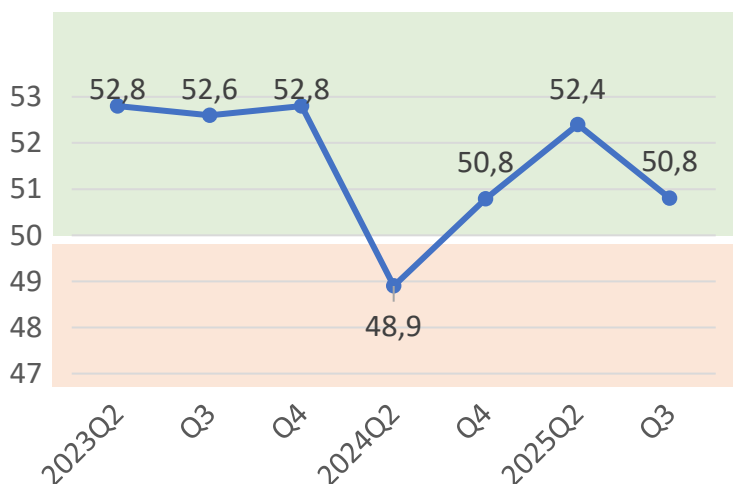


FINNISH COMPANIES' SHORT-TERM OUTLOOK ON CHINA – Q3 2025

50.8

The survey was conducted between 10th -24th September. 59 out of the 369 approached Finnish companies responded. The overall confidence index has dropped, but it still remains on the positive side. Companies are especially optimistic about China as a site for production. The short-term outlook for sales has turned back into negative territory. Respondents from Finland see China business outlook increasingly negative. 36% of respondents consider there is over capacity in their industry.

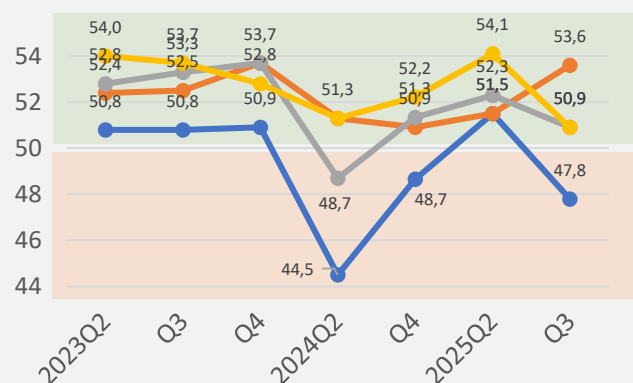


Diffusion Index Explains

If a majority indicate an improvement the index will be >50.

If there are matching positive and negative trends in the data, the index will be exactly 50.

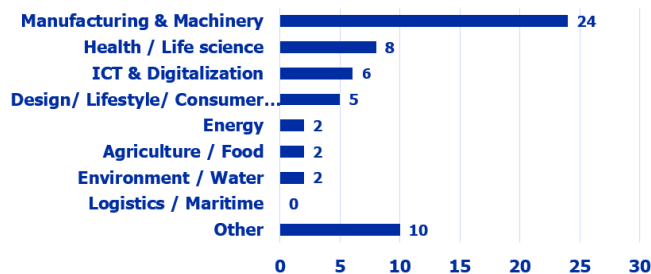
If a majority indicate a deterioration the index will be <50.



- Sales outlook turned back into negative territory. We saw a second biggest drop in survey's history.
- The index on how China market will evolve short term as a manufacturing site is highest during the time this survey has been conducted.
- View on China as a location for manufacturing / production / services, and China as a location for Research and Development have both remained positive in every survey since Q2 2023

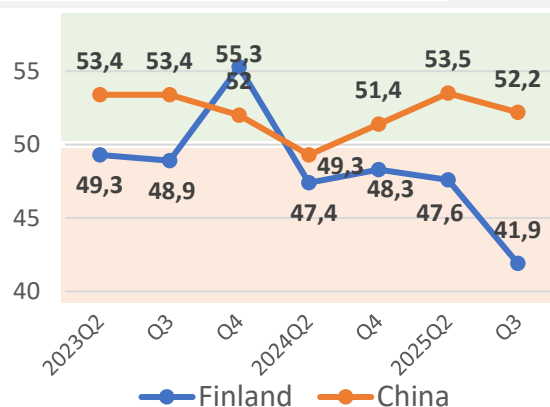


Sector Responding to the Survey

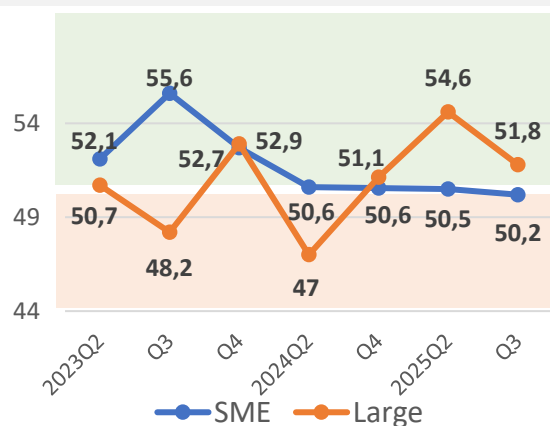


- The split of different industry types of this survey is aligned with previously conducted surveys

Working Location & Company Size

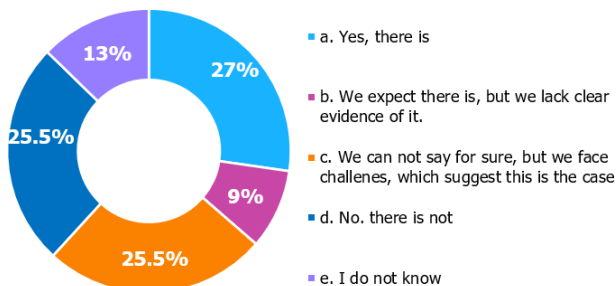


- The gap between responses from Finland and China is widening.
- Different views of China's short-term market outlook has never been bigger between Finnish and Chinese generated responses, as it was in this survey
- Responses from Finland reached the record low score in this survey



- The view on China's short term market outlook is close to similar between SME's and large enterprises
- SME's have had more or less the same level of slightly positive expectation on China market outlook for more than one year now.
- No significant difference in number of large enterprises responding to survey vs SME's (37% vs. 63%)

Is there severe over-capacity in your sector (with output capacity exceeding demand by 25% or average operating rate below 75%)



- 36% of respondents confirm or expect overcapacity exists
- 26% see market dynamics, which they suspect may be a result of overcapacity
- 26% of respondents do not see overcapacity.