



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

Q3-2020 Quarterly Business Sentiment Survey of CICC Members

Results and Analysis

October 13th , 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: 2 minute are enough.

CONTENT: 9 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.

Click at the following link to download the results of the first edition of the Quarterly Business Sentiment Survey (Q2)

http://www.cameraitacina.com/sites/default/files/results_cicc_quarterly_business_survey_q2_0.pdf



Q3 - 2020 Survey base

- ✓ Period: July, August, September, 2020
- ✓ Redemption rate: 38%, No. 199 out of 530
- ✓ Business sector are consistent with CICC Members

**Q3-2020,
2nd edition**

- ✓ East: 70,35%
- ✓ South: 13,57%
- ✓ North: 8,04%
- ✓ South-West: 4,52%

By Area

- ✓ Mech Eng & Mfg 62%
- ✓ Services 23%
- ✓ F&B 9%
- ✓ Retail, B2C 3,5%
- ✓ Healthcare 2,5%

**By Main
Business
Sector**

Executive summary

Replies by business sector

- ✓ Mechanical Engineering & Manufacturing: 62%
 - ✓ Services: 23%
 - ✓ F&B: 9%
- ✓ Retail-B2C & Furniture: 3,5%
 - ✓ Healthcare: 2,5%

2020 trends

- ✓ 38% forecast a HIGHER 2020 revenue on 2019
- ✓ 39% forecast a LOWER 2020 revenue on 2019
- ✓ 6 -12 months trend forecast is HIGHER for 87% of companies

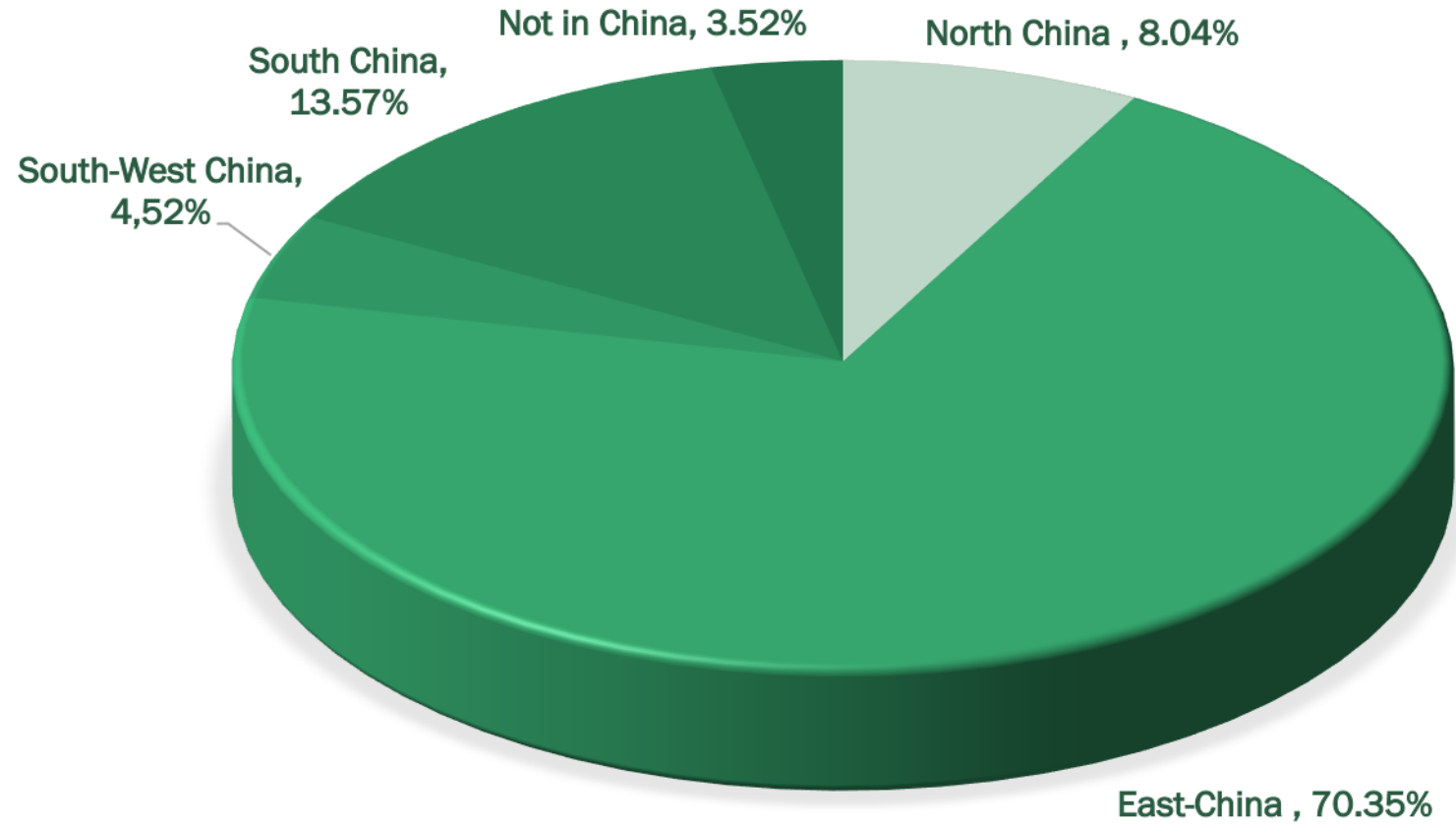
Orders intake Q3 vs Q2

- ✓ Q3 vs. Q2 saw a clear recovery of orders intake (+10% HIGHER)
- ✓ And a substantial improvement of LOWER orders intake from -40% to -26% (+14,08%)
- ✓ 73% of companies experienced NORMAL or HIGHER orders intake in Q3

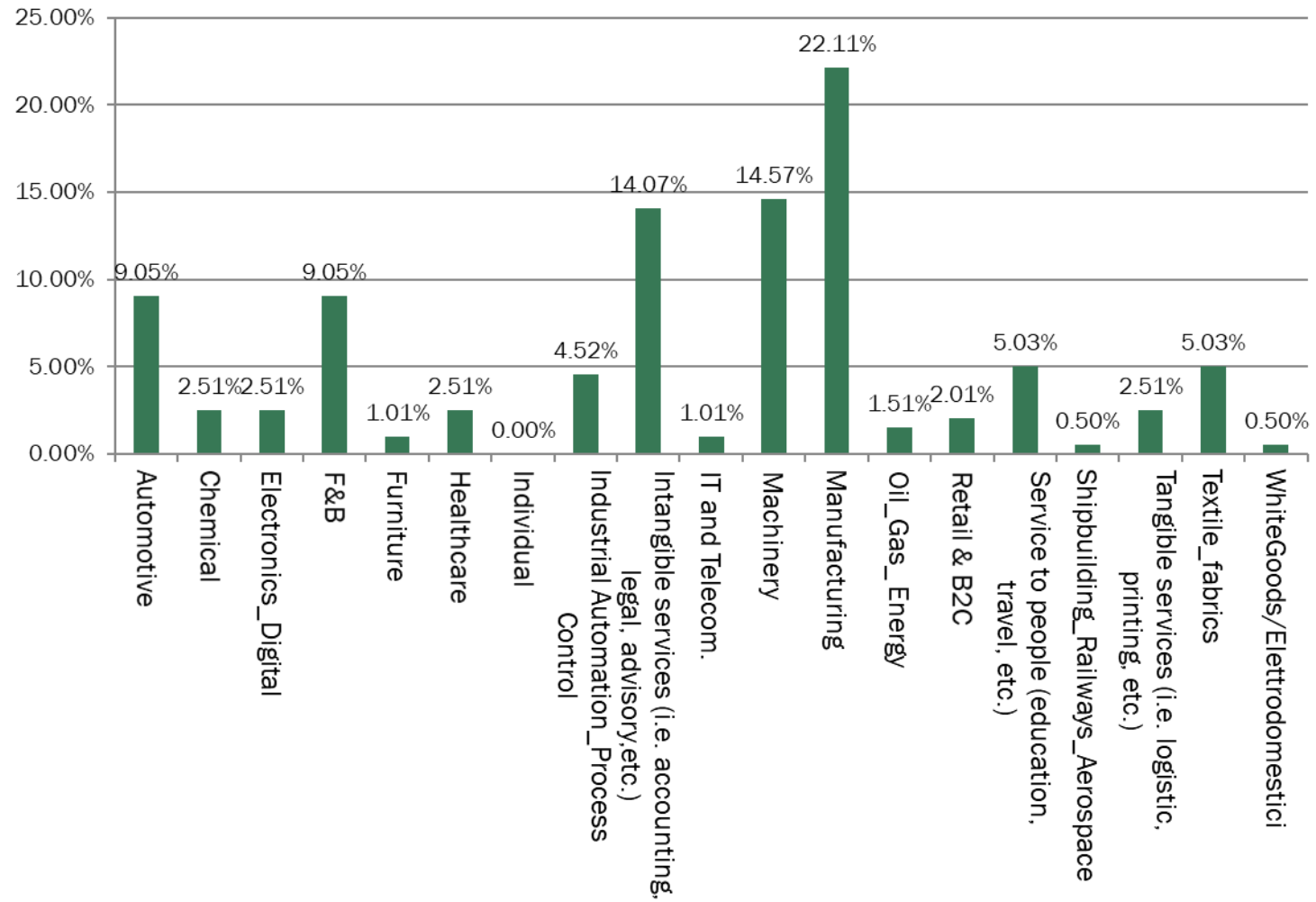
Imported Italian content

- ✓ 144 (72%) companies have imported content from Italy's HQ, of which:
 - ✓ 43% import more than 20% of their China's revenue
 - ✓ 33.6% import more than 30% of their China's revenue

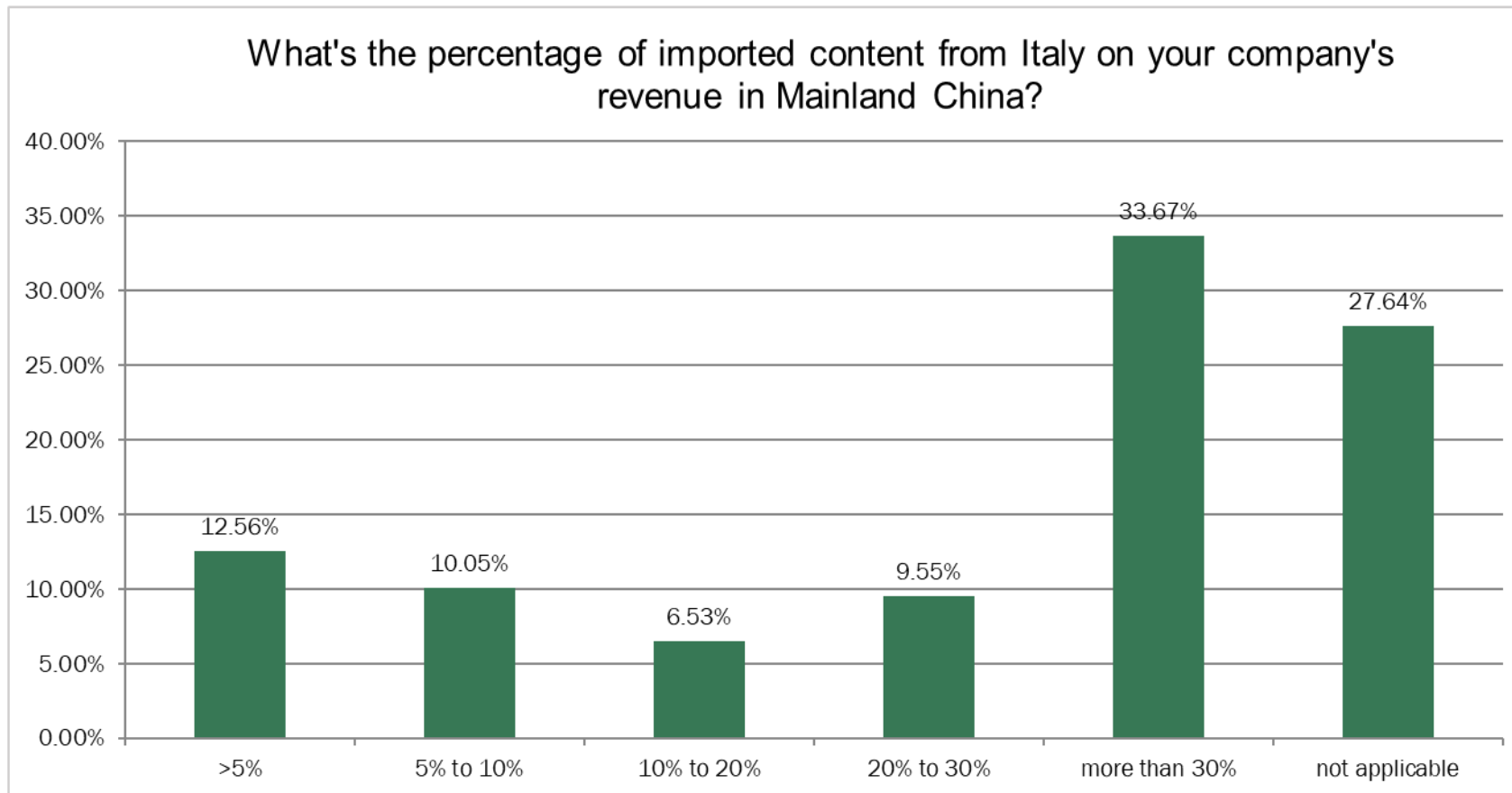
Areas of the Survey Sample



Business sectors breakdown



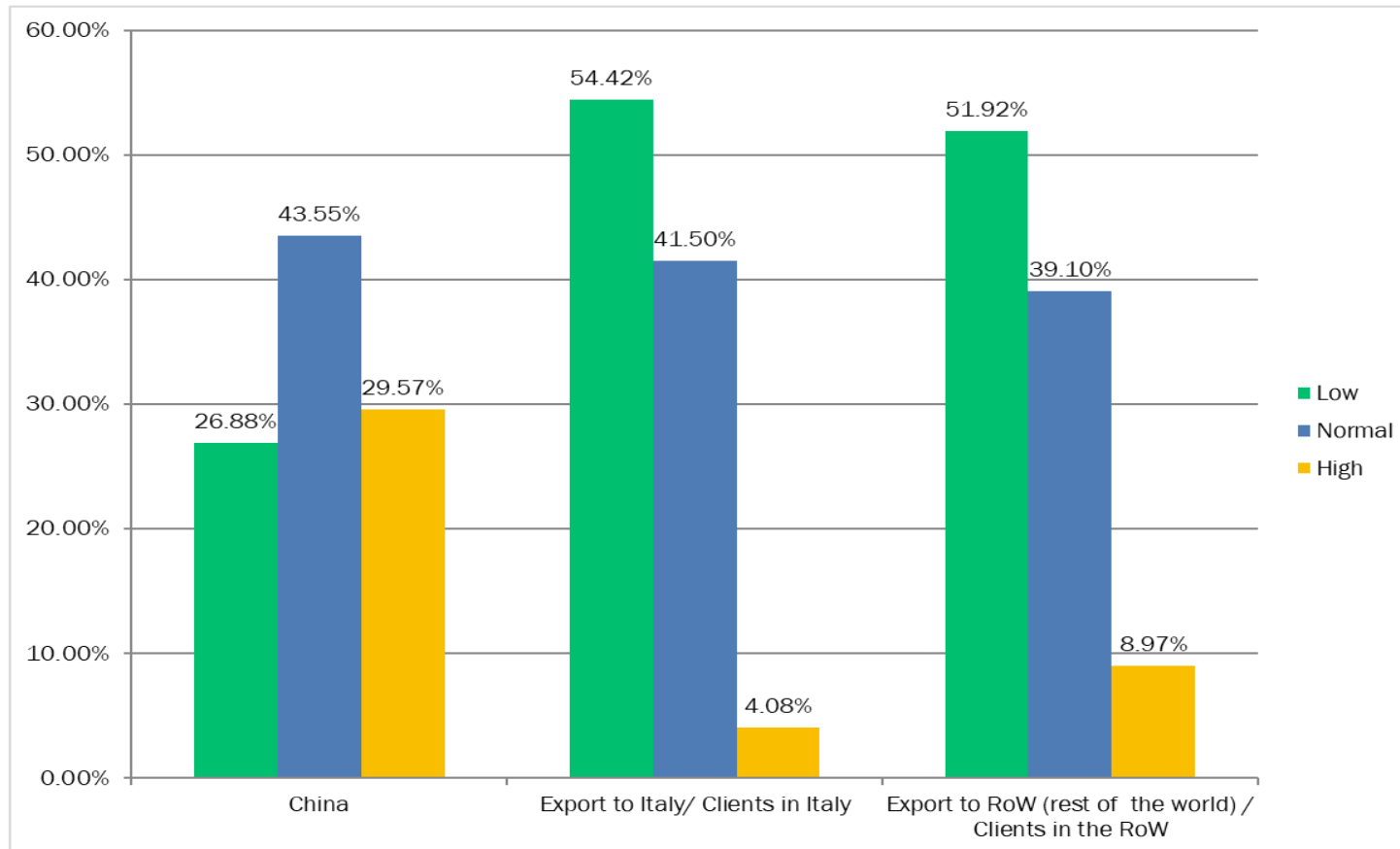
Imported Italian content represents more than 30% of China's revenue



46,2% suffered a consistent revenue reduction in China for the first 9 months of 2020



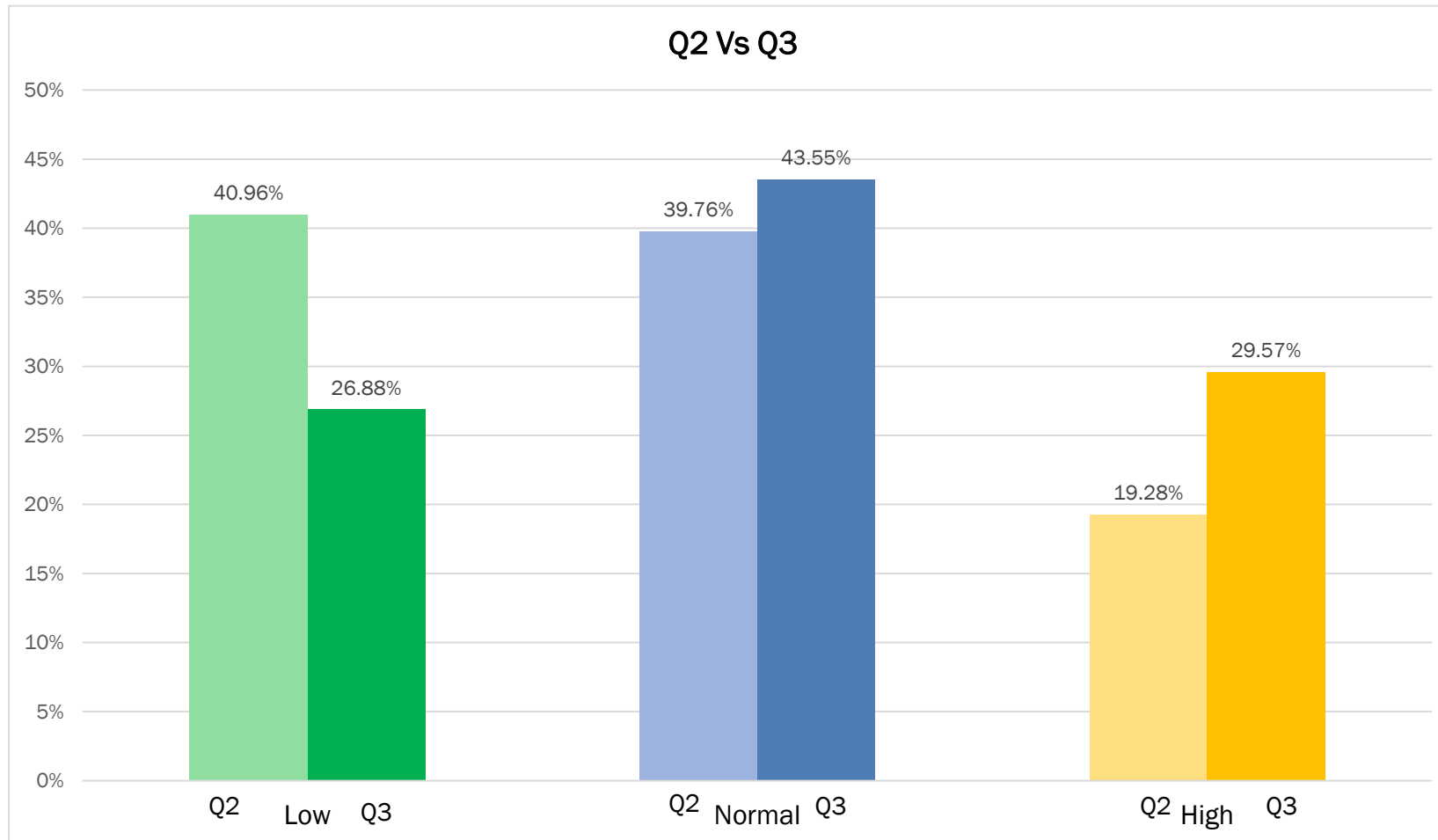
Q3 2020 Orders Portfolio Backlog vs. Q2



- Strong improvement of orders intake for all. In particular LOW had a 14% improvement vs. Q2 (was 40%)
- Also STABLE increased to 44% in Q3 vs 40% in Q2
- HIGHER orders intake have a remarkable 30% in Q3 vs 20% in Q2
- Negative trend for EXPORTERS suffering a worsening situation compared to domestic sales

Portfolio Backlog Sales: Q2 Vs Q3

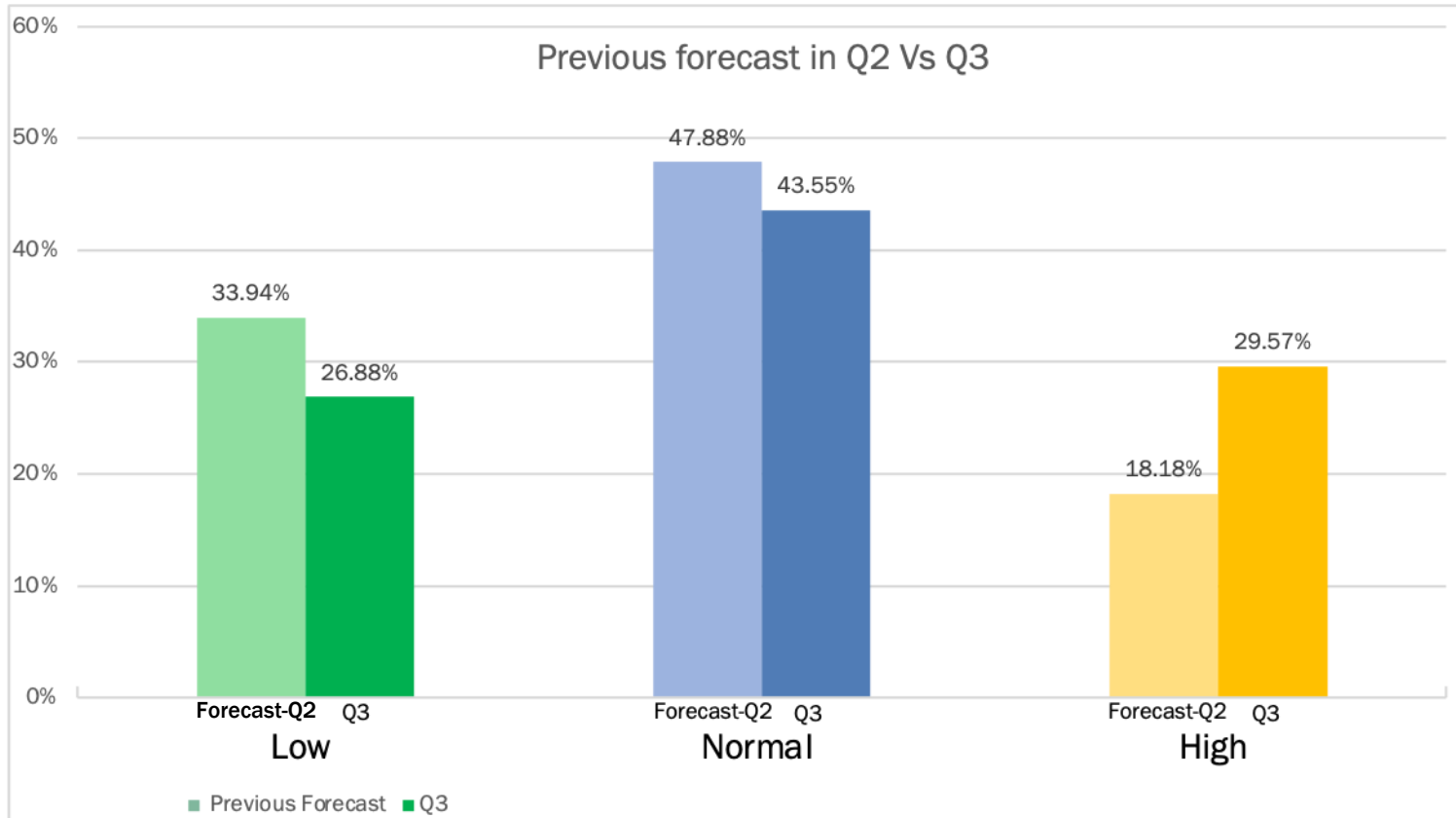
Focus China



- The improvement are very clear comparing directly Q2 vs Q3. All three categories have improved, and two of them double digits

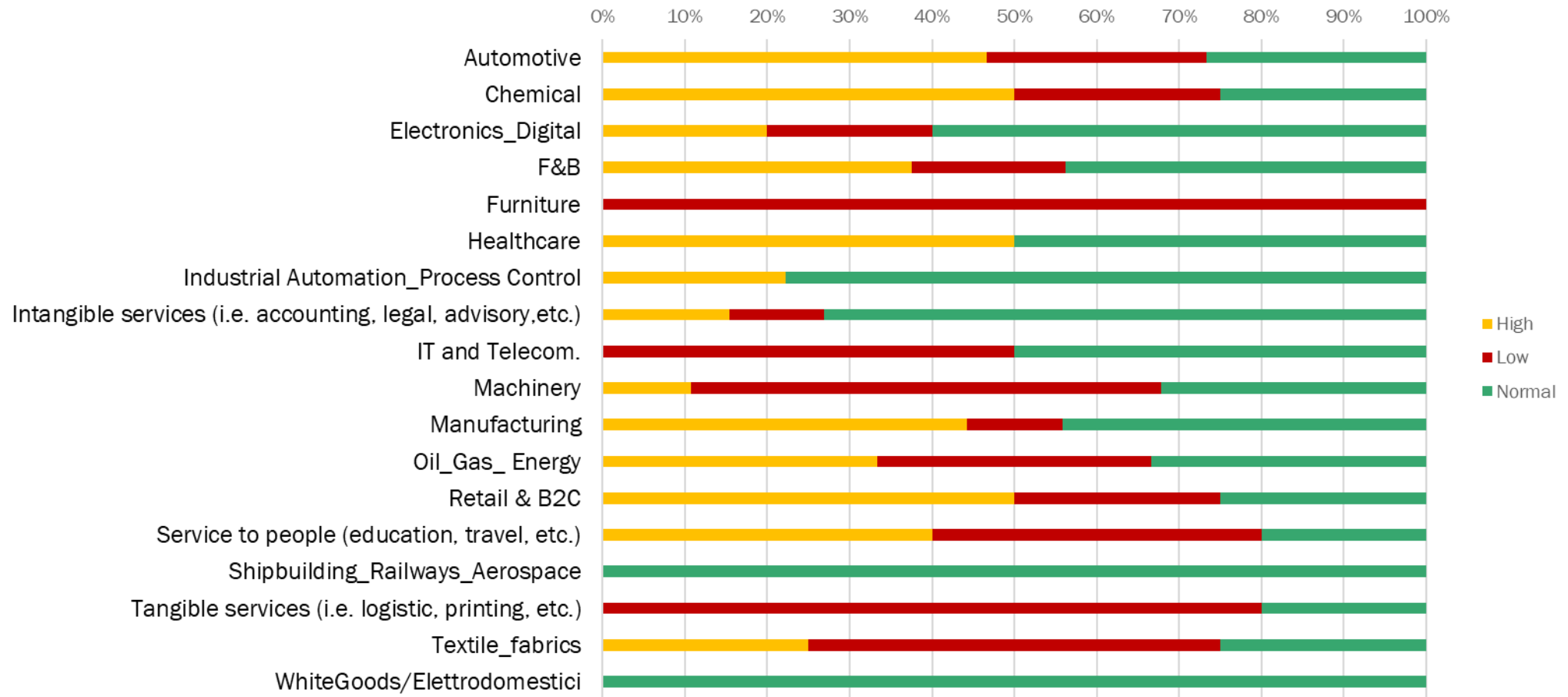
Q3 Current Portfolio Vs Previous forecast

Focus China

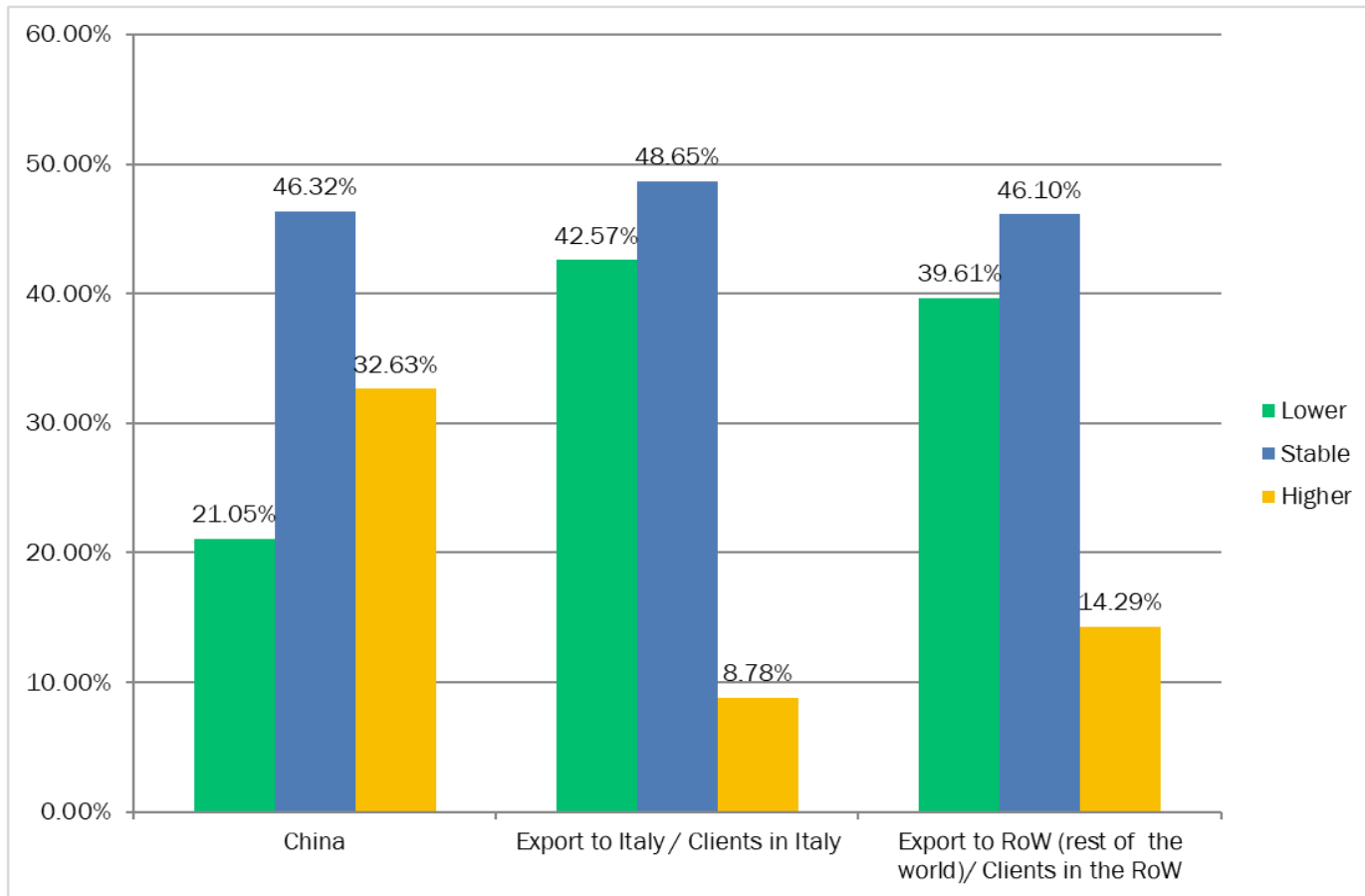


- Q2 forecast for Q3 was prudent. The increase of orders intake in Q3 was higher than predicted

Q3 Sales Portfolio Backlog by sectors, Focus China



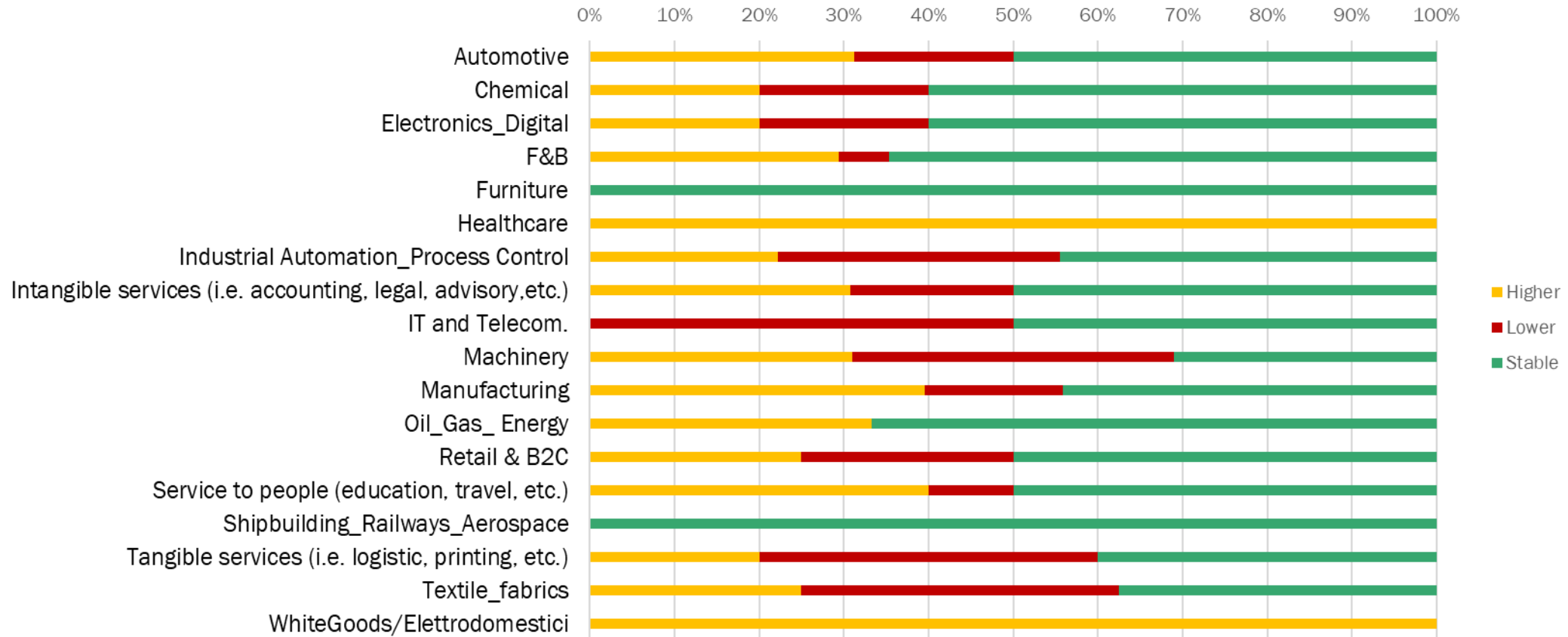
Q4 trend vs Q3 of new orders intake



- Compared to Q3 there is continuity in the increased improvement for new orders intake forecast in Q4 by +2% approx.
- The biggest change is the expected in the reduction of lower order intake from 27% in Q3 to 21% in Q4
- STABLE and HIGHER both forecast slight increases
- Exporters expect to see an improvement in Q4

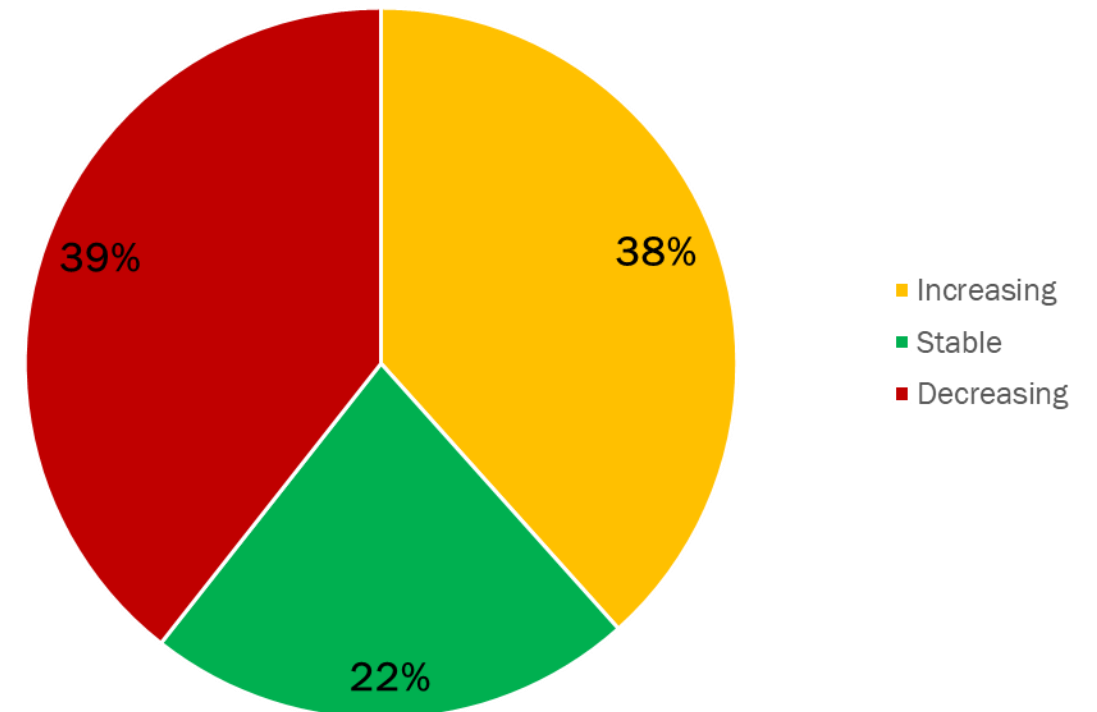
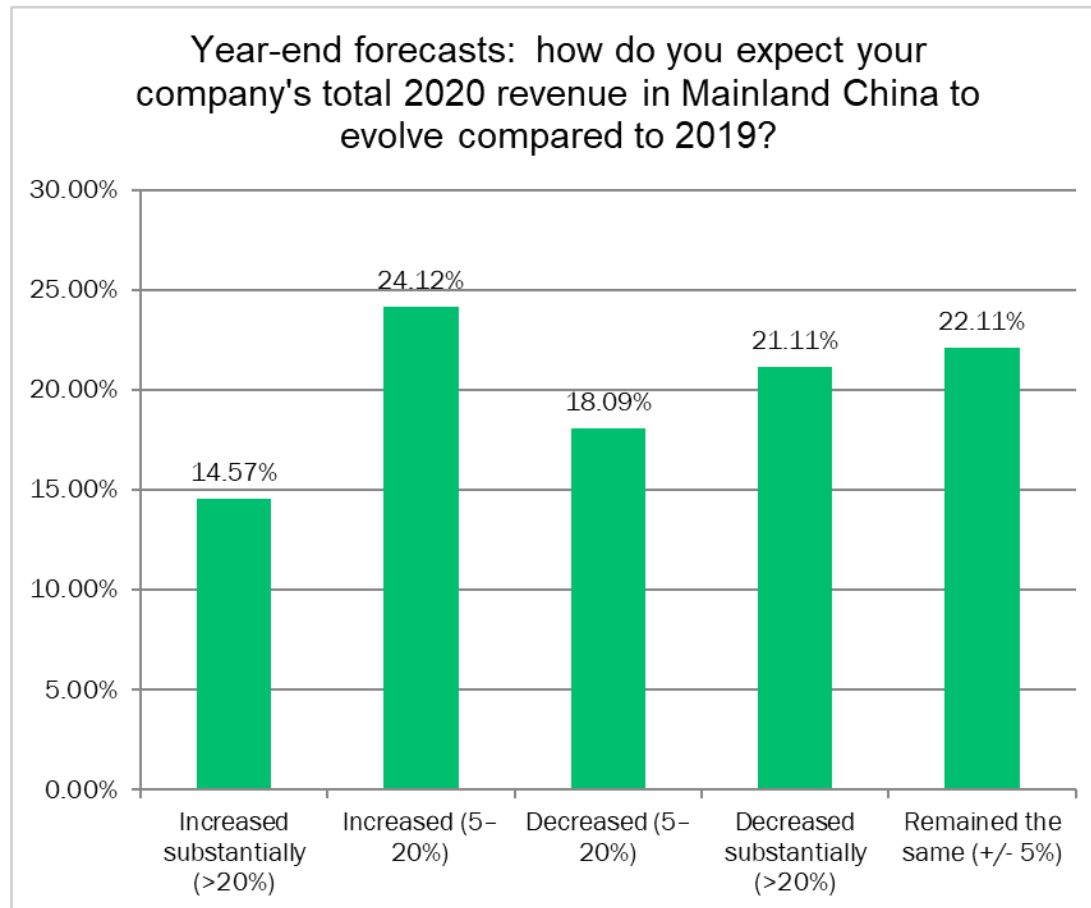


Q4 Trend of new orders by sectors, **Focus China**



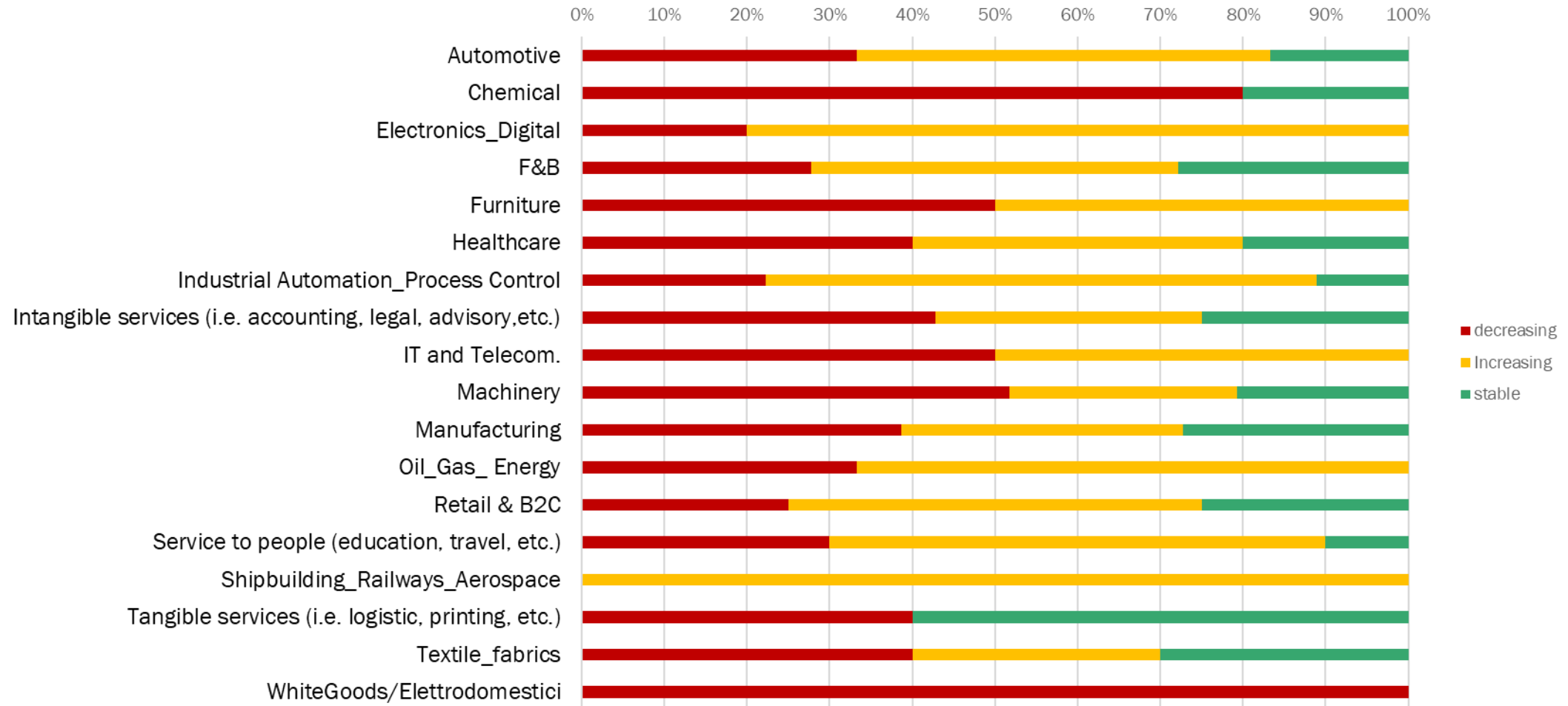


2020 Year-End Forecast by trend

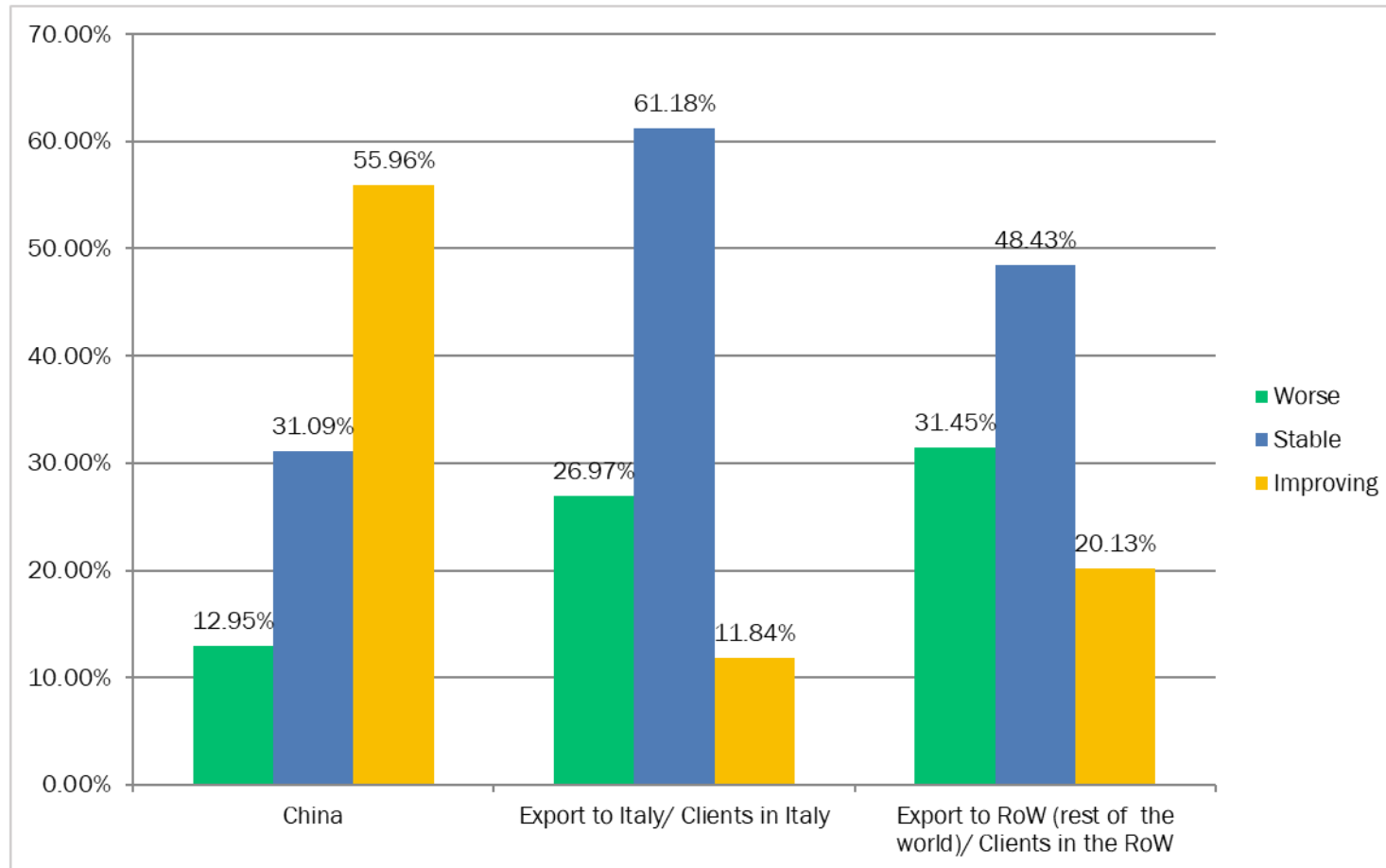




Year-End Forecast by Sectors

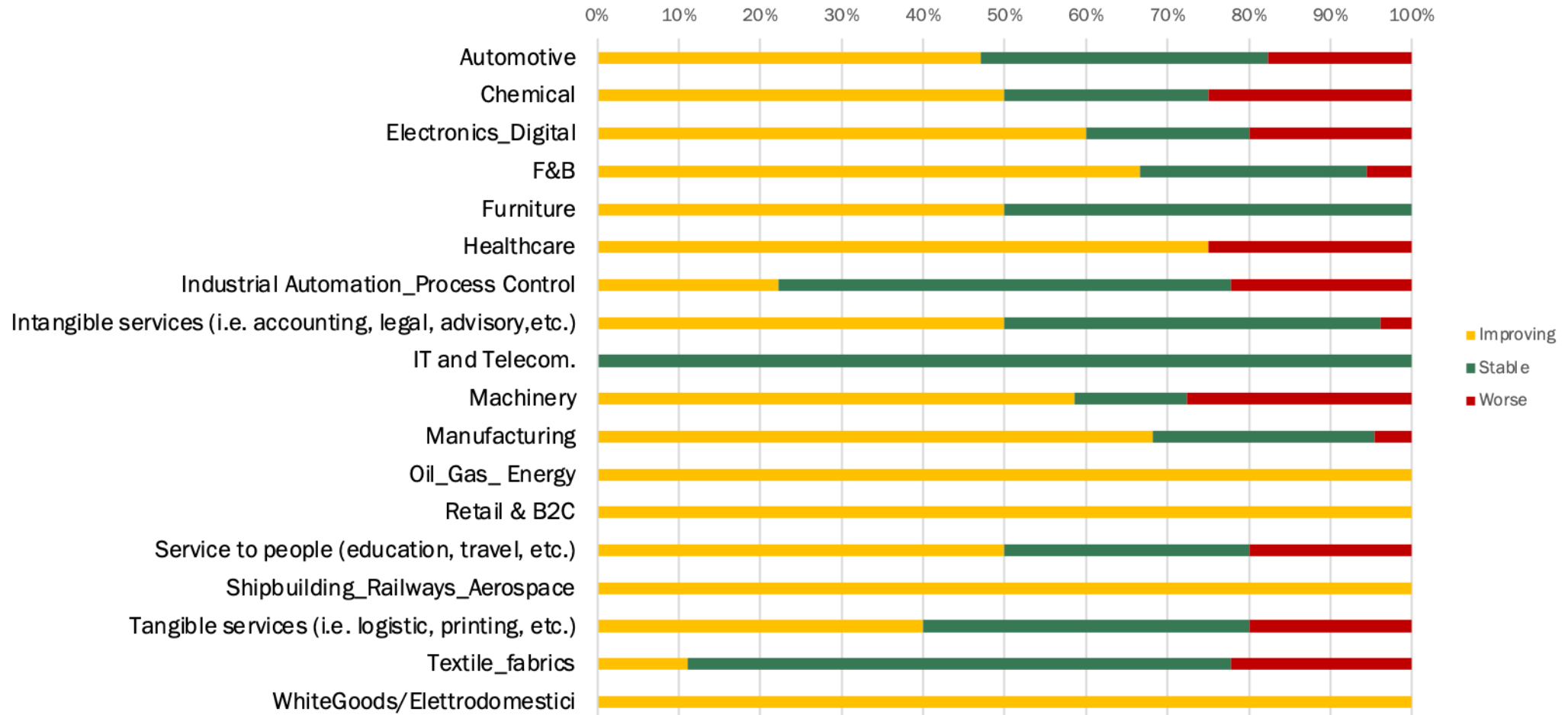


Business Trend, 6 - 12 Months Forecast



- Business trend forecast in 6-12 months shows an optimistic outlook boosting improved expectations for more than half of respondents.
- greater optimism towards exports to Italy

16-12 Months Forecast, by Business sector, **Focus China**





Thank you for helping us to better help you.

Next appointment with
Q4 – 2020 Quarterly
Business Survey will be in
January 2021



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About the CICCC

The **China-Italy Chamber of Commerce (CICCC)** 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, CICCC has now offices in Beijing, Chongqing, Guangzhou, Shanghai and Suzhou.

The CICCC 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.

The established network together with the institutional endorsement provided the CICCC 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.

Not a Member yet? More info at www.cameraitacina.com



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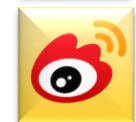
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