



# Flash Survey 2019

## German Business in China – Q1 Business Performance & Risks

Beijing | Guangzhou | Shanghai

28 April 2019

NORTH CHINA  
SHANGHAI  
SOUTH & SOUTHWEST CHINA

[www.china.ahk.de](http://www.china.ahk.de)

Respondents Profile

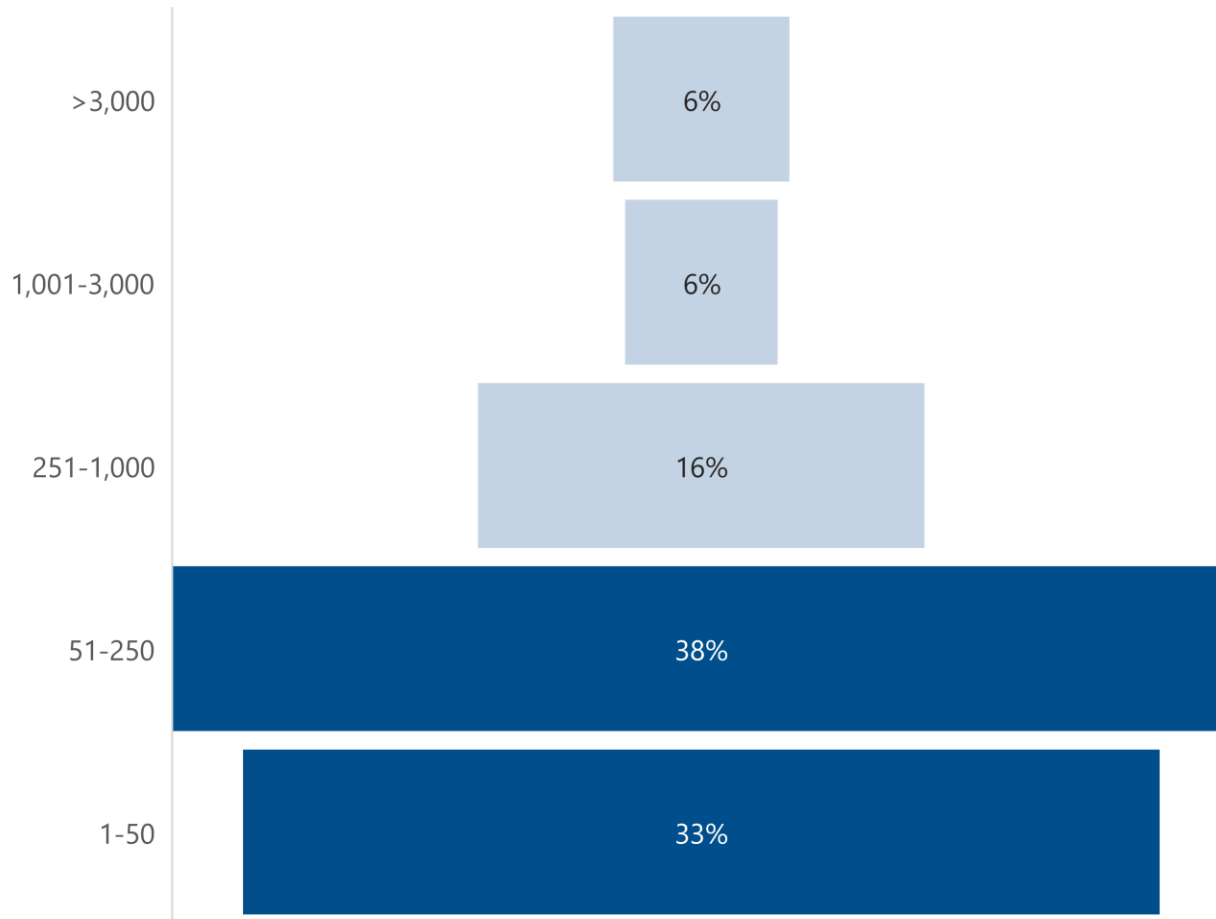
Economic Slowdown in Industries

Q1/2019 Business Performance

Forecast Revision per Industry

Top-10 Risks to Business Performance

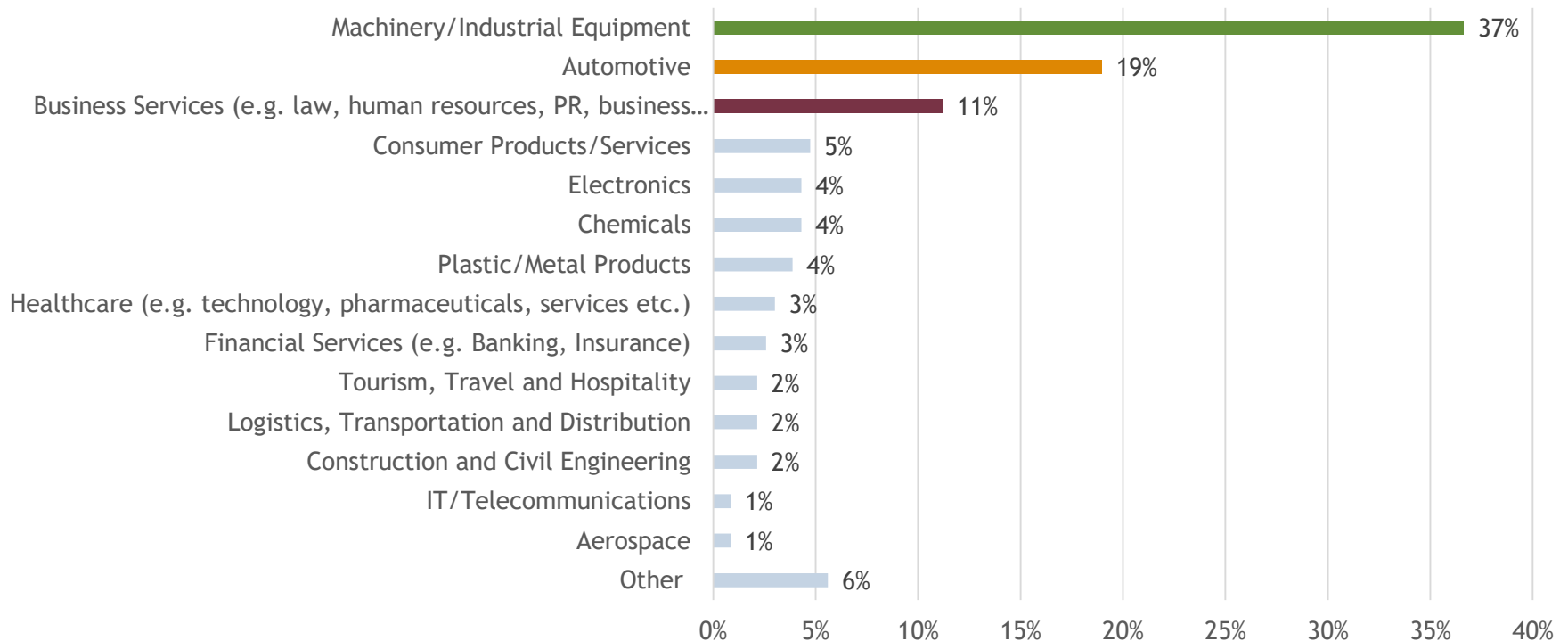
Please indicate the number of employees working at your company's local operation. (n=236)



- Survey carried out from 25<sup>th</sup> March to 8<sup>th</sup> April.
- German Chamber members with 236 valid responses and a high share of SMEs.

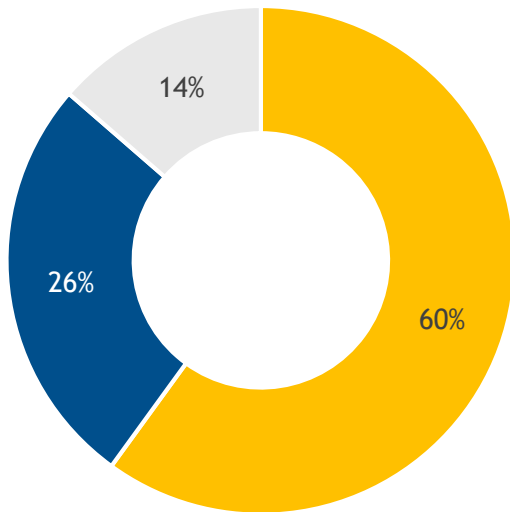
- Companies from a broad range of sectors are represented.
- Two thirds of respondents operate in Machinery/Industrial Equipment, Automotive or Business Services.

Please specify the main industry of your company. (n=227)

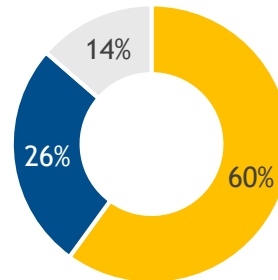


In 2019, do you experience an economic slowdown in your industry in China?

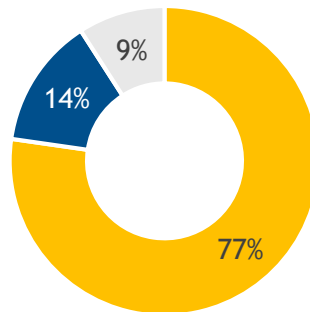
All Industries / Average



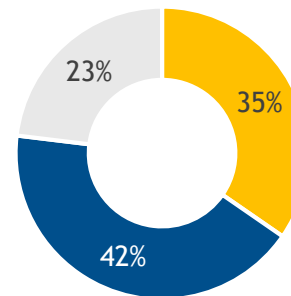
Machinery / Industrial Equipment



Automotive



Business Services

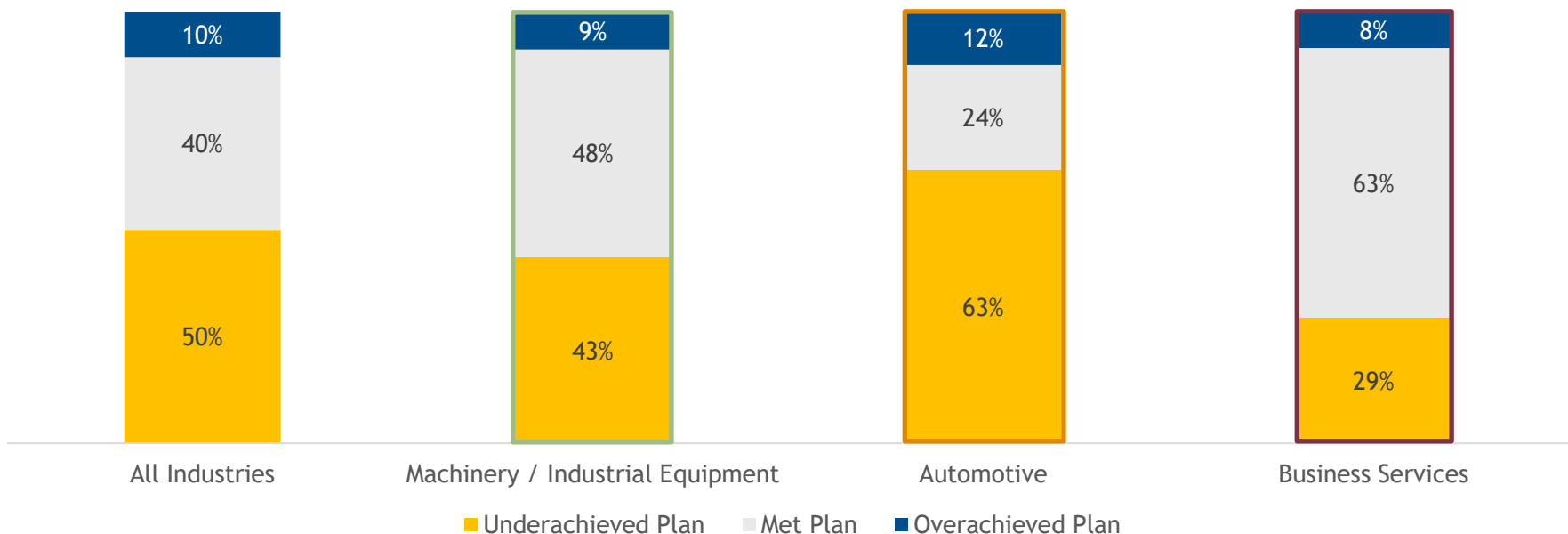


■ Yes ■ No ■ Unsure

- 60% experience economic slowdown in own industry.
- Every fourth respondent does not perceive economic downturn.
- Differences in key industries.

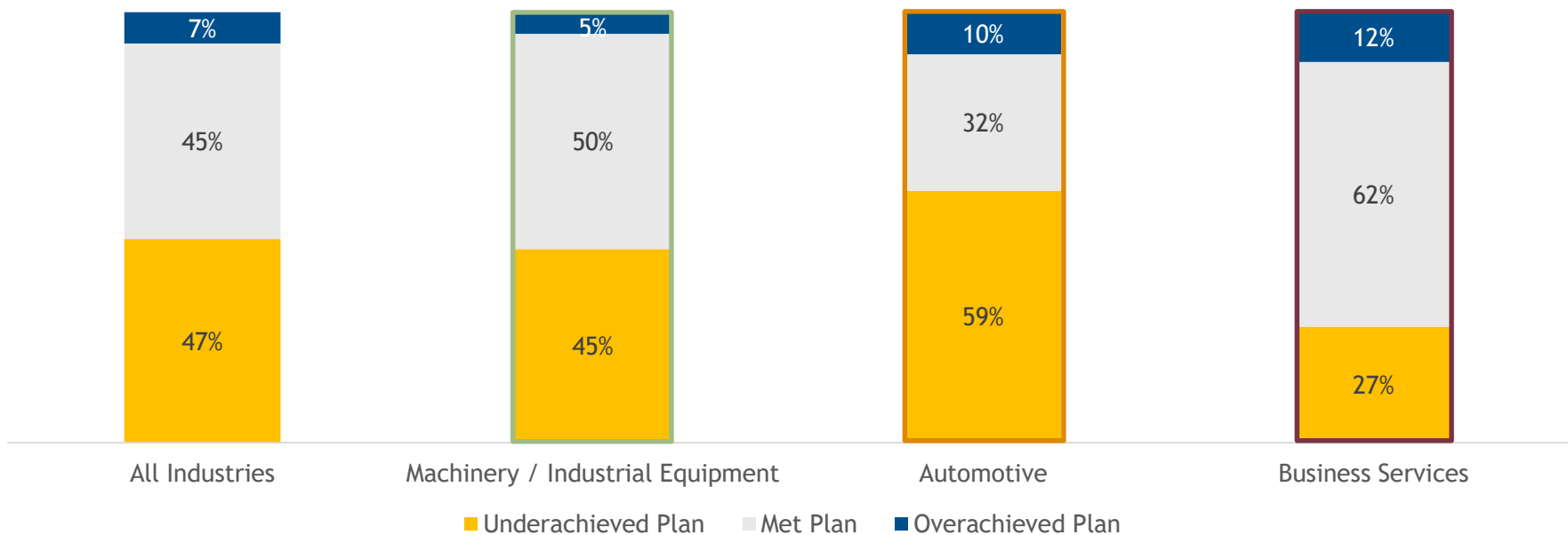
- A split picture in the German key industries: While Machinery/Industrial Equipment is on average and development in the Business Services segment appears to be somewhat more stable, more than 60% of automakers do not reach their turnover targets.
- However, above-average number of automotive companies (12%) exceed sales targets.

How did your company in China perform in the first quarter of 2019 in the following indicators?



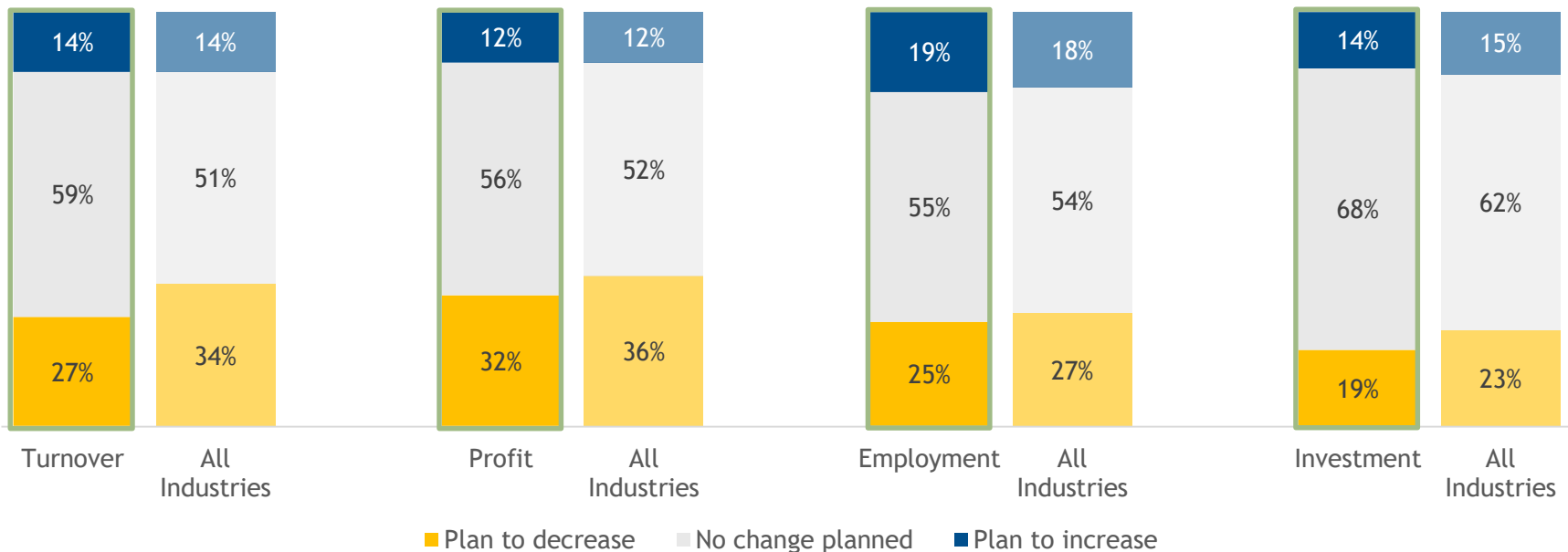
- A split picture in the German key industries: Business Services significantly more positive than Machinery/Industrial Equipment and Automotive.
- Business Services with largest share of companies that achieved Q1 profit targets (61.5%) and exceeded Q1 profit targets (11.5%).

How did your company in China perform in the first quarter of 2019 in the following indicators?



- More than half of Machinery/Industrial Equipment companies do not plan to adjust turnover, profit and employment figures. Around 70% stick to investment plans.
- On average, about every 6th industry-respondent projects increases in all indicators.

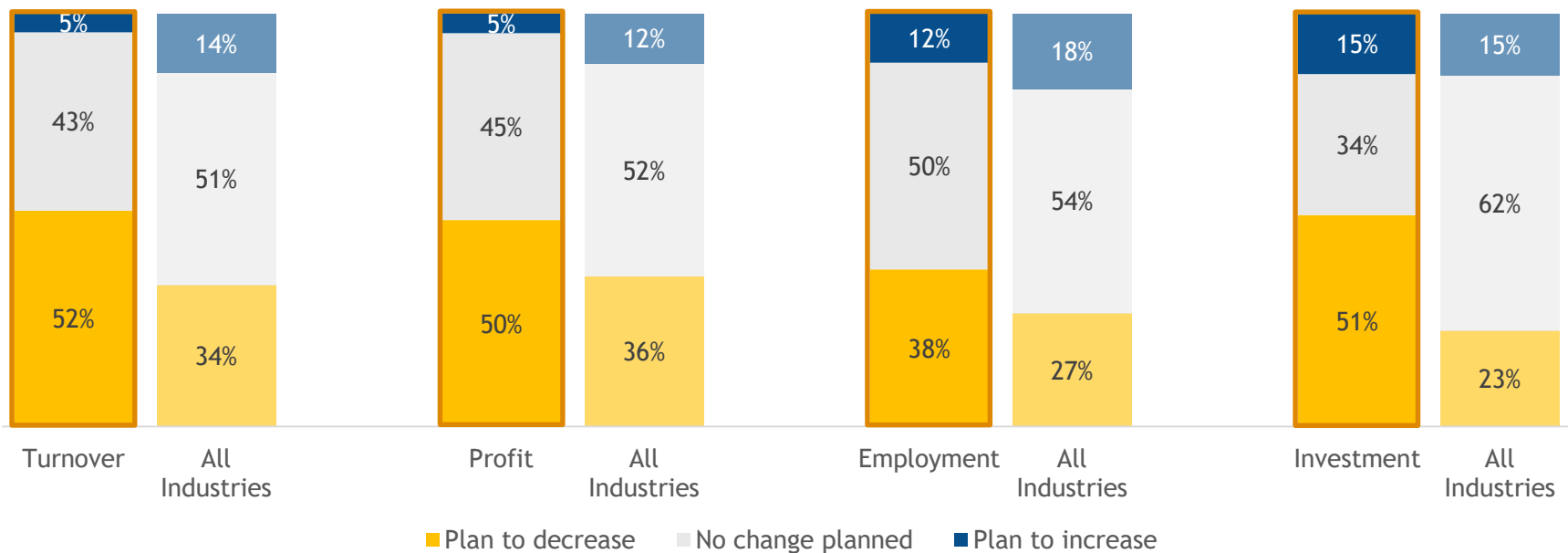
Do you, at the moment, plan to revise your yearly forecast in the following areas?





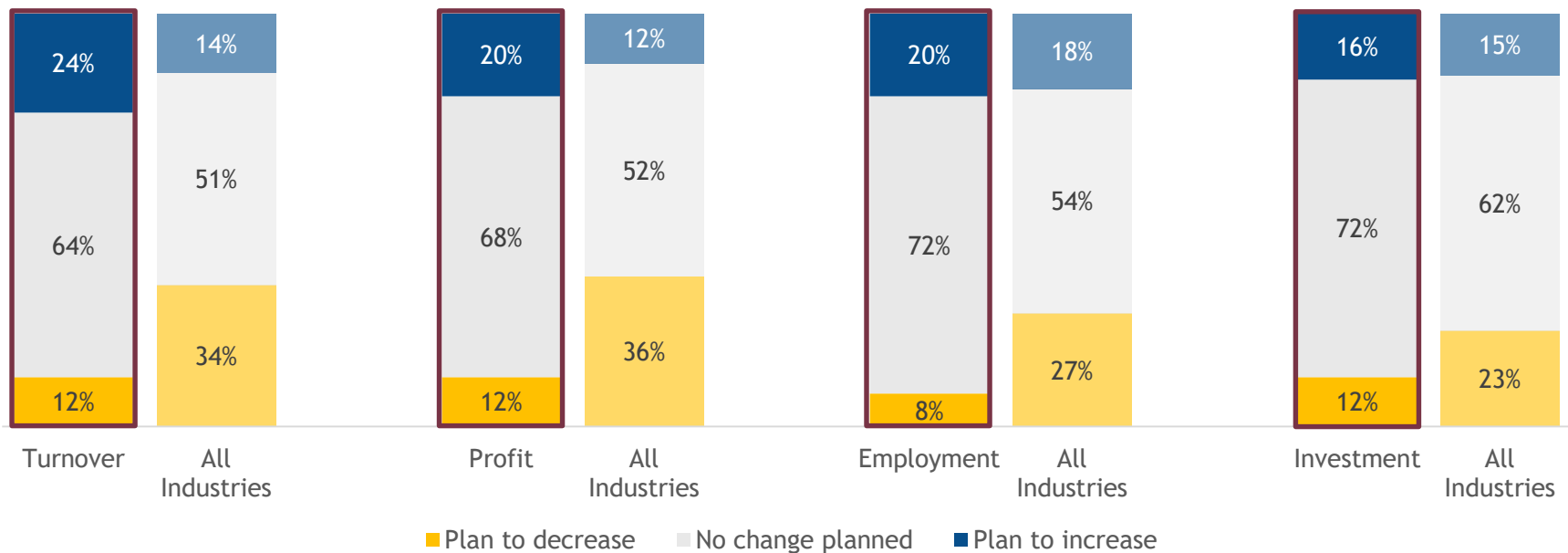
- Around every second respondent in the automotive industry revises turnover, profit and investments downwards,
- Employment forecast figures are comparatively stable.

Do you, at the moment, plan to revise your yearly forecast in the following areas?



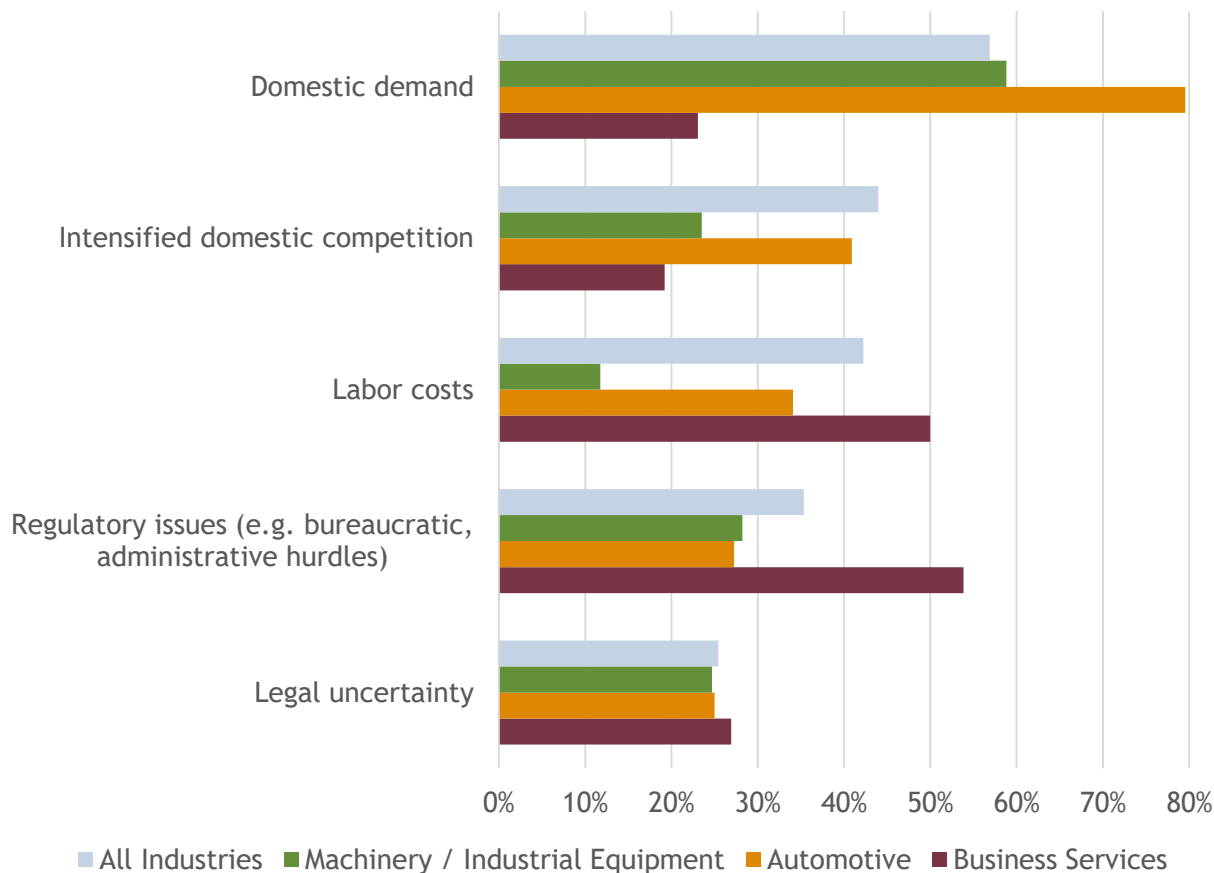
- Positive assessment of forecasts in Business Services sector: More than three quarters of respondents do not plan changes to forecasts or even increase them by an above-average amount compared to the average in all industries.

Do you, at the moment, plan to revise your yearly forecast in the following areas?



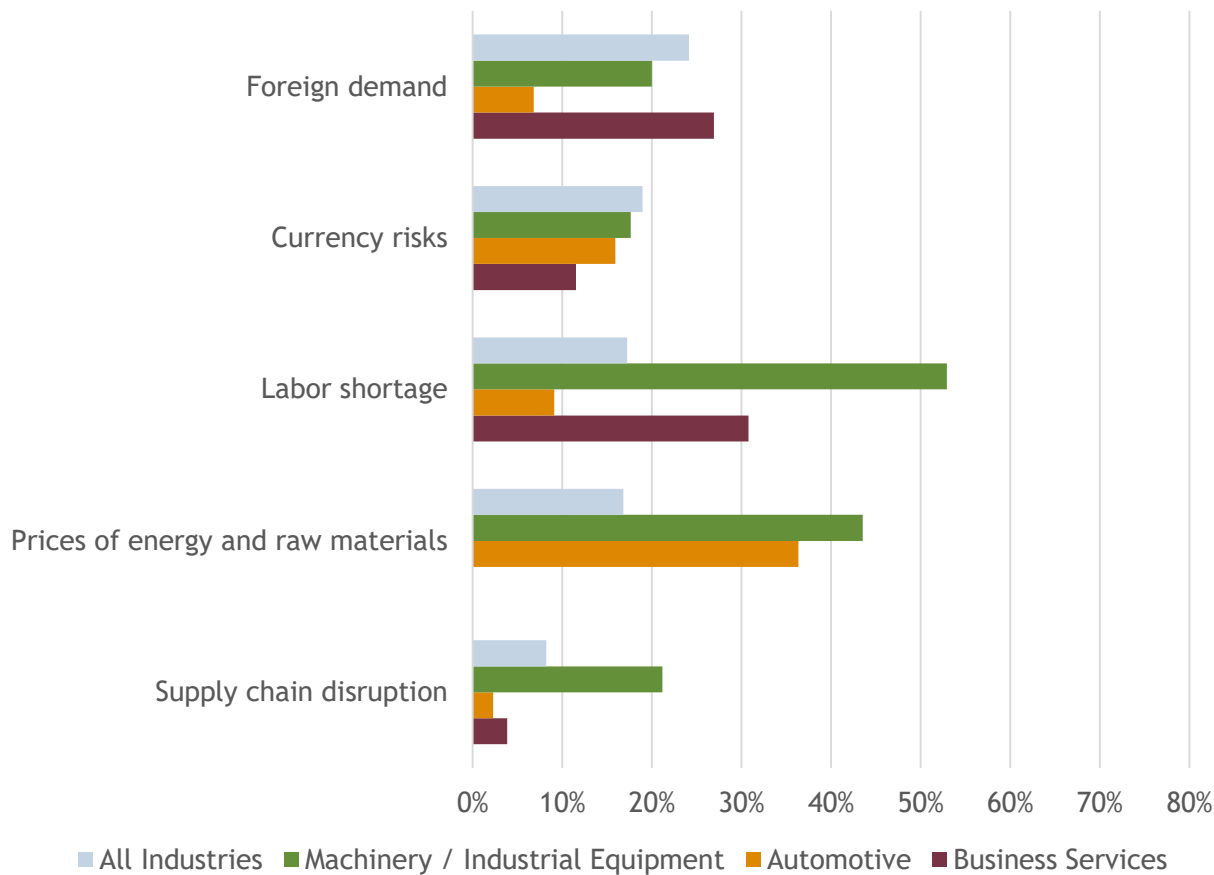
# Top-10 Risks to Business Performance (1-5)

Where do you see the biggest risks for your company's business performance in 2019?



- Domestic demand named as biggest risk to German companies in China, this is true for almost 80% of respondents from Automotive industry.
- For Business Services regulatory issues present biggest risks.

Where do you see the biggest risks for your company's business performance in 2019?



• Labor shortage (53%) and prices of energy and raw materials (43.5%) weigh heavy for Machinery/ Industrial Equipment industry.



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of Commerce in China  
中国德国商会

The German Chamber of Commerce in China is the official member organization which represents German companies doing business in China. The German Chamber helps its members succeed by providing up-to-date market information and practical advice. It offers a platform for the Sino-German business community and represents its member's interests towards stakeholders including governmental and public stakeholders. The Chamber has around 2,400 members in mainland China.

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# German Business in China

## Flash Survey



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