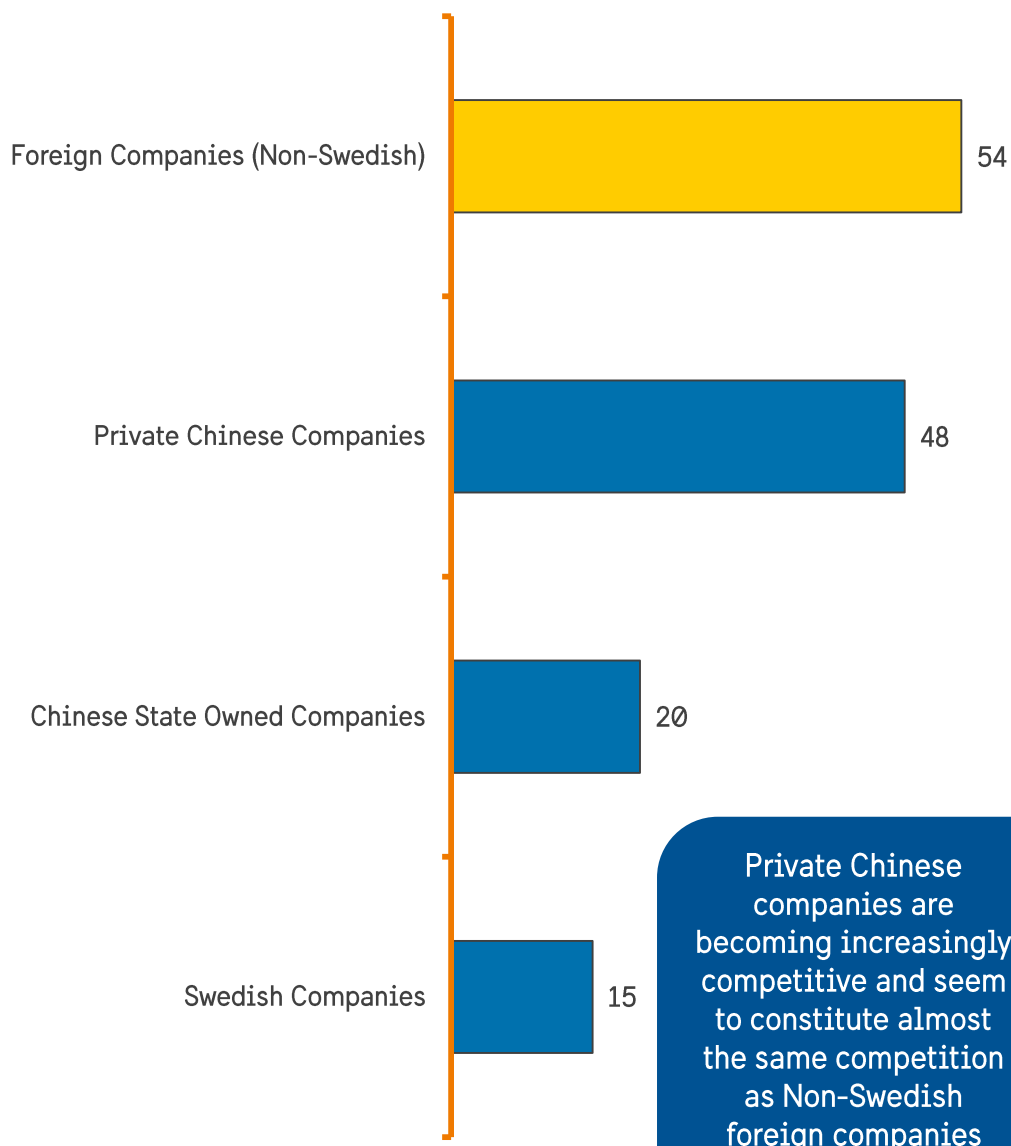
4. COMPETITIVE LANDSCAPE

NON-SWEDISH FOREIGN COMPANIES AND PRIVATE CHINESE COMPANIES ARE THE MAIN COMPETITORS

Non-Swedish foreign companies constitute the main competition for Swedish companies in the Chinese market. However, many responding companies state that their main competitors are not non-Swedish foreign companies rather than private Chinese companies, indicating how private Chinese companies are becoming increasingly competitive in several industries.

WHO ARE YOUR MAIN COMPETITORS IN CHINA?

(MAXIMUM 3 SELECTIONS)



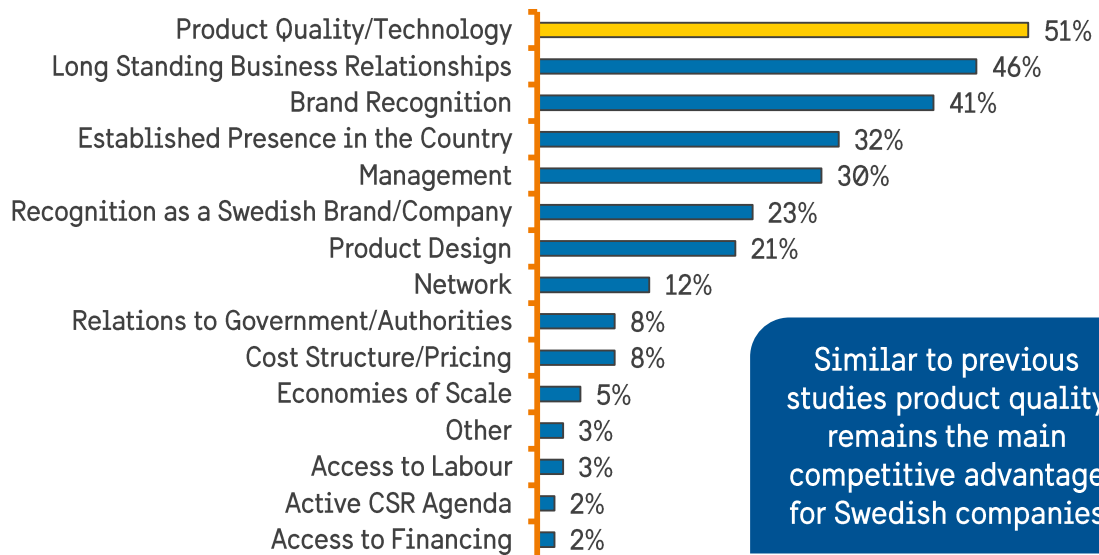
4. COMPETITIVE LANDSCAPE

PRODUCT QUALITY AND TECHNOLOGY ARE THE COMPETITIVE ADVANTAGES

The responding companies stay competitive thanks to superior technology and quality as well as longstanding relationships. Their comparatively higher cost structure and pricing is stated to be the biggest disadvantage in China. Recognition as a Swedish company is perceived as both an advantage as well as disadvantage.

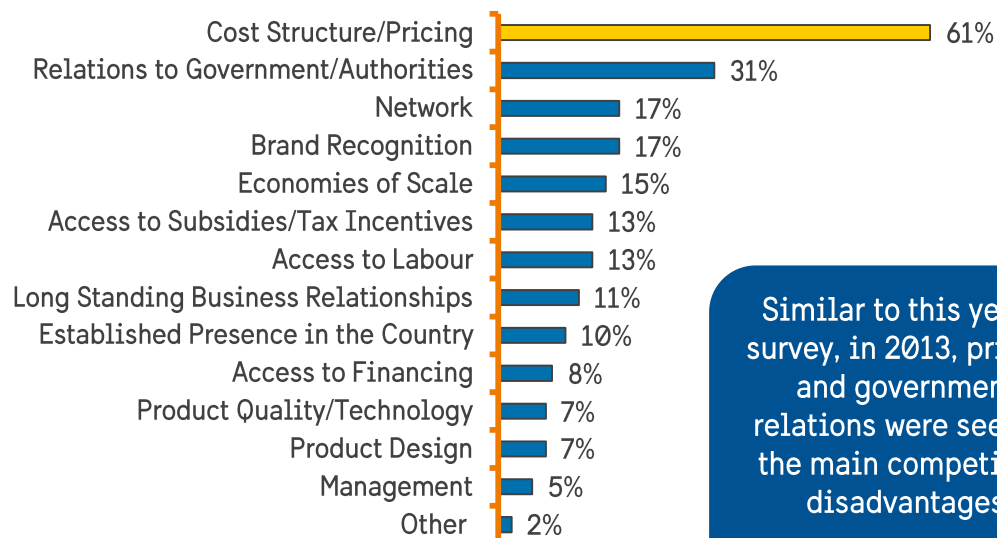
WHAT DO YOU PERCEIVE TO BE YOUR COMPANY'S BIGGEST COMPETITIVE ADVANTAGES IN CHINA?

(MAXIMUM 3 SELECTIONS)



WHAT DO YOU PERCEIVE TO BE YOUR COMPANY'S BIGGEST COMPETITIVE DISADVANTAGES IN CHINA?

(MAXIMUM 3 SELECTIONS)



5. LABOUR MARKET



Ericsson, China Mobile and Mobike will work together to improve the overall service level of smart travel in the cities and to drive the global collaboration and development of the bicycle-sharing industry.

Ericsson has partnered with LYNK & CO to shape the future of car connectivity.



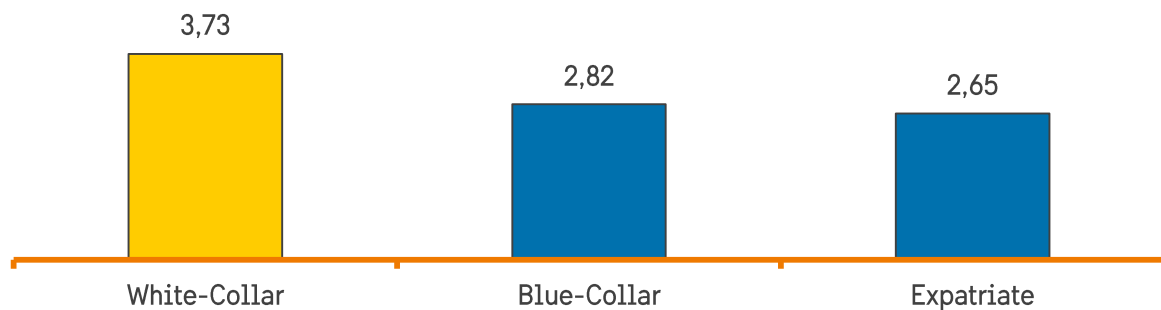
5. LABOUR MARKET

RISING LABOUR COSTS FOR WHITE-COLLAR WORKERS IS A MAJOR CONCERN

Rising labour costs for white-collar workers is a concern for the responding companies, affecting their business operations in China. 94% foresee an increase in salary development for 2017, however most of them at modest rates with 43% estimating the salary increase to be less than 5%.

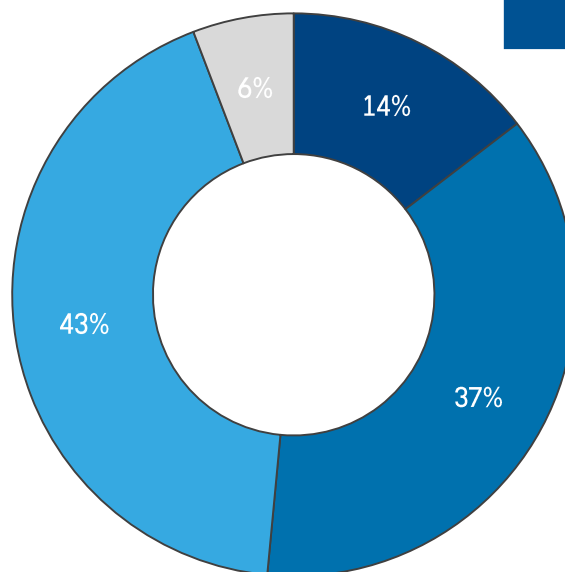
TO WHAT EXTENT ARE RISING LABOUR COSTS AFFECTING YOUR BUSINESS OPERATIONS IN CHINA?

(RESPONDENTS ANSWERED THE QUESTION BY RANKING EACH QUESTION FROM 1 - 5 WHERE 5 MEANS HIGH IMPACT)



WHAT IS YOUR OVERALL PROGNOSIS ON SALARY DEVELOPMENT FOR YOUR COMPANY FOR 2017?

Most respondents believe that their company will experience modest wage increases



■ Increase >10% ■ Increase Between 6-10 % ■ Increase Between 1-5% ■ No Change

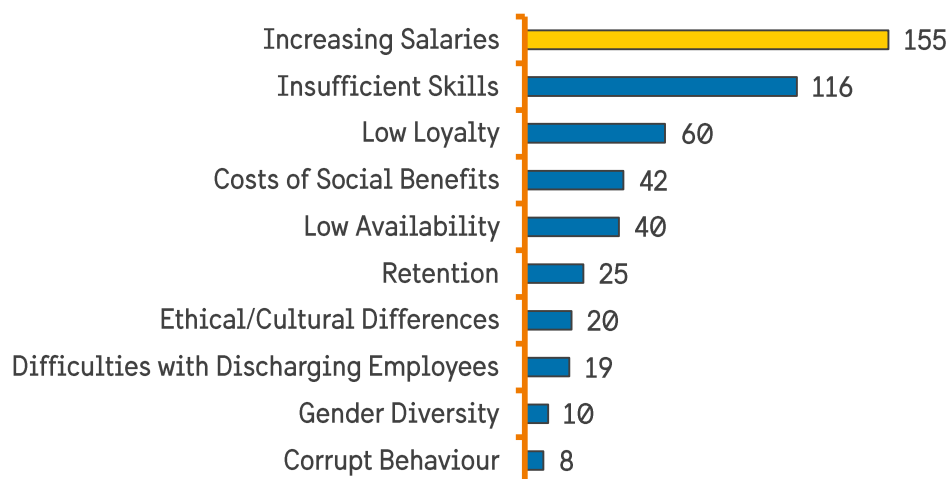
5. LABOUR MARKET

INCREASING WAGES AND INSUFFICIENT SKILLS ARE THE MAIN WORKFORCE CHALLENGES

Increasing salaries followed by insufficient skills are stated as the biggest challenges when it comes to both blue- and white-collar workers among the responding companies. Low loyalty is stated as the third biggest challenge with regards to blue-collar workers whereas low availability gets the same ranking with regards to white-collar workers.

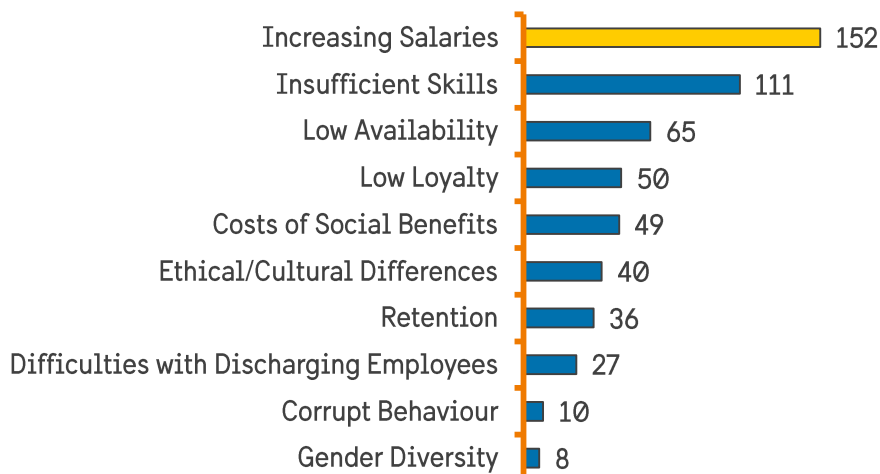
WHAT ARE YOUR BIGGEST CHALLENGES REGARDING BLUE-COLLAR WORKERS?

(RESPONDENTS ANSWERED THE QUESTION BY ASSIGNING THE ALTERNATIVES WITH 1-3 POINTS, WITH 3 POINTS GIVEN TO THEIR BIGGEST CHALLENGE. THE GRAPH SHOW THE ACCUMULATED POINTS PROVIDED BY RESPONDENTS)



WHAT ARE YOUR BIGGEST CHALLENGES REGARDING WHITE-COLLAR WORKERS?

(RESPONDENTS ANSWERED THE QUESTION BY ASSIGNING THE ALTERNATIVES WITH 1-3 POINTS, WITH 3 POINTS GIVEN TO THEIR BIGGEST CHALLENGE. THE GRAPH SHOW THE ACCUMULATED POINTS PROVIDED BY RESPONDENTS)



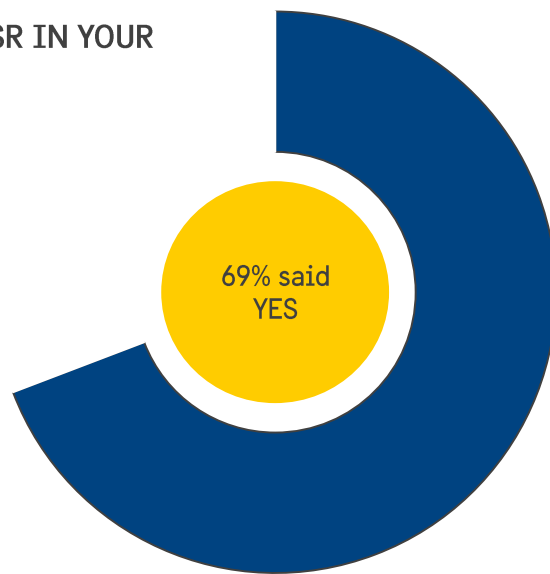
5. LABOUR MARKET

A MAJORITY INCLUDE CSR IN THE CORPORATE STRATEGY WHERE ENVIRONMENTAL ISSUES GET MOST ATTENTION

Almost 7 out of 10 of the responding companies include CSR in their corporate strategy. Among these, who have included CSR in their corporate strategy, the majority work most actively with environmental issues followed by workers' rights and developing the local community.

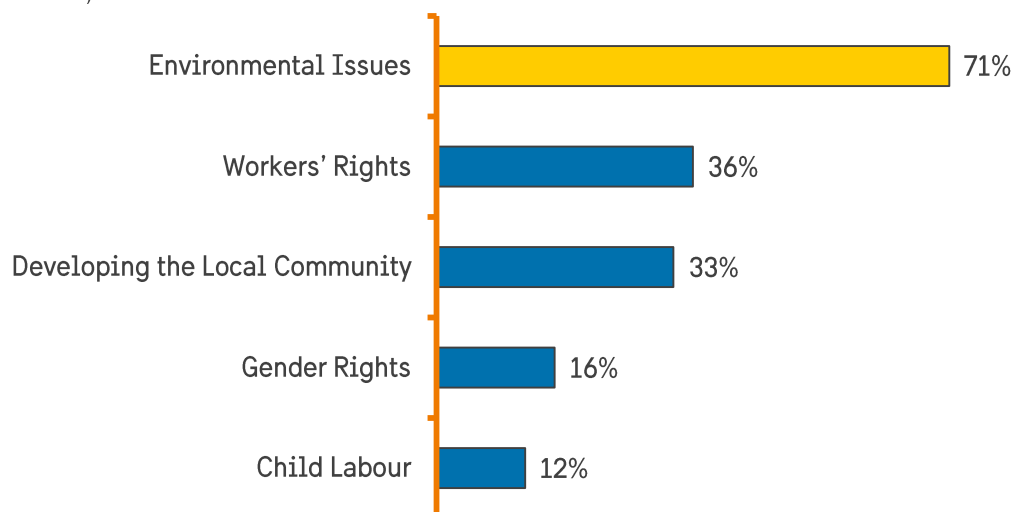
DOES YOUR COMPANY INCLUDE CSR IN YOUR CORPORATE STRATEGY?

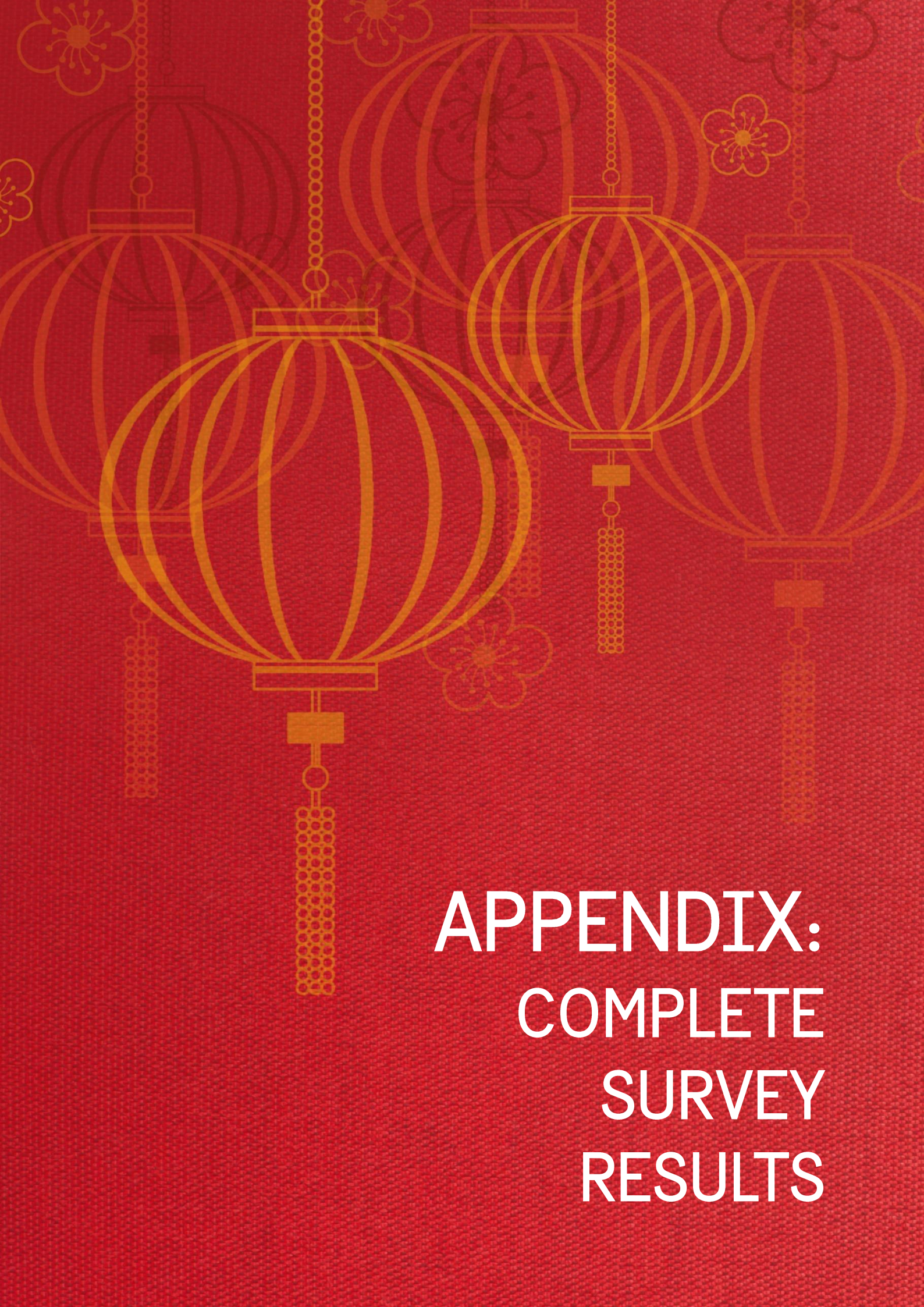
Environmental issues stand out as a focus area for Swedish companies in China



IF YES TO THE PREVIOUS QUESTION, IN WHAT AREAS DO YOU WORK MOST ACTIVELY?

(MAXIMUM 3 SELECTIONS)

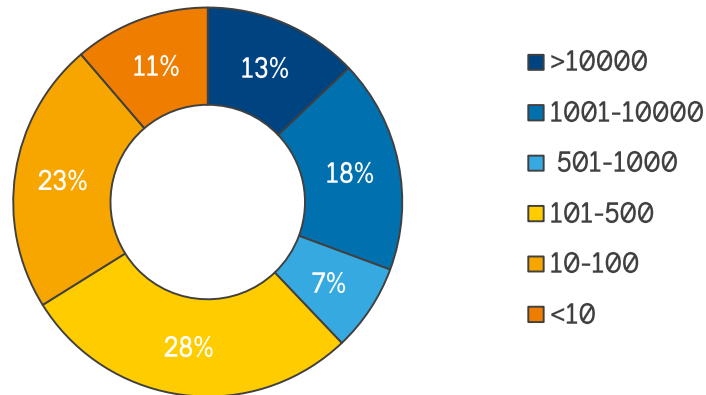




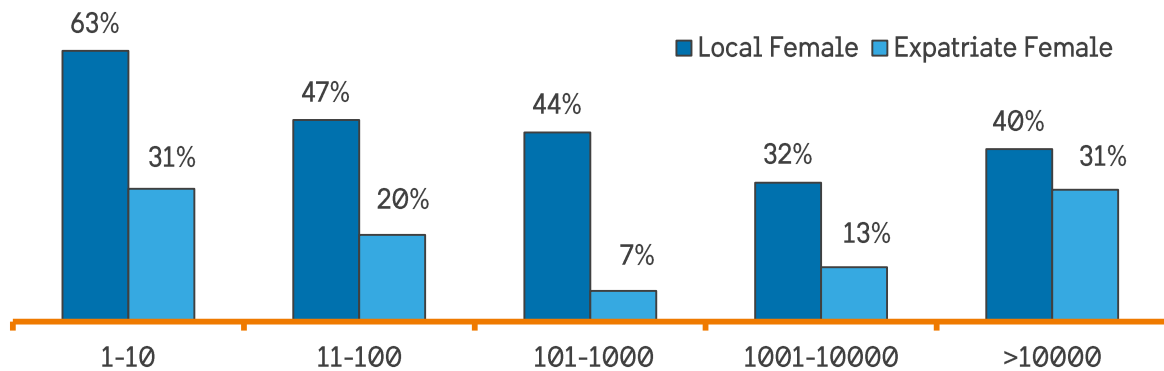
APPENDIX: COMPLETE SURVEY RESULTS

APPENDIX

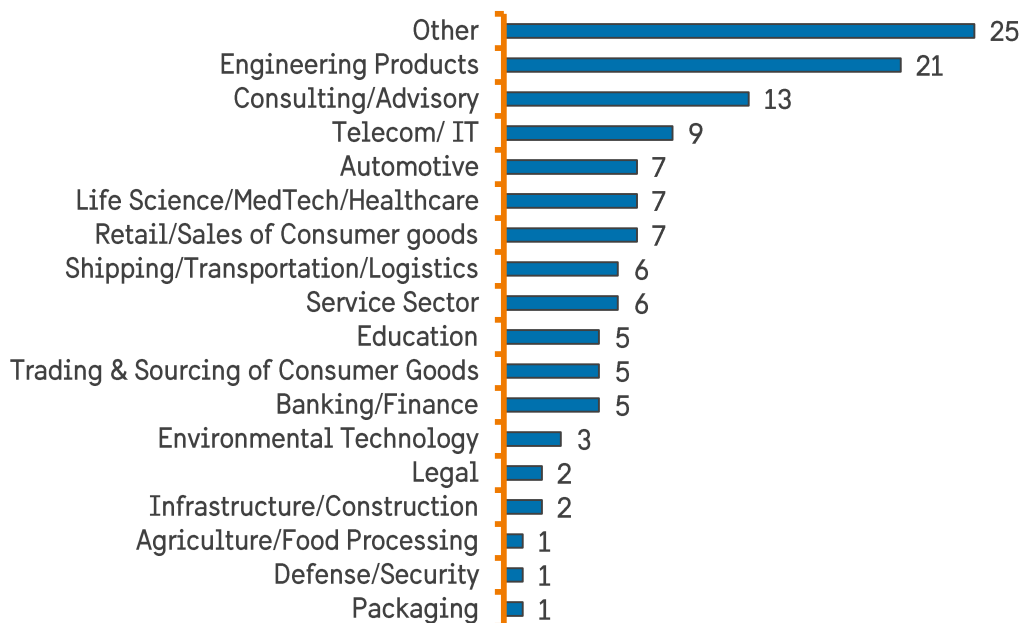
1. How many employees does your company have globally?



2. Estimate how many local and expatriate employees that are directly employed by your company in China and how many of them are women? (The graph shows the average among respondent companies divided in groups based on company size in terms of number of employees)

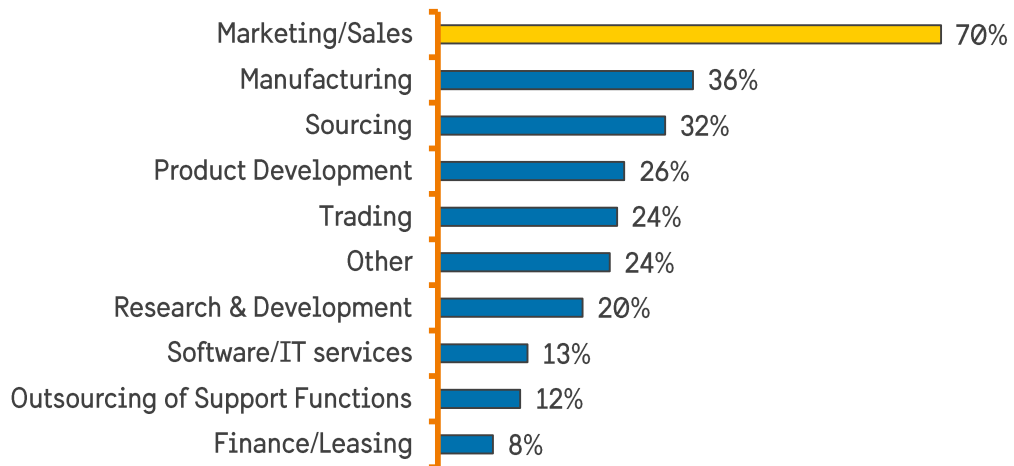


3. What is the main industry for your company's operations in China?

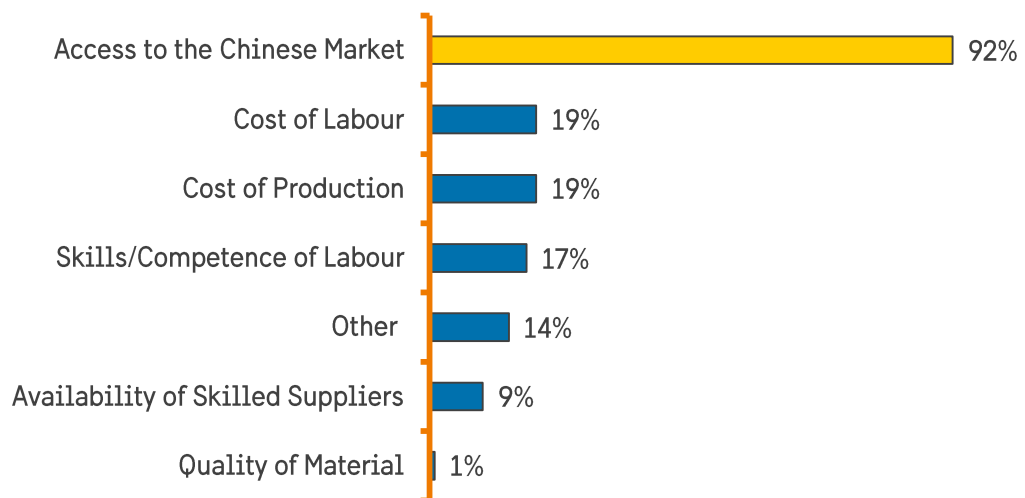


APPENDIX

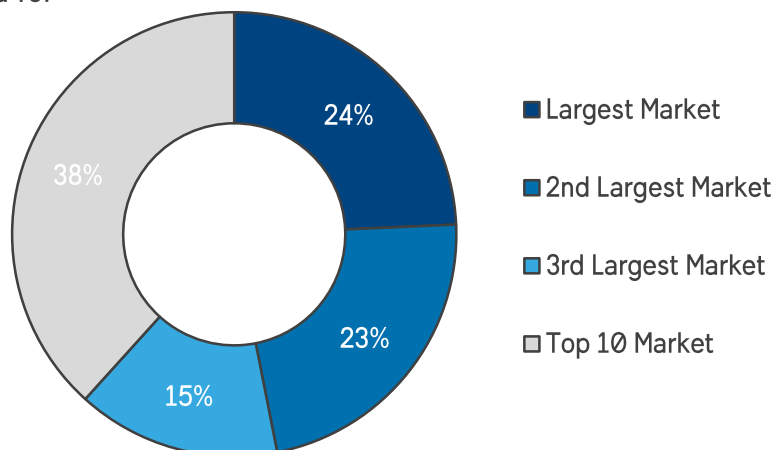
4. What operations do you carry out in China?



5. What are the main reasons that your company has chosen to set up operations in China? (Maximum 3 selections)

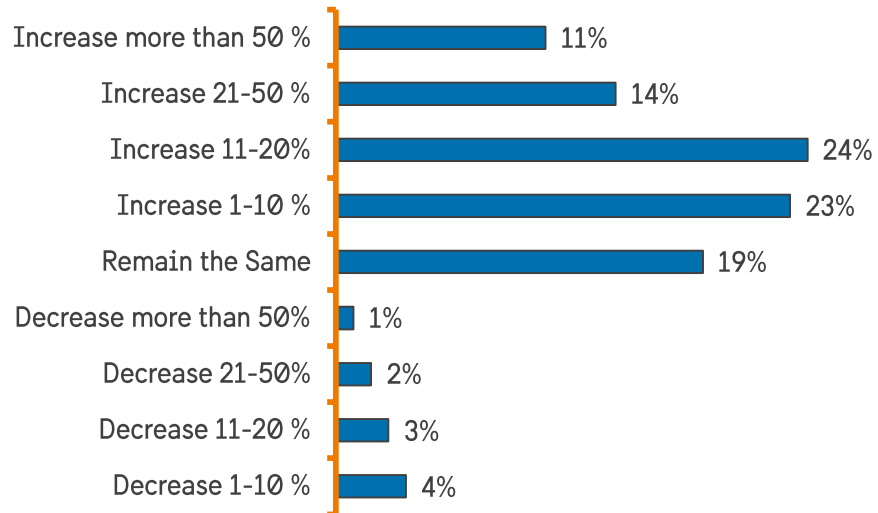


6. How important is China for group revenue?

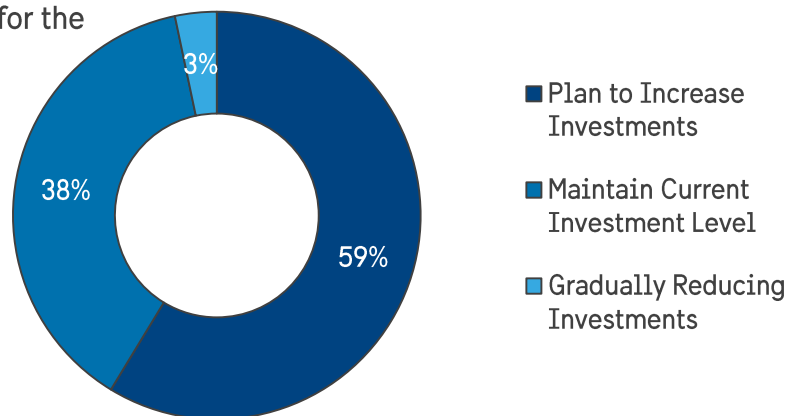


APPENDIX

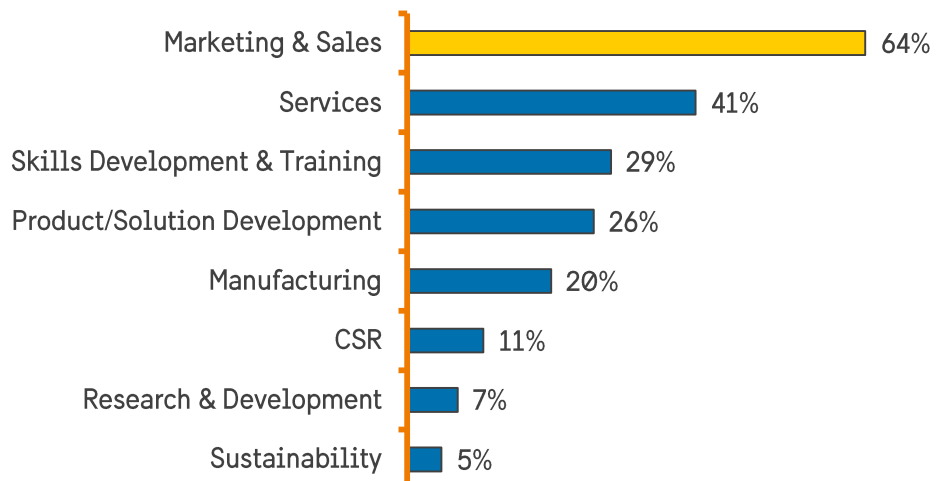
7. What is your revenue forecast for 2017? (The sum of the responses deviate from 100% due to rounding)



8. What are your company's investment plans in China for the next three years?

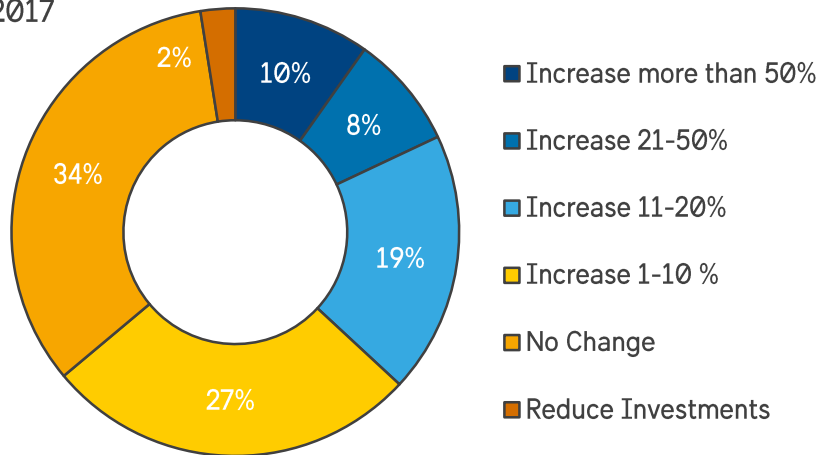


9. In what areas does your company plan to increase investments? (Maximum 3 selections)

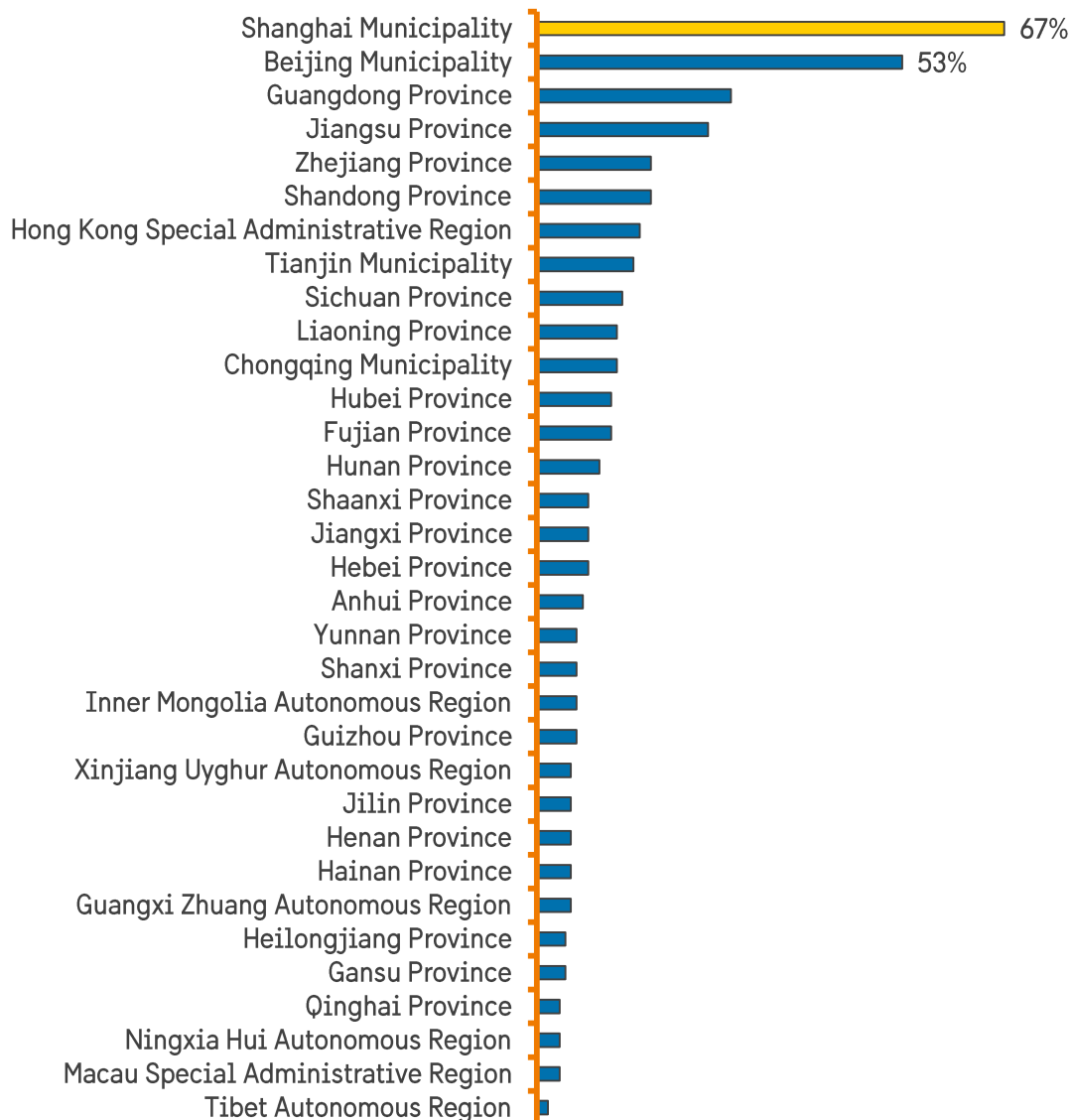


APPENDIX

10. How does your company's planned investments for 2017 compare to 2016 ?

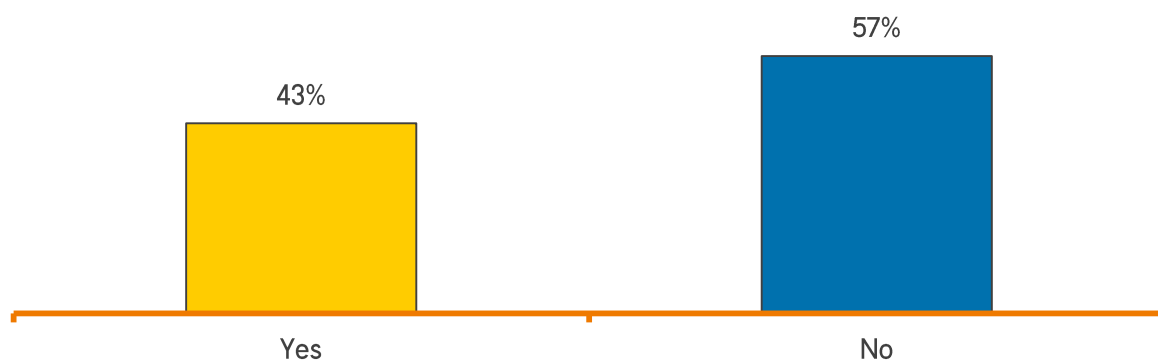


11. In which Chinese provinces is your company currently present?

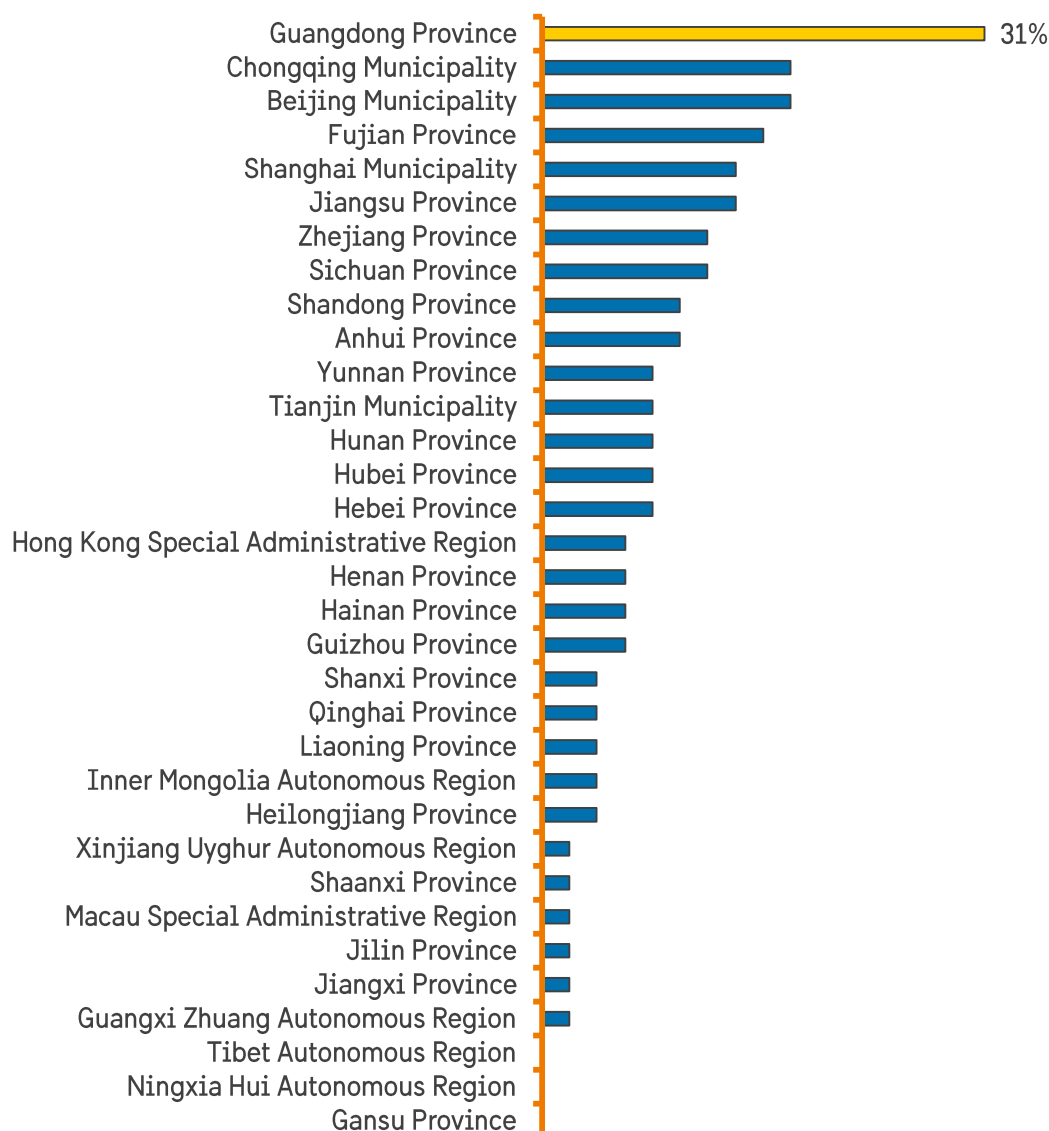


APPENDIX

12. Are you considering expanding your business into other provinces of China within the next three years?

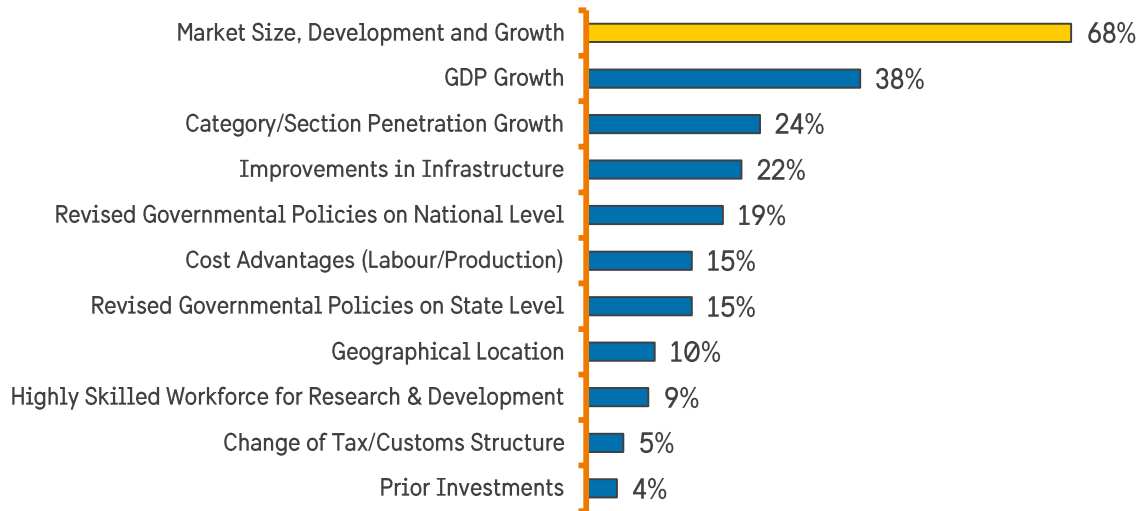


13. If you are planning to expand your business into other Chinese provinces, into which are you considering expanding?

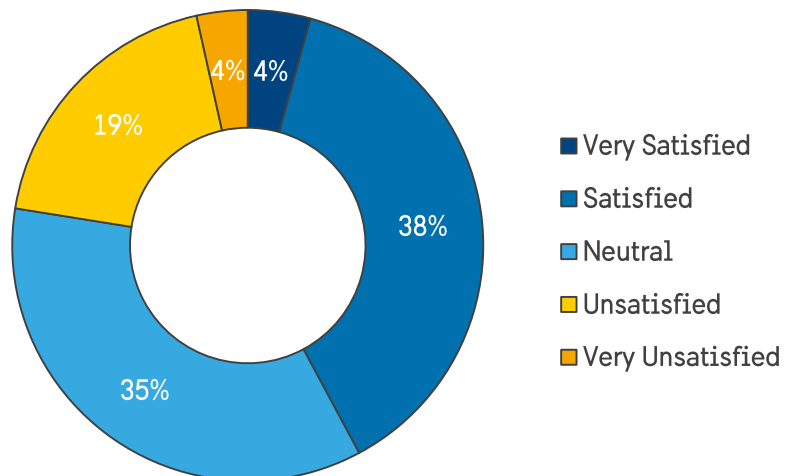


APPENDIX

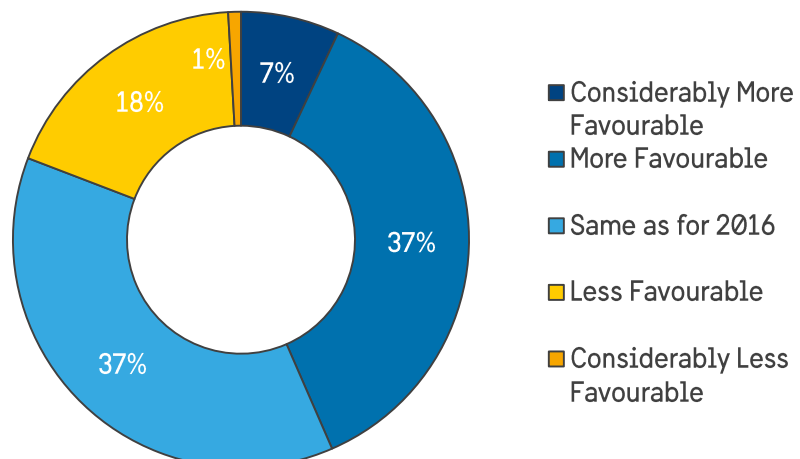
14. What are the key external factors contributing to opportunities for your company in China in the short term? (Maximum 3 selections)



15. How satisfied are you with the current business climate in China?



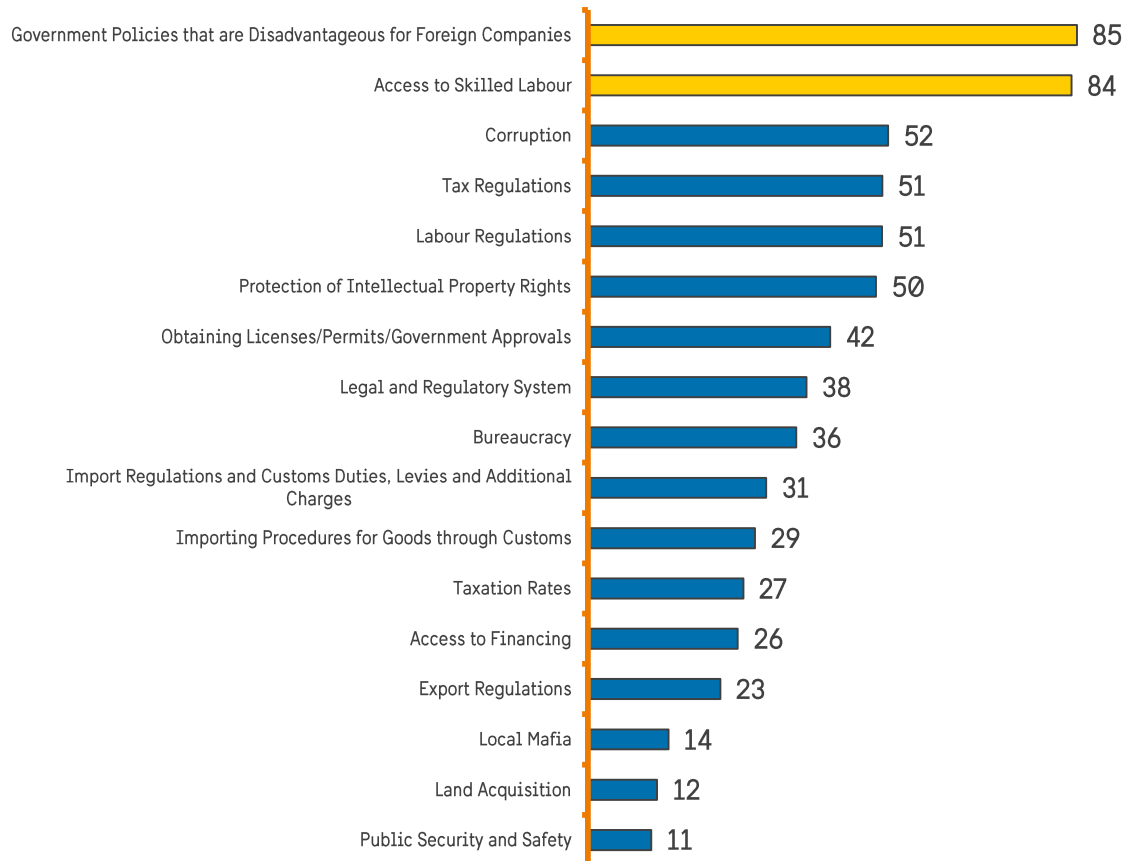
16. What is your outlook on the business climate in China the coming three years?



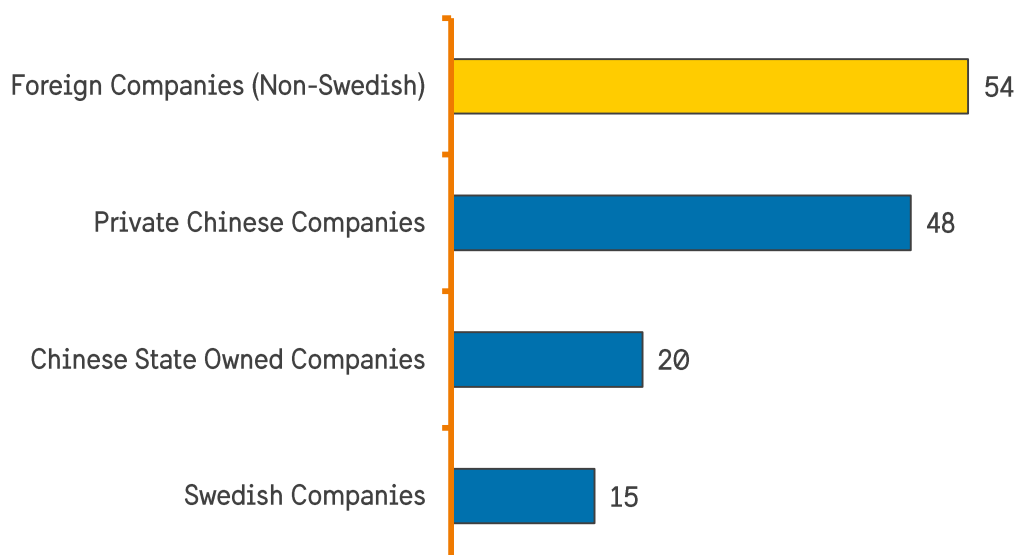
APPENDIX

17. Which factors do you consider most challenging for your business in China?

(Respondents answered the question by assigning the alternatives with 1-3 points, with 3 points given to their biggest challenge)

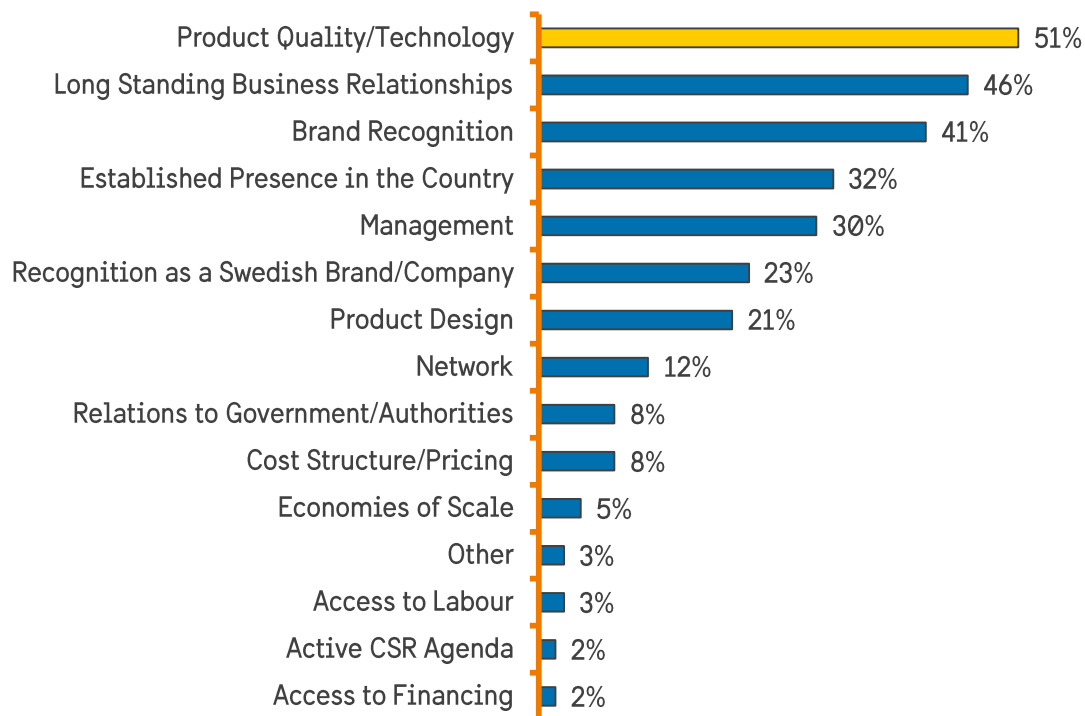


18. Who are your main competitors in China? (Maximum 3 selections)

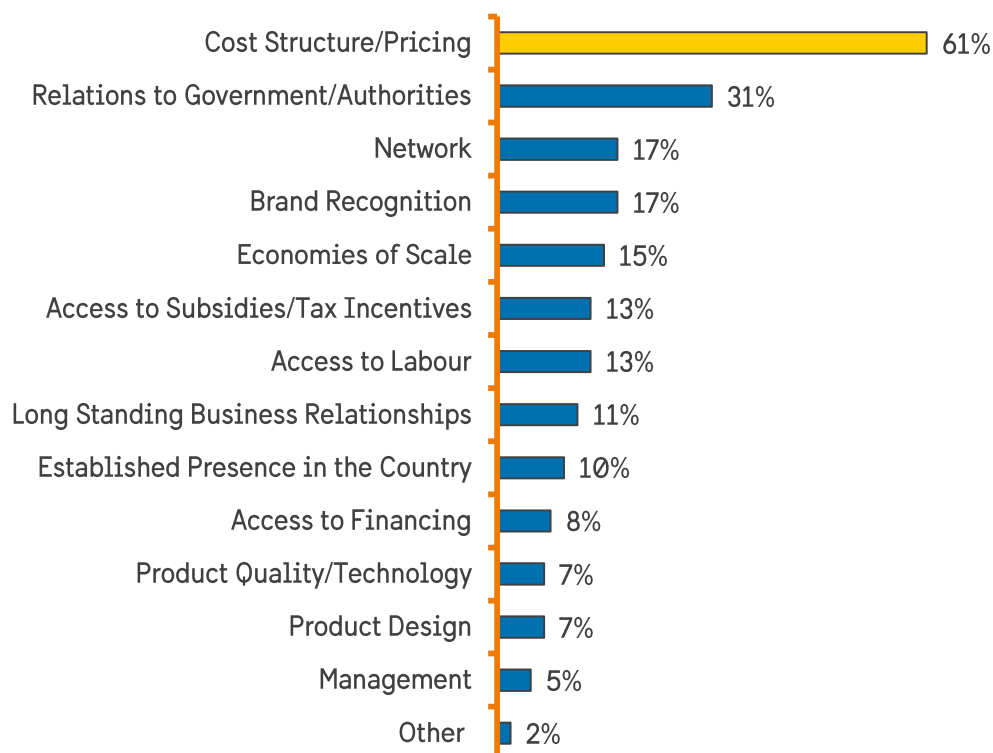


APPENDIX

19. What do you perceive to be your company's biggest competitive advantages in China? (Maximum 3 selections)

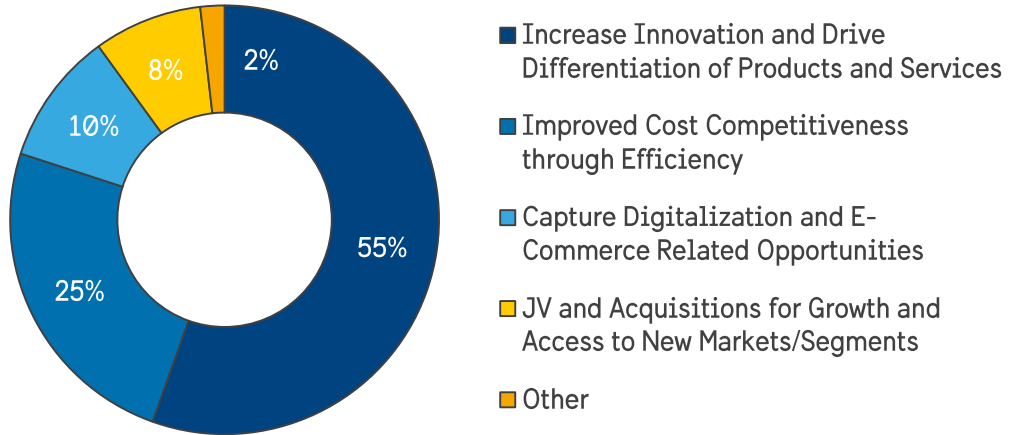


20. What do you perceive to be your company's biggest competitive disadvantages in China? (Maximum 3 selections)



APPENDIX

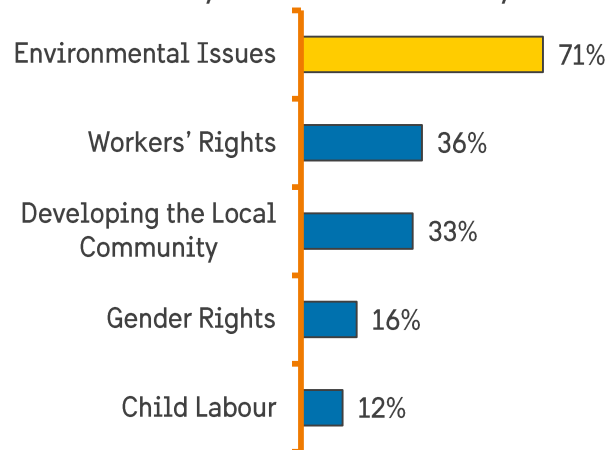
21. What is your top strategic initiative to succeed in China over the coming three years?



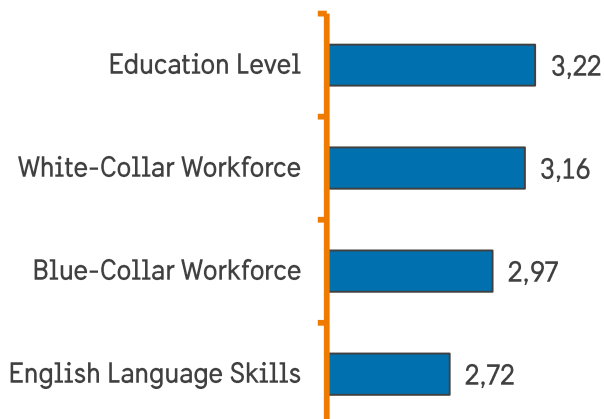
22. Does your company include CSR in your corporate strategy?



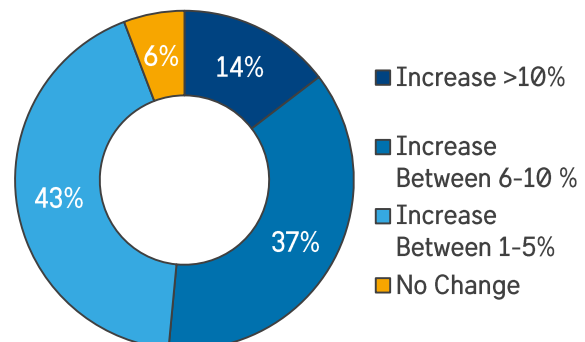
23. If yes to the previous question, in what areas do you work most actively?



24. How do you rate the quality of the following in China? (Respondents answered the question by ranking each question from 1 - 5 where 5 means high quality)

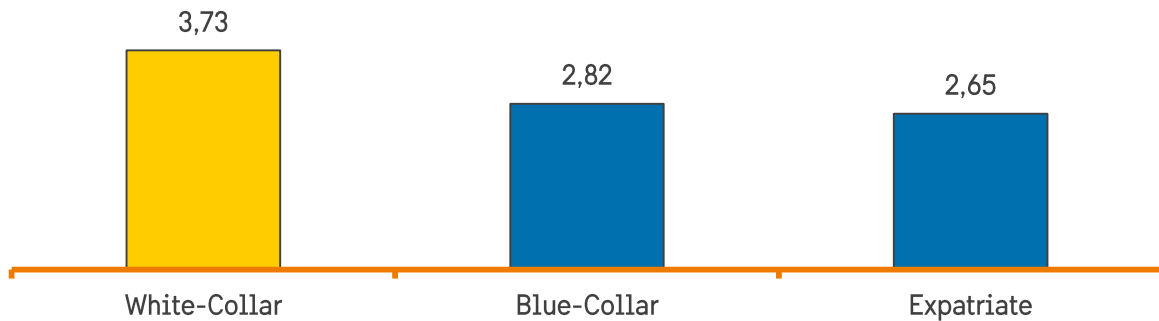


25. What is your overall prognosis on salary development for your company for 2017?

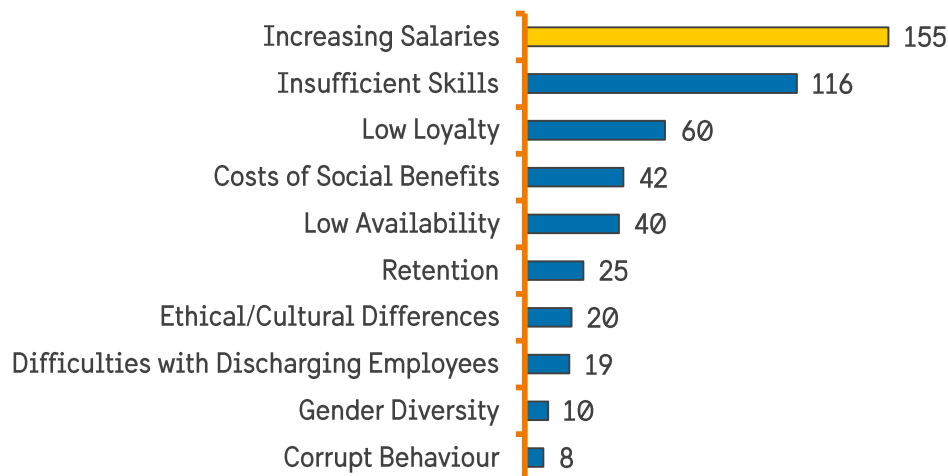


APPENDIX

26. To what extent are rising labour costs affecting your business operations in China? (Respondents answered the question by ranking each question from 1 - 5 where 5 means high impact)



27. What are your biggest challenges regarding blue-collar workers? (Respondents answered the question by assigning the alternatives with 1-3 points, with 3 points given to their biggest challenge)



28. What are your biggest challenges regarding white-collar workers? (Respondents answered the question by assigning the alternatives with 1-3 points, with 3 points given to their biggest challenge)

