



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

Italian Business in China Survey 2018

With the support of:



Disclaimer and methodology

- *The Survey was carried out in July-August 2018 when the CCIC accounted ca 480 members (333 Ordinary, 149 supporting) and 30 Friends.,*
- *The Survey has been strictly anonymous. Objectives are to:*
 - *Profile the Italian Business Community and CCIC Members-non-Members and better understand business and industrial base, business performance and preliminary sentiment,*
 - *Get the relevant position from Italian community (Members and not-Members) about CCIC services quality, performance, requests and overall feedback to get overall CCIC improvement and services enhancements,*
- *A significant number of contacts (email) has been invited to participate the Survey, from CCIC historical and current contacts with the aim to collect feedback and indications also out of members community,*
- *Survey structure and number of questions (57) has been kept within sustainable limits focusing on the most relevant information and data to get a first and preliminary profiling and sentiment. Hence, we have been forced to quit several questions (in same case very meaningful for a deep understanding the sentiment and outlook) about business and overall sentiments in China. Future editions (as of Mid 2019) will keep track of sentiment evolution as well as introduce further important questions for even better catch Italian Community business sentiments and overall needs,*
- *This is the first comprehensive Survey in CCIC history thus no comparison can be done with the past,*
- *It's been decided to use English for allowing also non-Italian respondents to participate and to facilitate tabulation and results elaboration. Bilingual adoption as been not pursued for costs and significant work overload reasons,*

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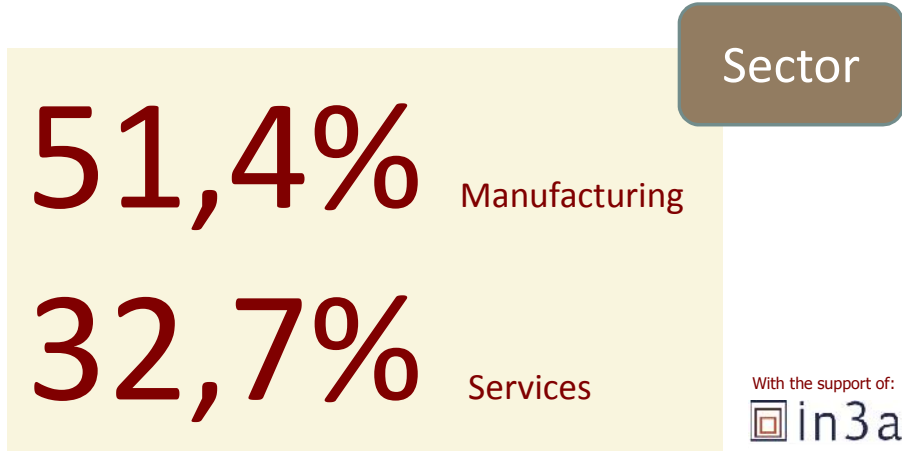
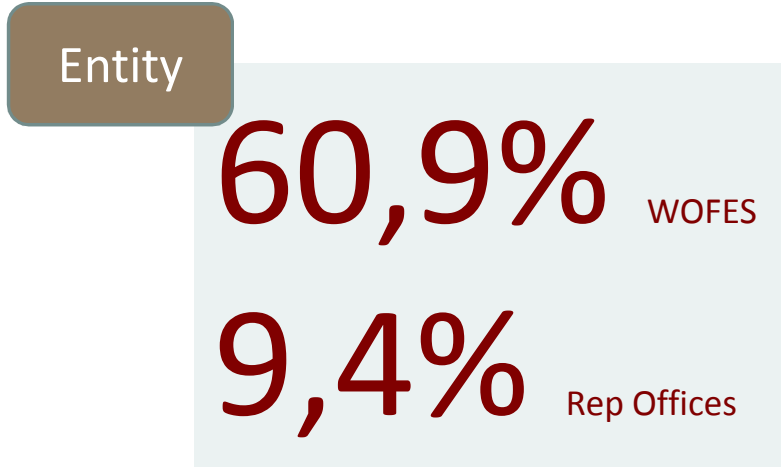
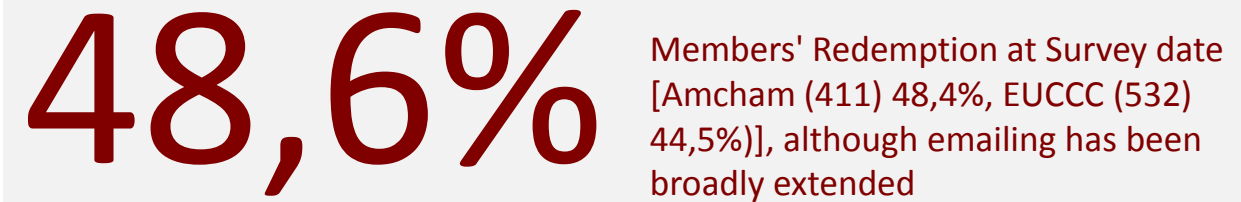
Document Content

- Champion Profile overall description,
- Economic/financial profile and business performance
- Chamber services and overall sentiment,
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CCI C Survey 2018 – Champion's Key Figures (1/ 2)



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CCI C Survey 2018 – Champion’s Key Figures (2/ 2)

Location

At least one HQ in
(multiple answers)

48,2% Shanghai

20,9% Guangdong

20,9% Jiangsu

18,6% Beijing

Seniority

65,5% in China since 5 years

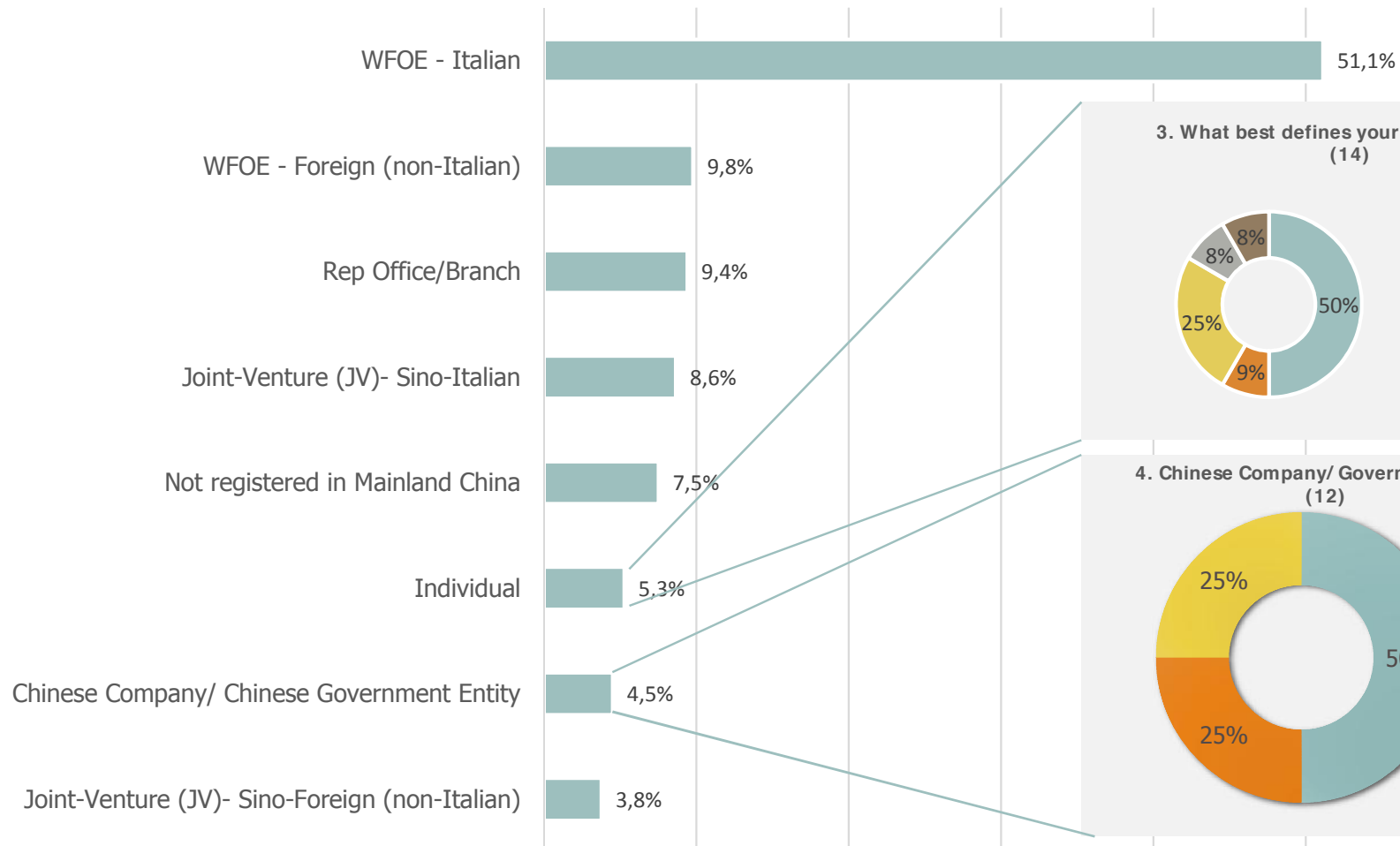
45,9% in China since 10-20 years

CCIC WGs

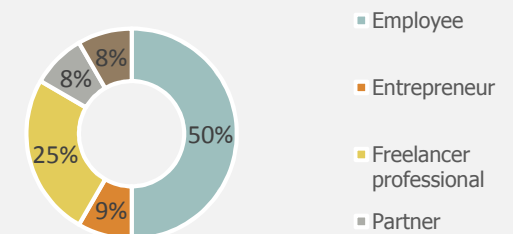
45,9% of Members also active in
CCIC Working Groups

More than 60% of respondents are registered in China as WOFEs, followed by Rep Offices

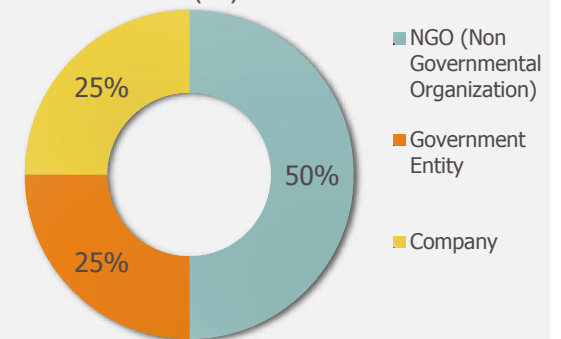
1. What is the business entity you registered within China? R: 265



3. What best defines your work position? (14)



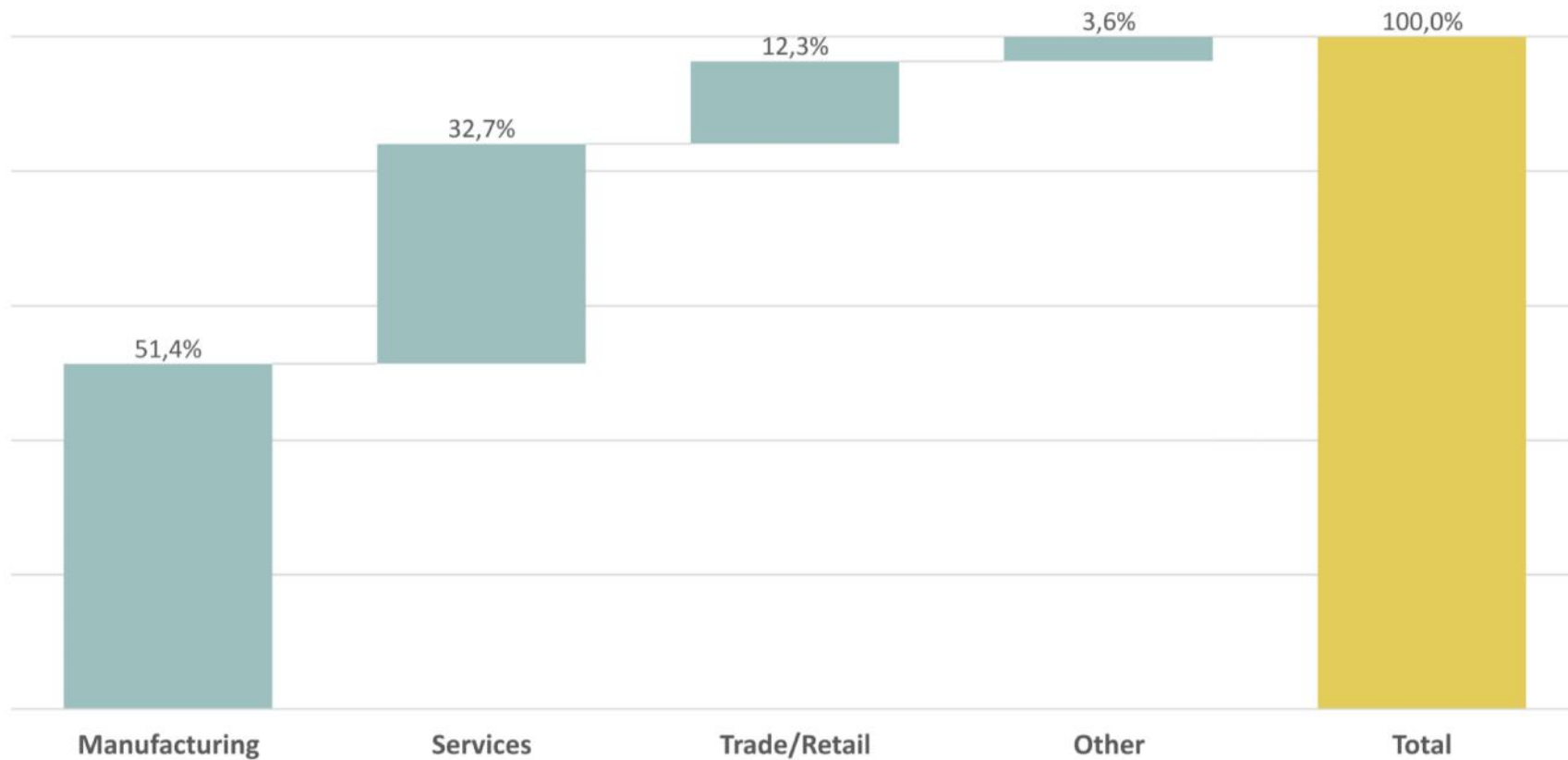
4. Chinese Company/ Government Entity (12)




Manufacturing is represented by > 50% of respondents

5. What is your business sector in China?

R: 220

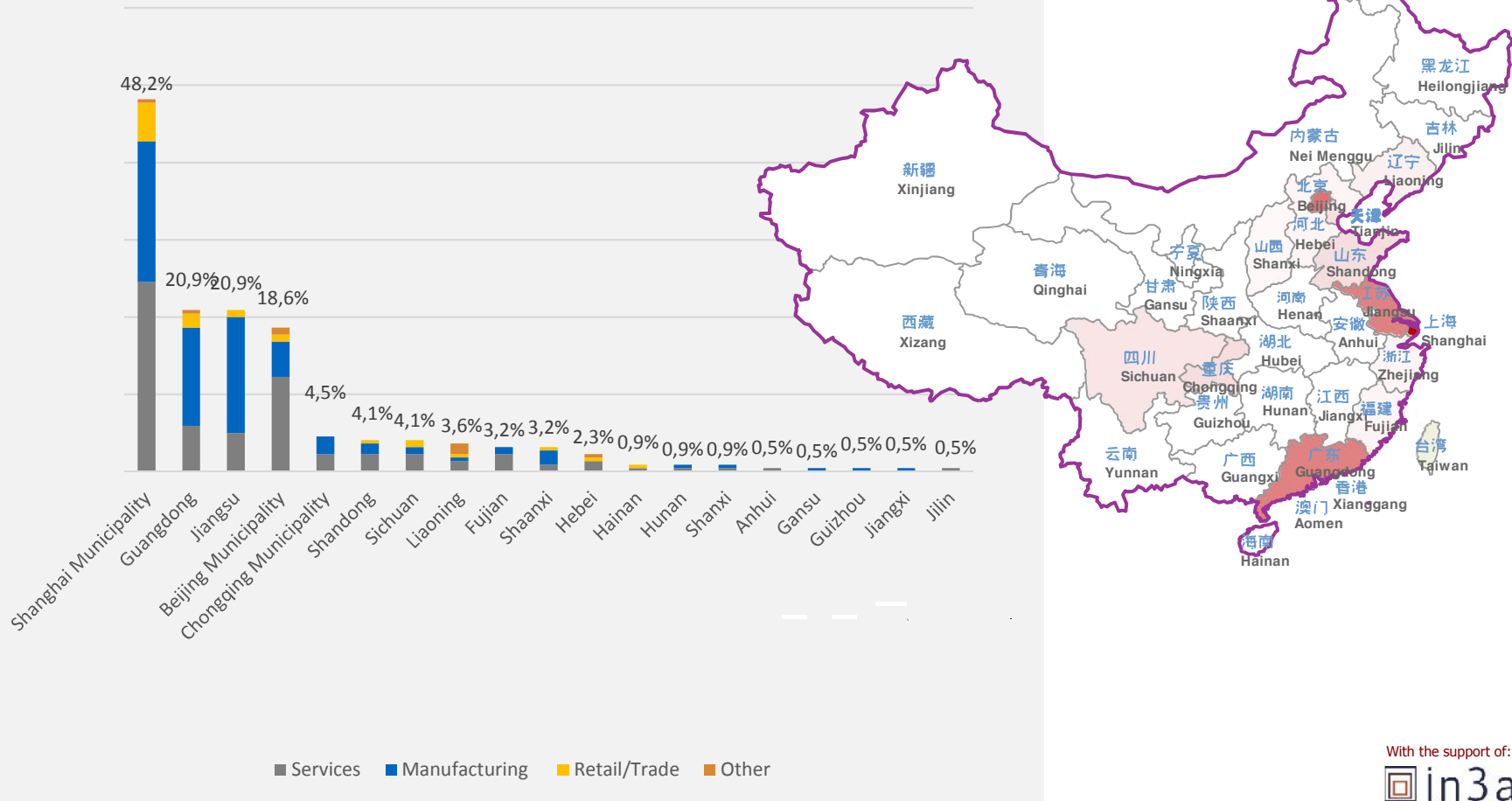


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Most of respondents have at least a base in Shanghai, Guangdong, Jiangsu and Beijing, where also manufacturing is concentrated

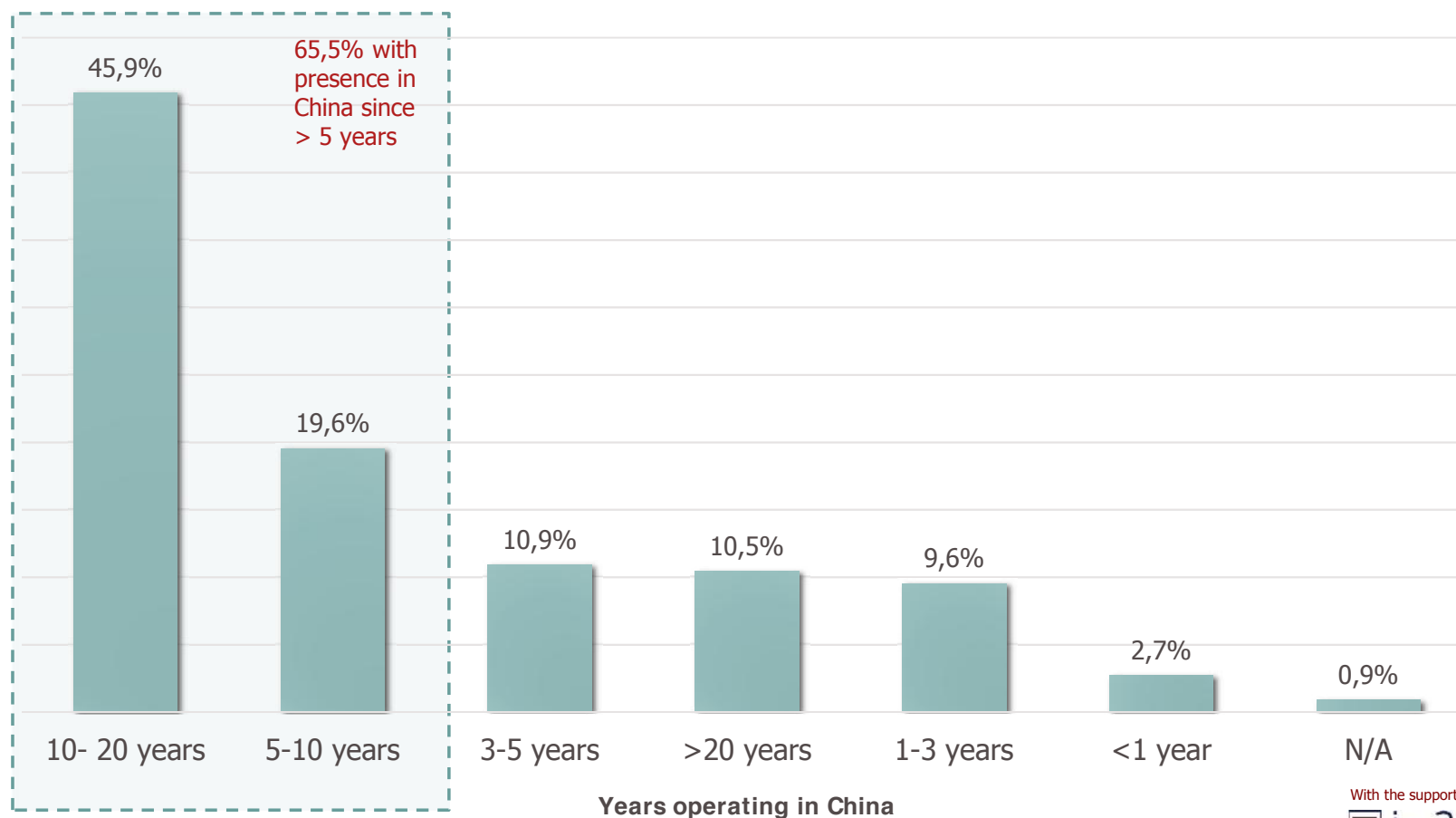
6. In which municipality/ province is your company located in China? (HQ) (multiple answers)
 R: 220



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More than 2/3 of respondents is present in China since more than 5 years, about 45% more than 10 years

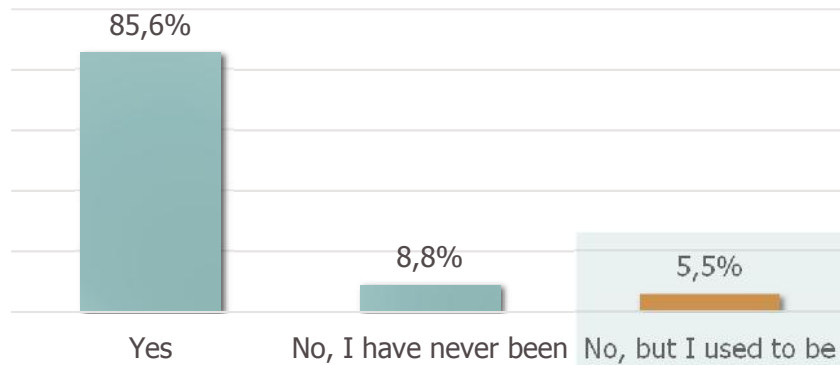
8. How long has your company been operating in China? R: 220



> 85% of respondents are CI CC members, > 60% ordinary ones,

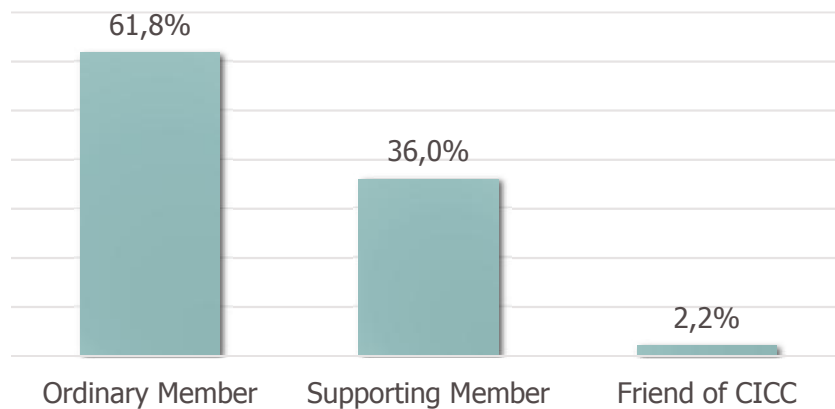
30. Are you a member of CICC in 2018?

R: 181



31. Which kind of CICC Membership do you have?

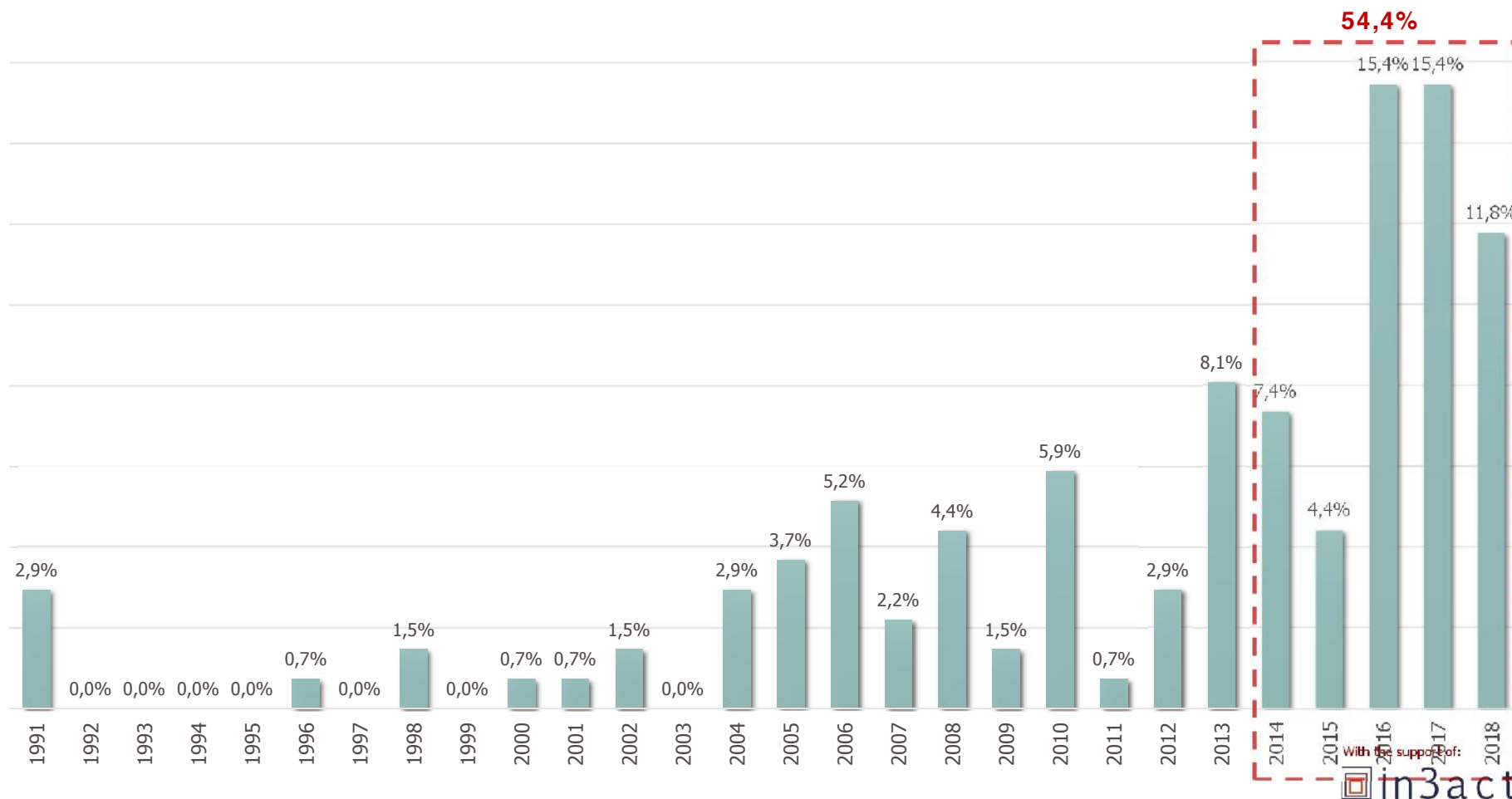
R: 136



More than half of the respondents are "recent" members, registered after 2013

32. When did you become a CI CC member?

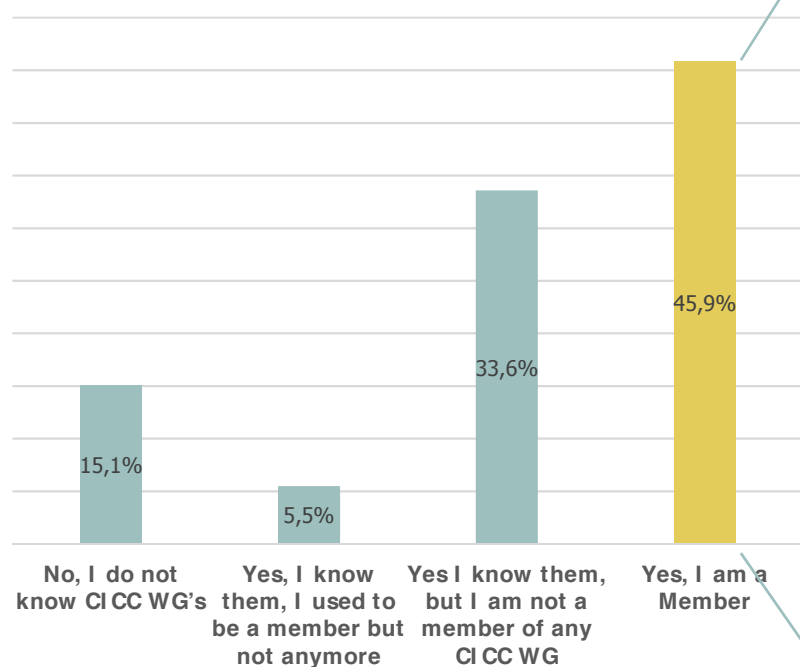
R:136



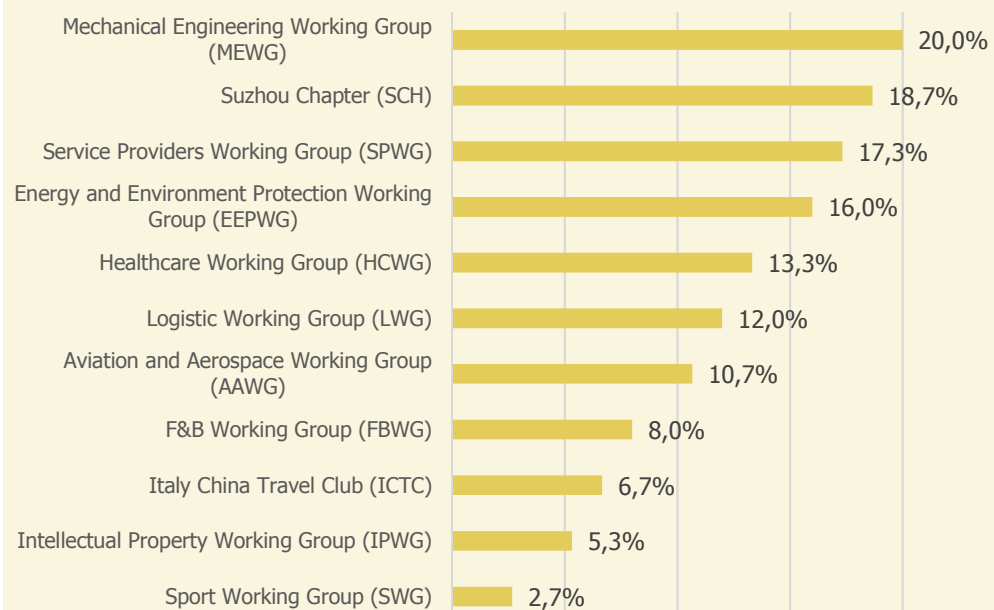
Almost half of the respondents are CI CC WG members, 20% of them are part of the MEWG

40. Do you know CI CC Working Groups (WGs)?

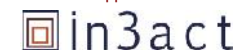
R: 146



41. Please specify the CI CC Working Groups you belong to.



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CCI C Survey 2018 – Community’s Key Figures (1/ 4)

Size (employees)

58,2% Companies with less than 50 employees in China

46,9% Companies belonging to Groups with > 500 employees ww

Size (revenues)

55,5% with revenues less than €10 mio in 2017 in China

12,7% with global revenues > 1bn

Performance (revenues)

70,6% of mother Companies with revenues increase > 5% 2017 vs 2016

64,9% with revenues > 5% increase 2017 vs 2016, in China

Performance (EBITDA)

47,7% of mother Companies with EBITDA > 10% in 2017

36,1% with EBITDA > 10% in 2017, in China

CCI C Survey 2018 – Community's Key Figures (2/ 4)



CCI C Survey 2018 – Community's Key Figures (3/ 4)

MiC2025

49,6% of those having an opinion (Y/N/Neutral) on MiC2025 is **Positive**

3% **Negatively** affected by MiC2025

10,7% feel discriminated as foreign companies by MiC2025 program, ca **22,6%** of whom is affected by.

BRI

40% of those having an opinion (Y/N/Neutral) on BRI is **Positive**

0,6% **Negatively** affected by BRI

8,9% feel discriminated as foreign companies by BRI, ca 17% of whom is affected by.

Outlook

67,5% Optimistic Globally

Expects revenues increase globally

59,8% Optimistic in China

Expects revenues increase in China

11,6% Pessimistic Globally

Expects revenues decrease Globally

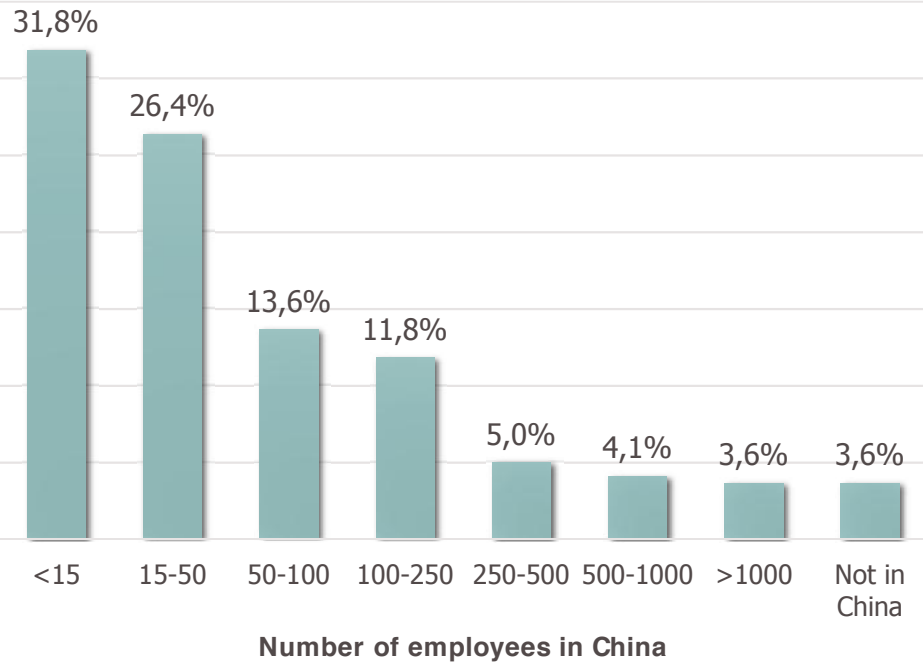
16,7% Pessimistic in China

Expects revenues decrease in China

Ca 60% of Companies have less than 50 employees in China, and more than 55% are part of a Company Group with a total number of employees over 250 employees

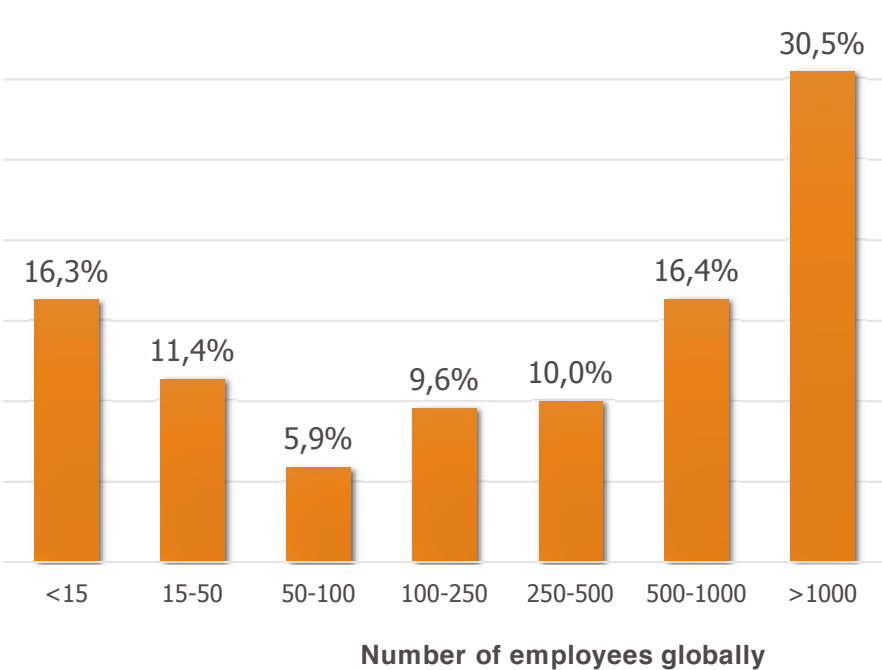
9. How many employees does your company have in China?

R: 220



10. How many employees does your company group have globally?

R: 220

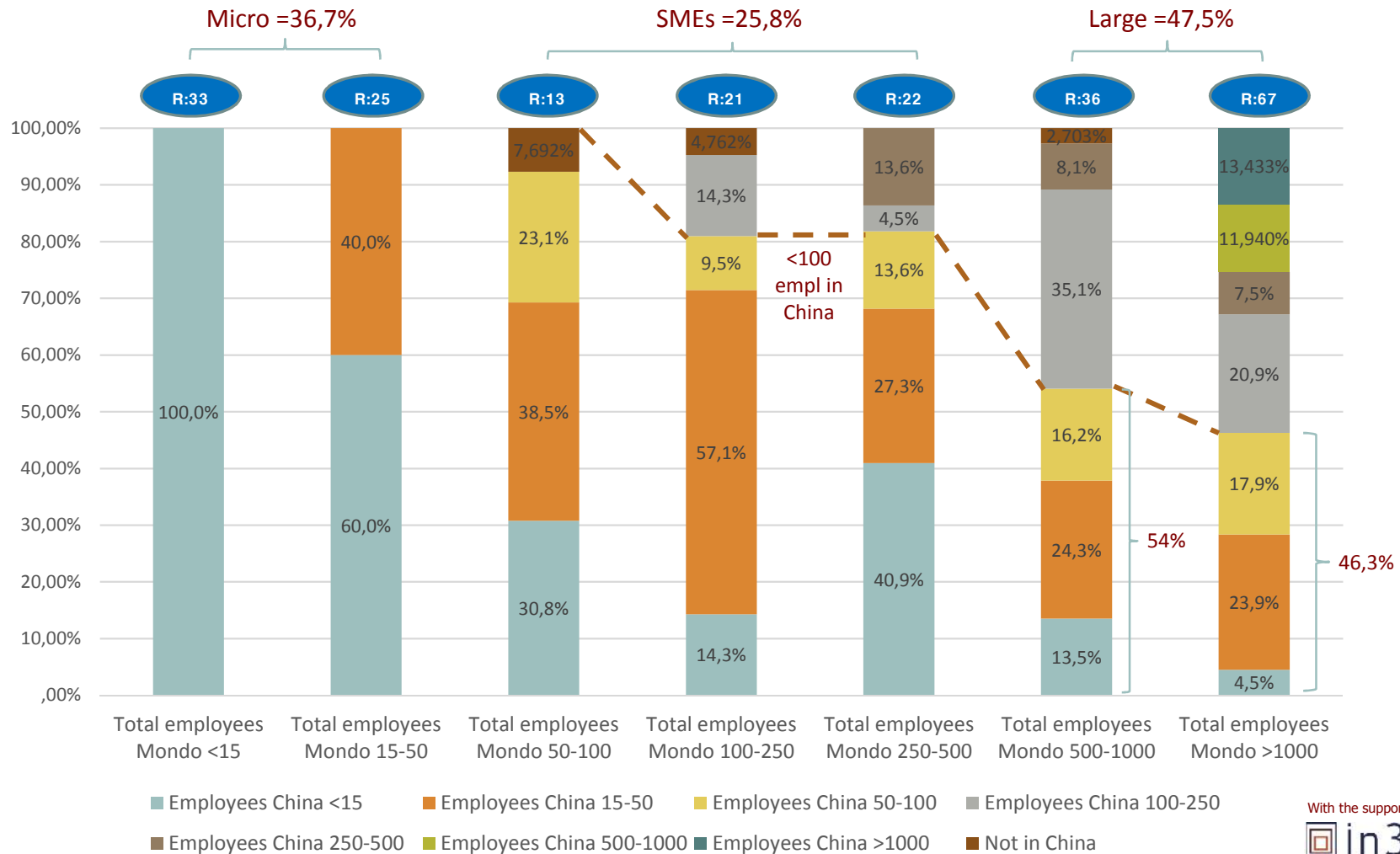


With the support of:


Ca 46% of Companies among those with > 1000 employees globally have less than 100 employees based in China

9 and 10. Employees in China as % of employees WW

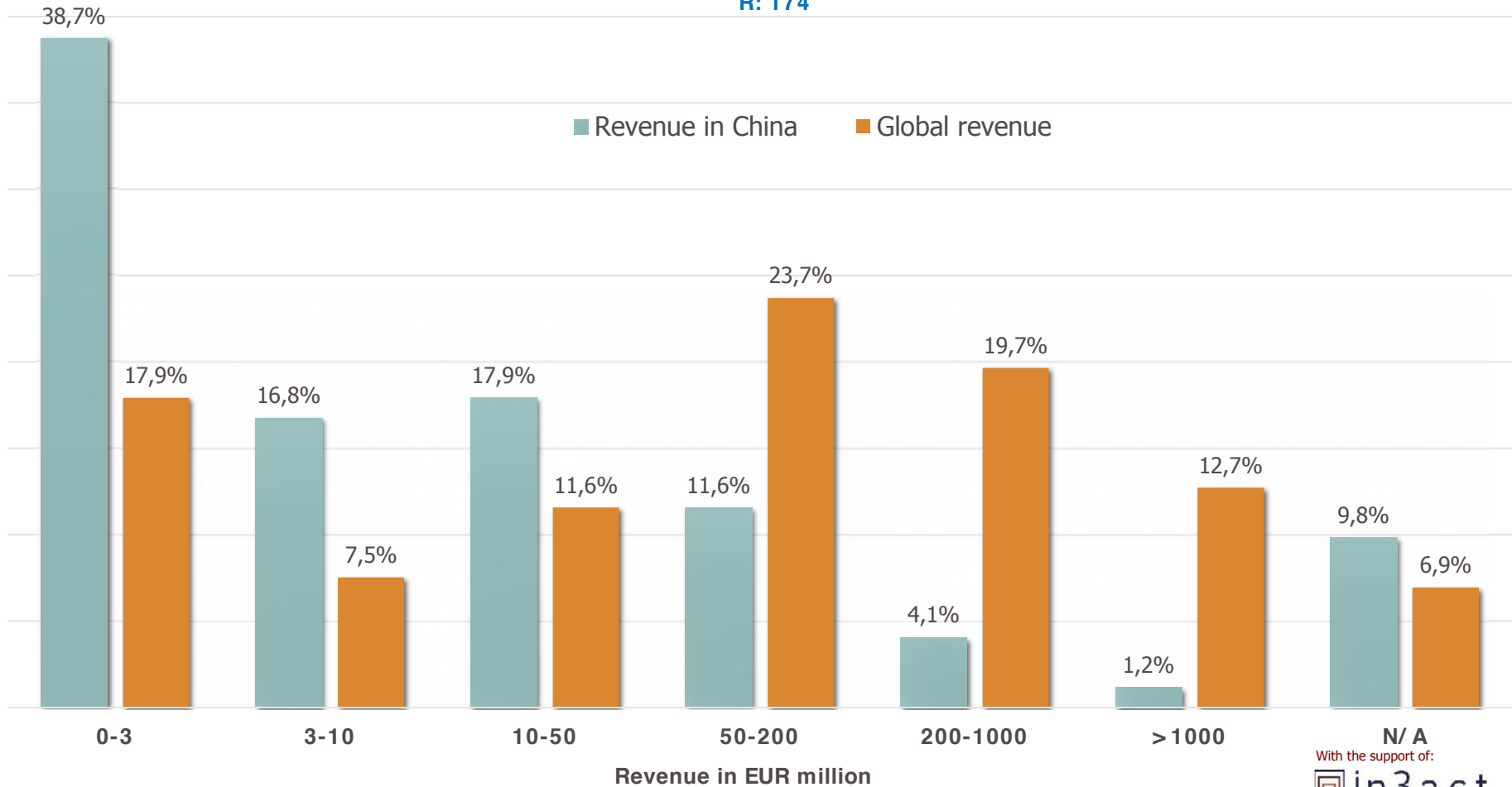
R: 217



More than 50% of Companies revenues in China is < 10 Mio euros/ year although almost 40% belong to companies with a 2017 global revenue higher than 200 Mio euros/ year

11. What was the total revenue of your company in China in 2017? (in Million EUR)
 12. What was the global revenue of your company group in 2017? (in Million EUR)

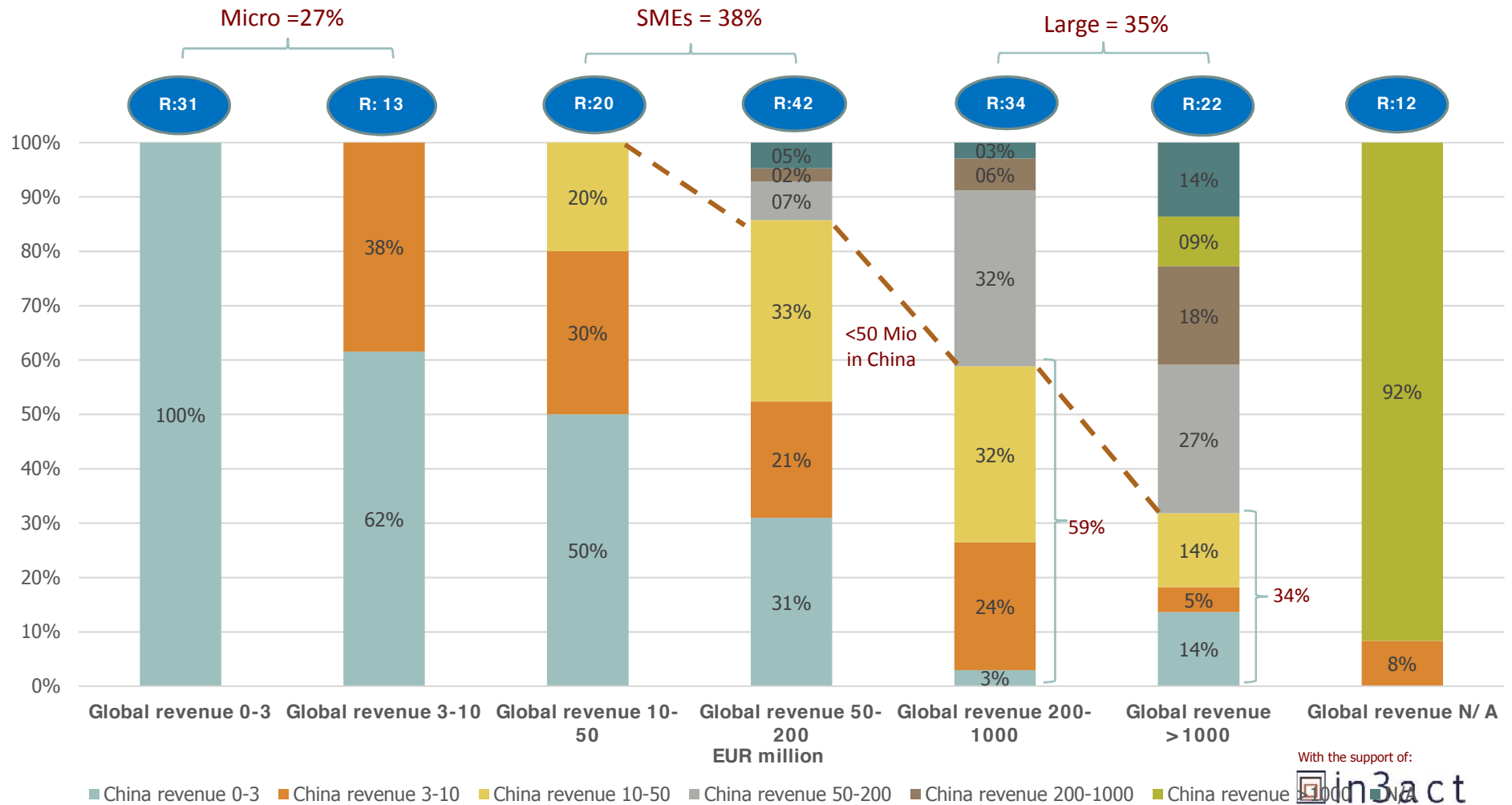
R: 174



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Around 60% of companies with global revenue exceeding €1 bn generate less than €200 Mio in China

11 e 12. China revenue as % of Global revenue
 R: 174

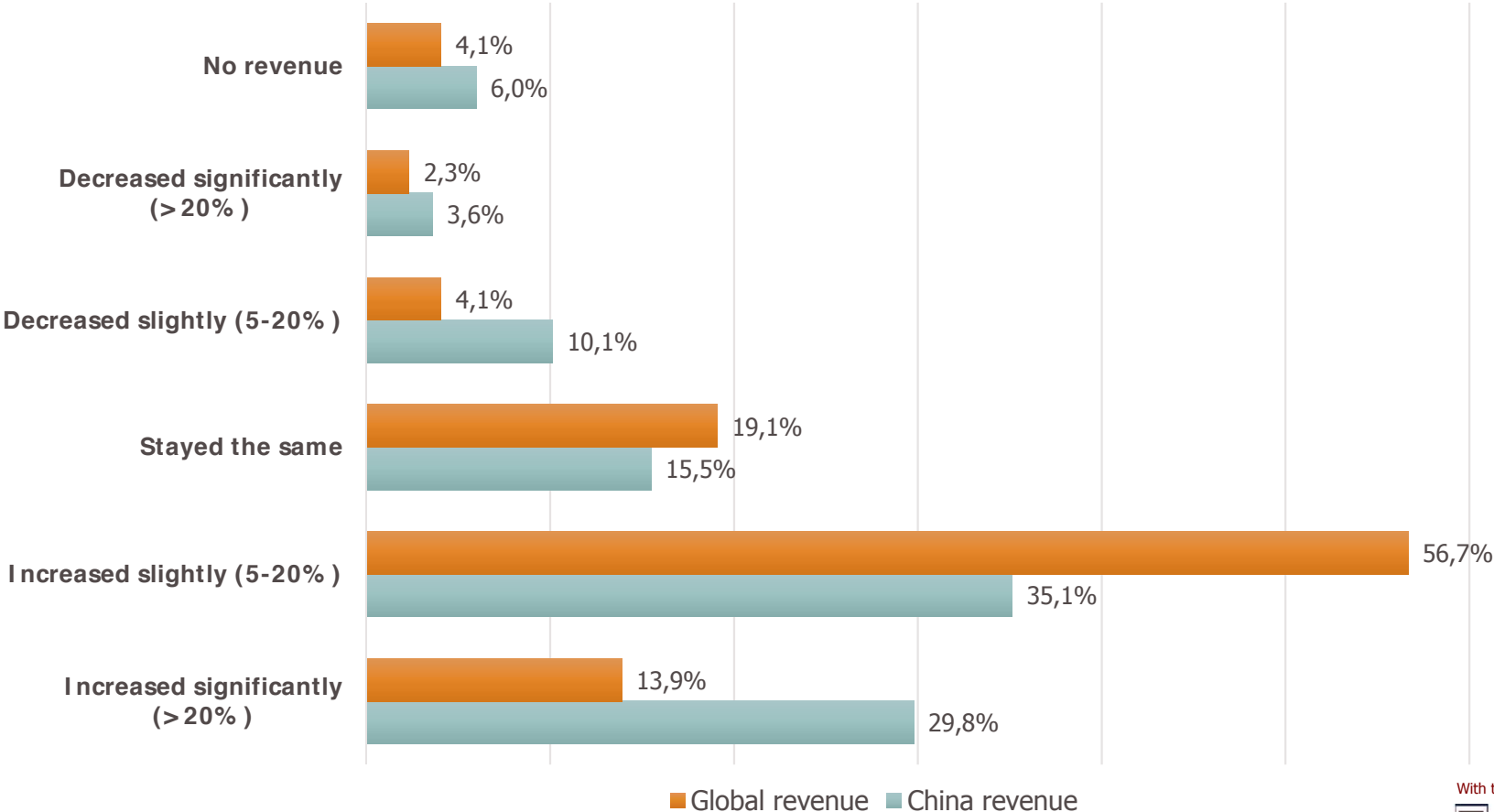


With the support of: in3act

Overall business performance positive trend fairly aligned both in China and globally. Exceptional performances in China outpace global ones

13. How did your company's revenue in China perform in 2017 compared to 2016?
 14. How did your company group's global revenue perform in 2017 compared to 2016?

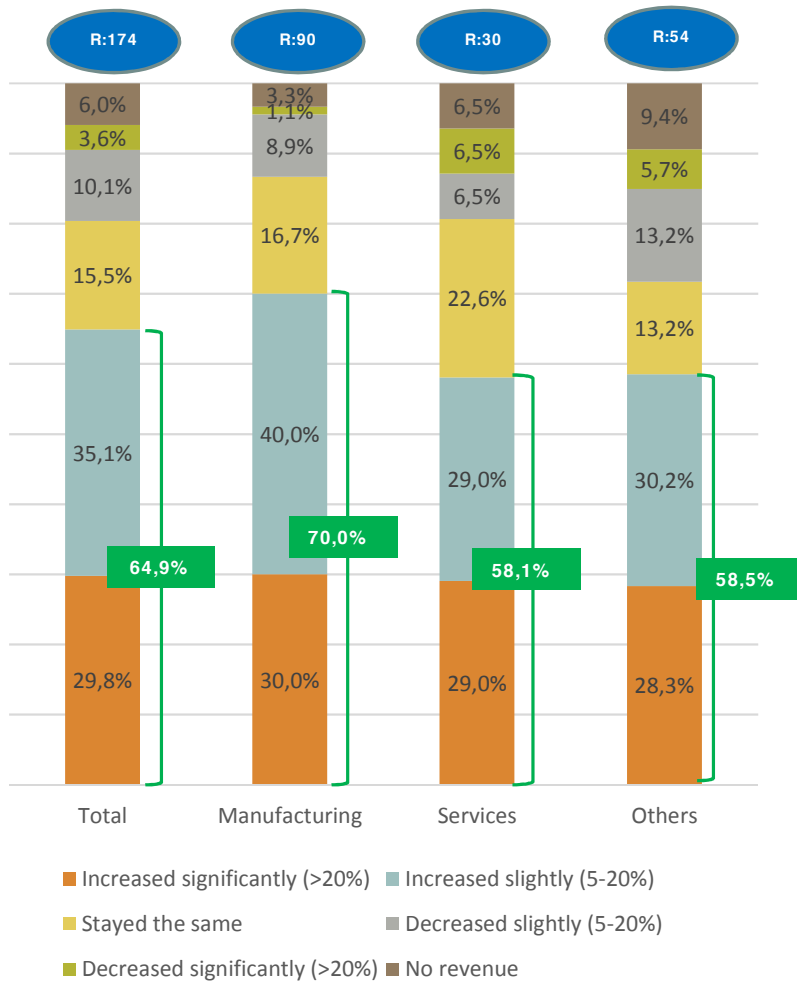
R: 174



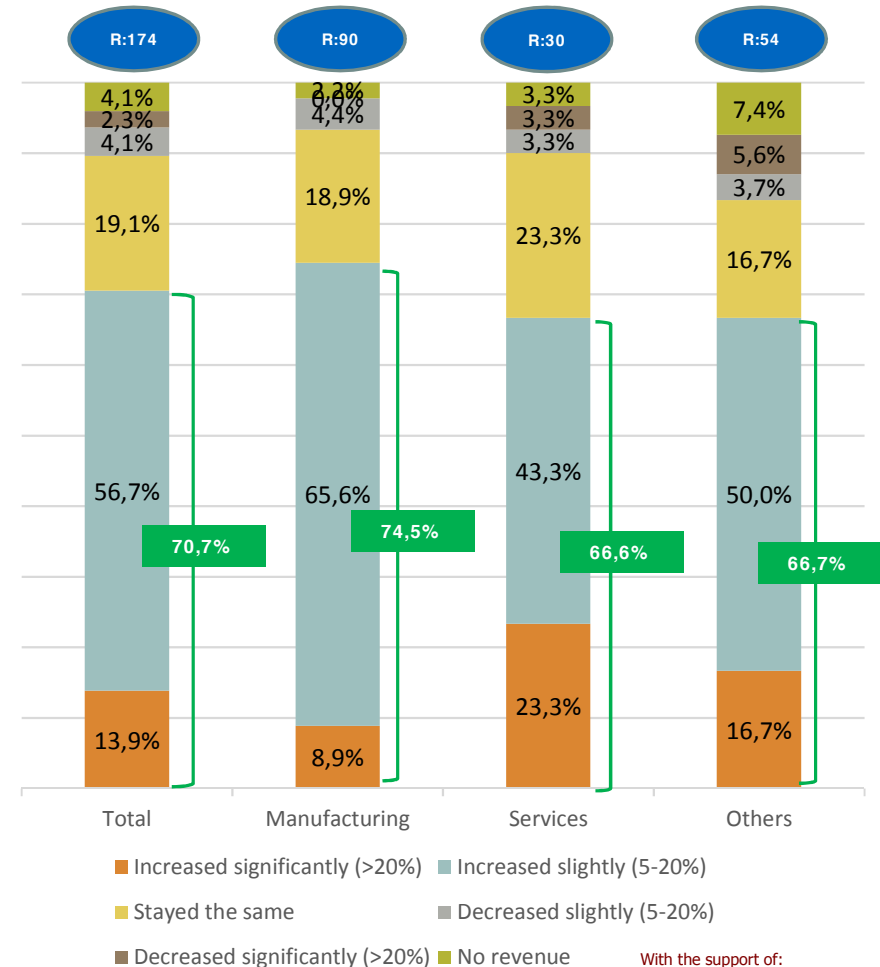
With the support of:
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Manufacturing sector's revenues performance in China has been significantly better than other sectors in 2017 vs 2016

13. How did your company's revenue in China perform in 2017 compared to 2016?
 R: 174



14 How did your company group's global revenue perform in 2017 compared to 2016?
 R: 174

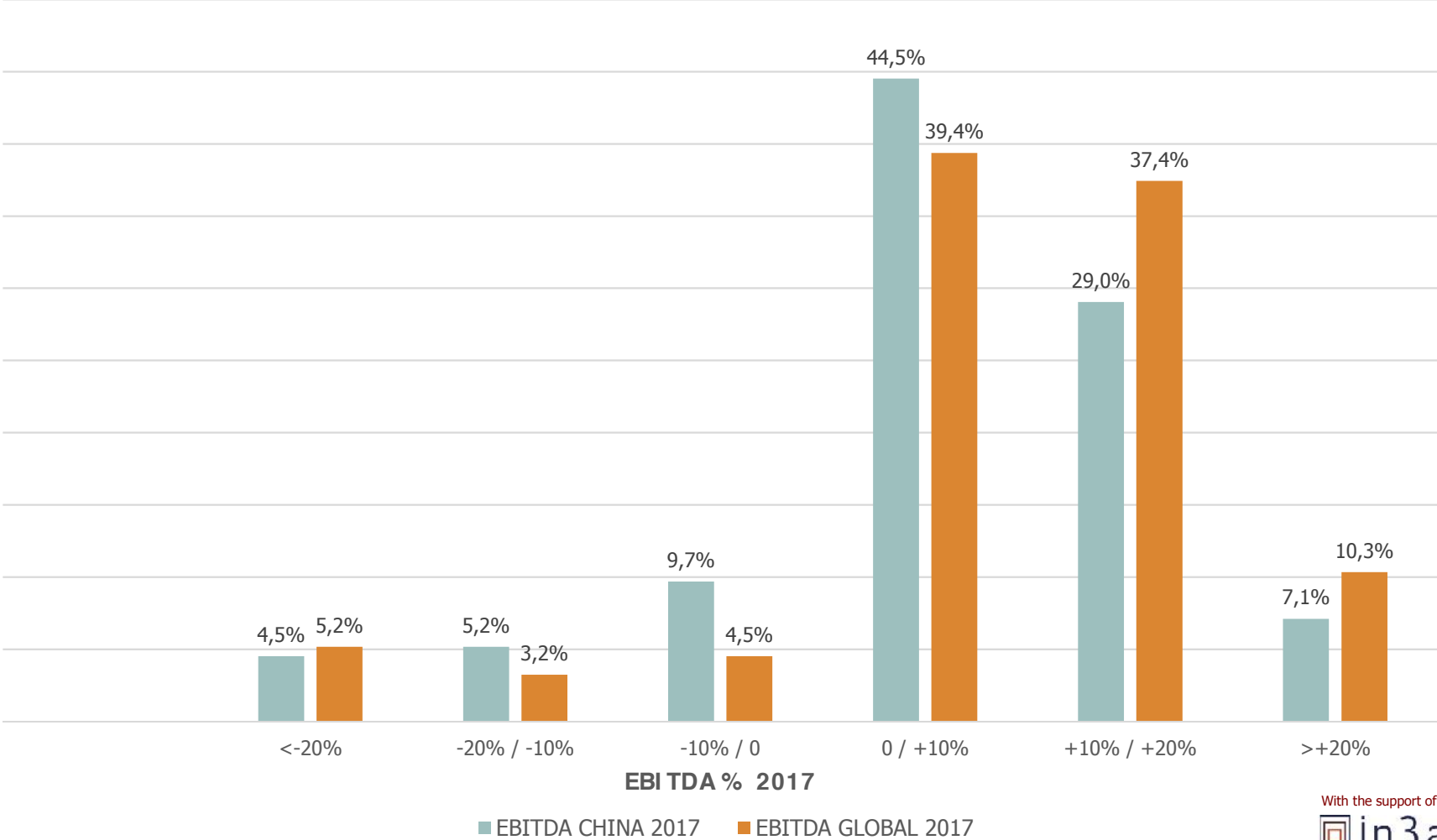


With the support of:

Industry selection: 2 most significant as per number of responses

Average EBI TDA performance is astonishing, both globally and in China

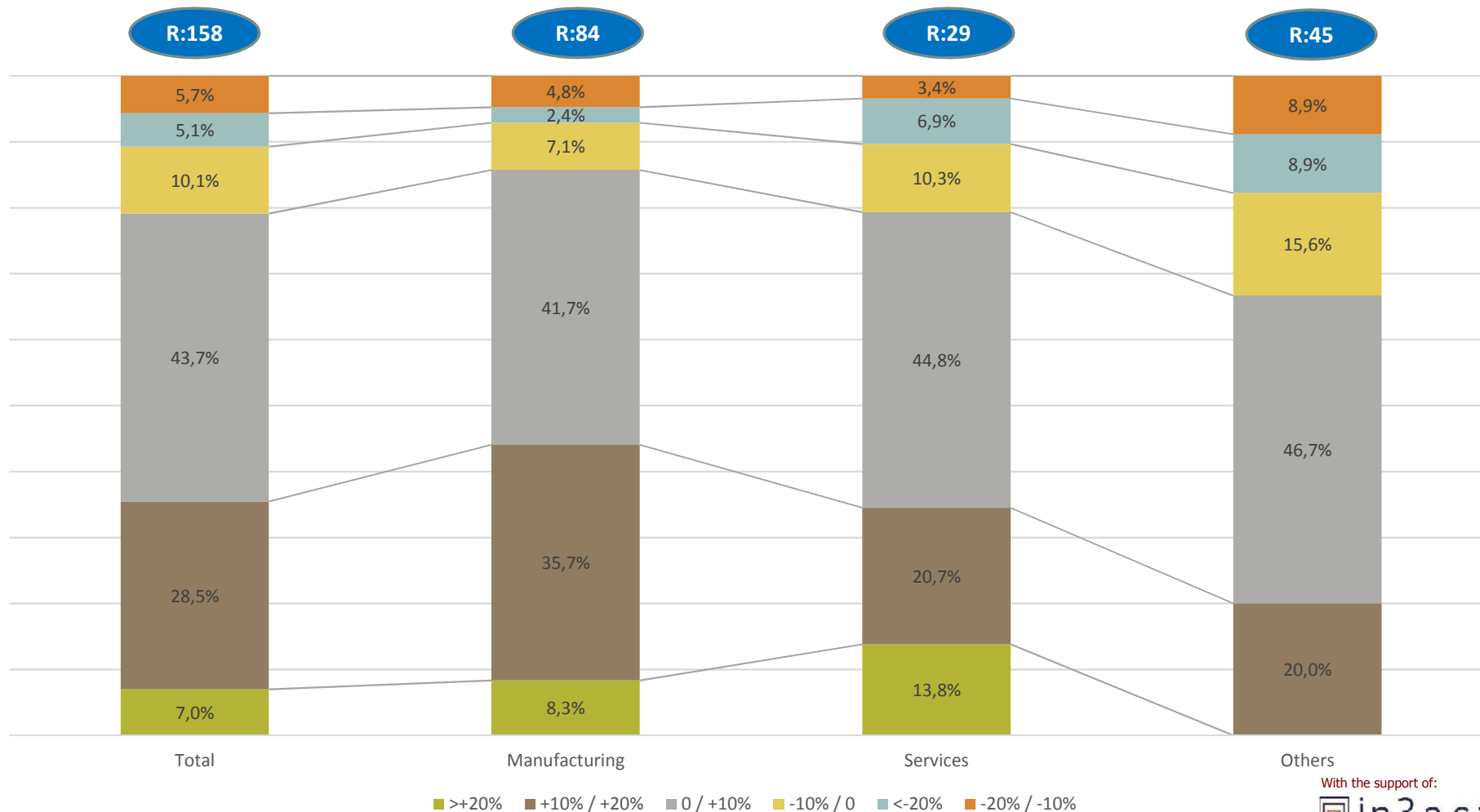
15. What's the EBI TDA of your company in China in 2017? (in % over total revenue) **R:158**
 16. What is the EBI TDA of your company group in 2017? (in % over total revenue) **R: 174**



In 2017, about 44% of Manufacturing Companies with EBITDA > 10% while Services ones with high rate of EBITDA > 20%

15. What's the EBITDA of your company in China in 2017? (in % over total revenue)

R: 158



With the support of:
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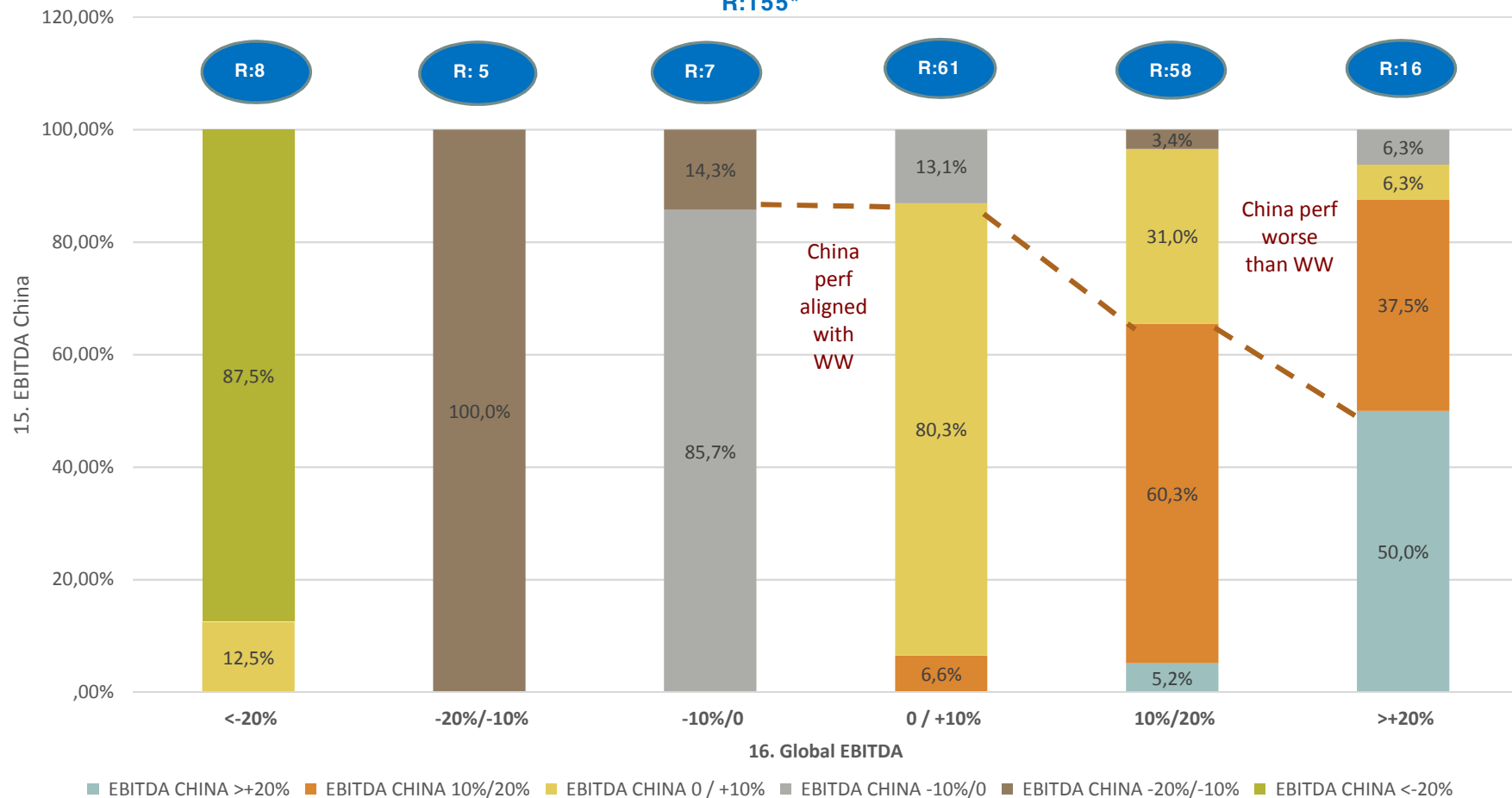
Industry selection: 2 most significant as per number of responses

Companies EBI TDA performance in China is fairly aligned with WW one. For high WW performances China EBI TDA decreases



15. What's the EBI TDA of your company in China in 2017? (in % over total revenue)
16. What is the EBI TDA of your company group in 2017? (in % over total revenue)

R:155*



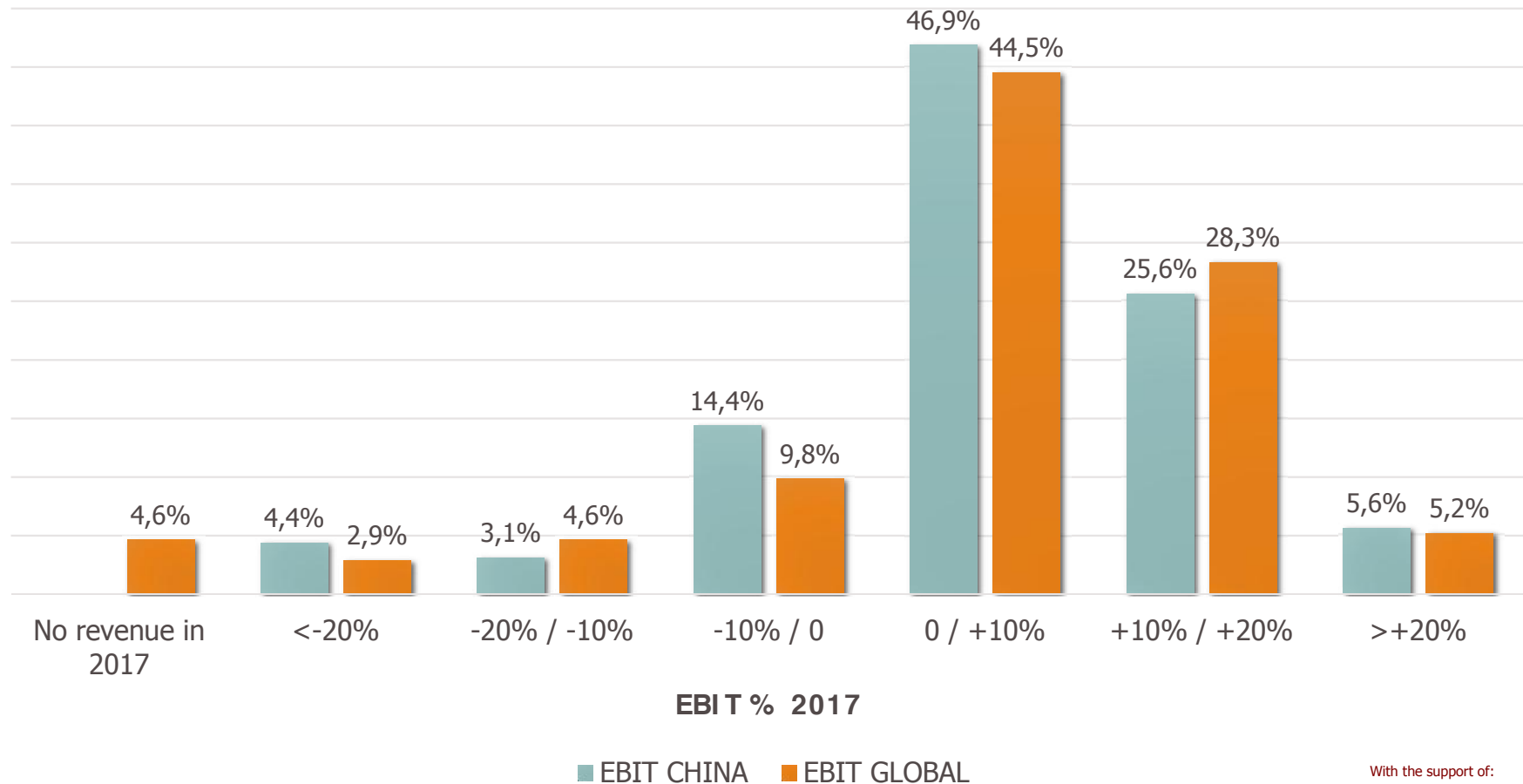
China perf worse than WW

China perf aligned with WW

* considers only repondents who answered both 15 and questions

Also for EBIT performance in 2017 China and WW performances are fairly aligned – about 80% of respondents have got positive/ very positive results

17. What's the EBIT of your company in China in 2017? (in % over total revenue) **R: 160**
 18. What is the EBIT of your company group in 2017? (in % over total revenue) **R: 173**

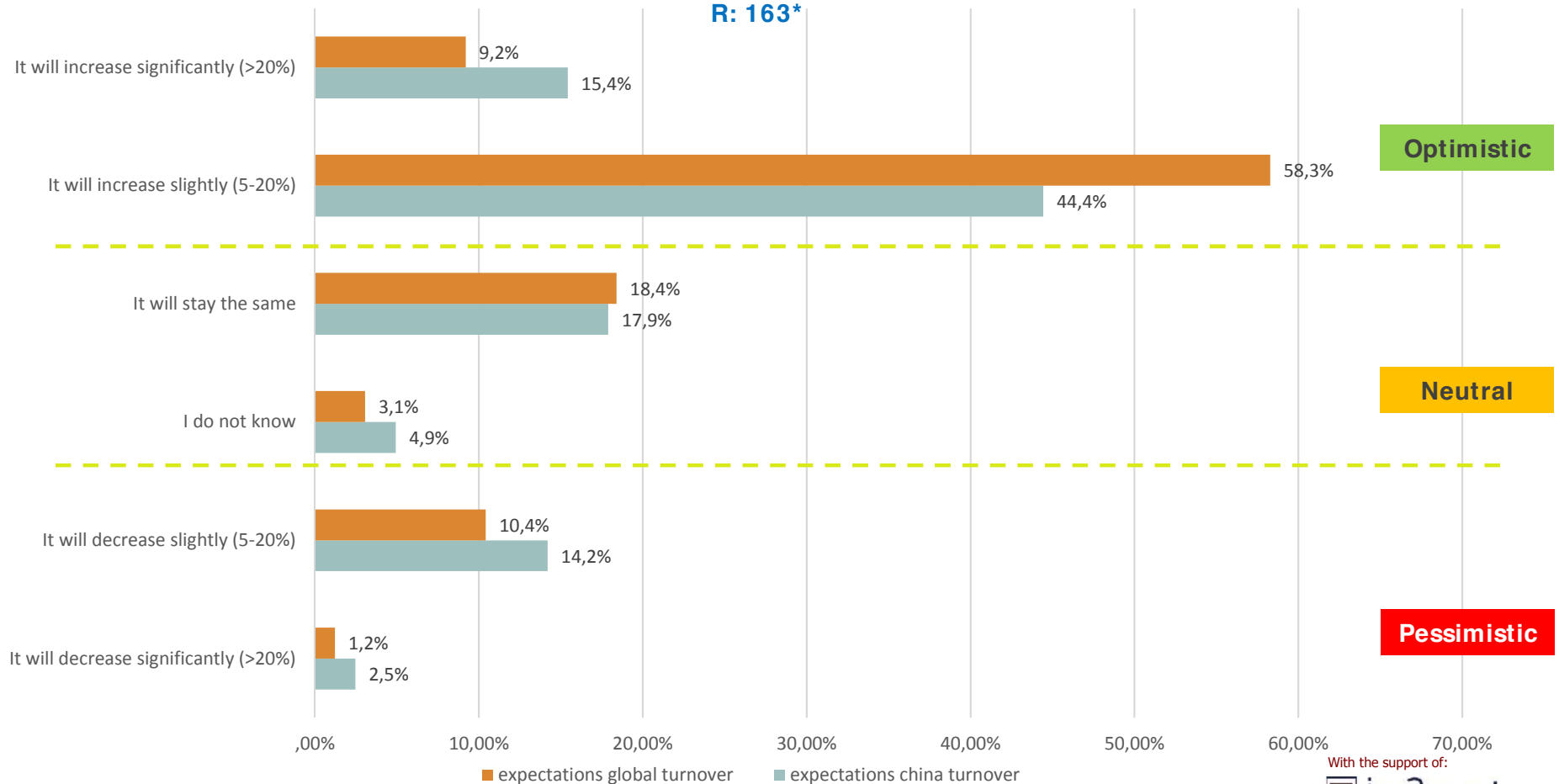


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Outlook for 2018 is Optimistic for both ww and China businesses, while for Cina is bit more conscious

19. How do you expect your company's turnover in China to be in 2018 compared to 2017?
 20. How do you expect your company's global turnover to be in 2018 compared to 2017?

R: 163*



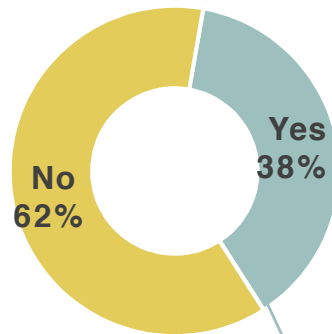
With the support of: 

* excluded chinese companies, individuals and « no revenue»

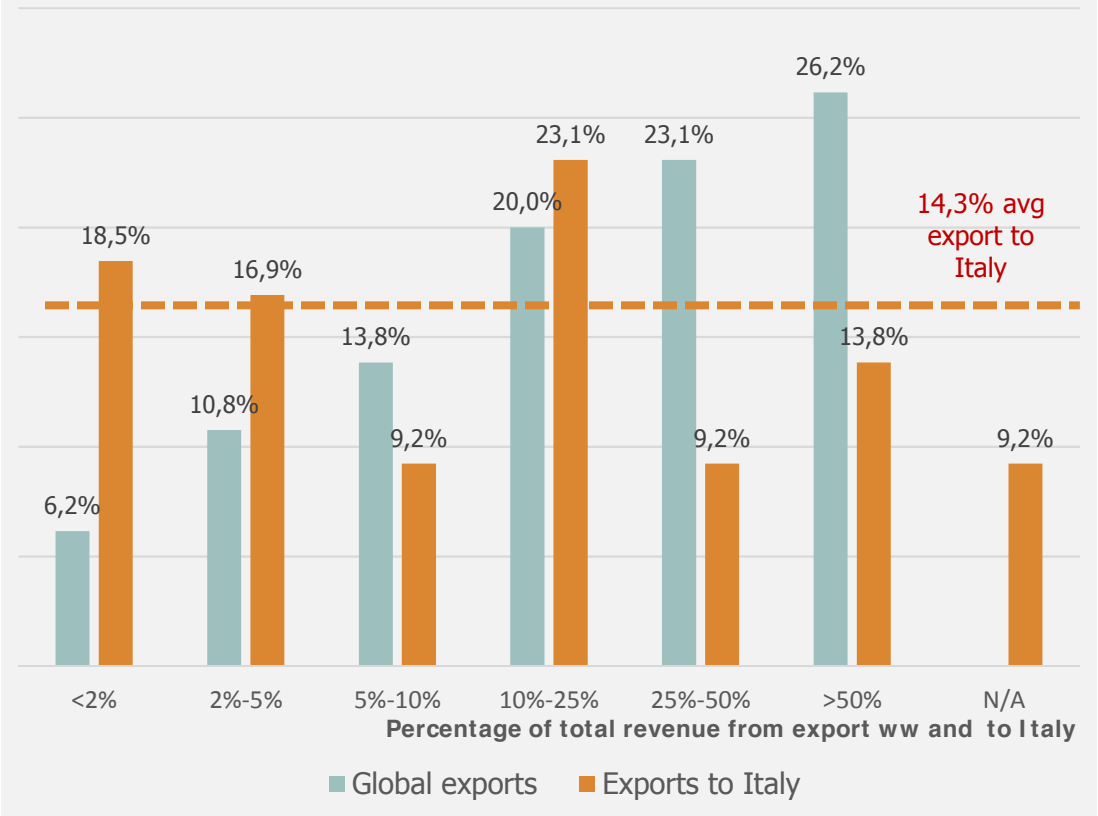
38% of Companies exports goods out of China. Among them, on average ca 15% exported to Italy

21. Does your company in China export products outside of China?

R: 173



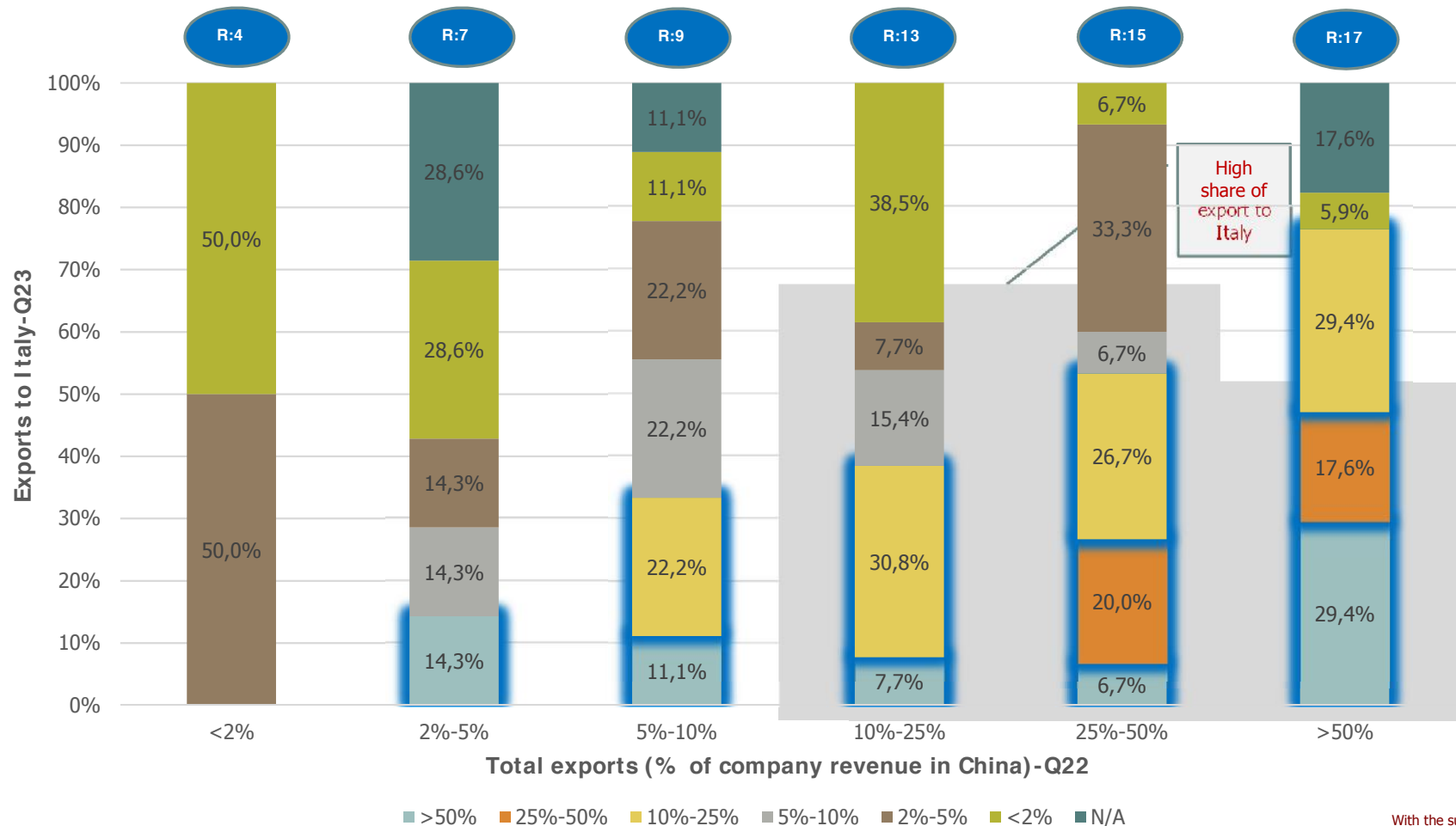
22. What percentage of your company's revenue in China came from exports in 2017?
 23. What percentage of the above value came from exports to Italy in 2017?



With the support of:
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Majority of companies' export is global, although some seem to still pursue cost leadership in China

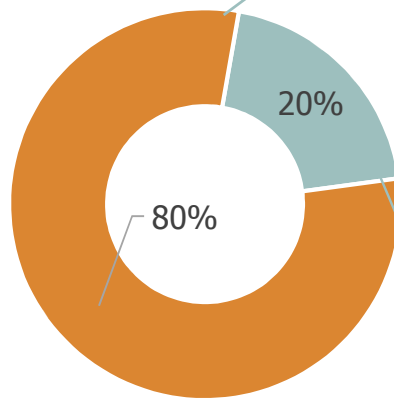
Re: Q. 22 and 23: Percentage of exports to Italy/global exports
R: 65



E-commerce is not a priority channel for respondent Italian companies in China, neither for whom sells through the channel, so far.

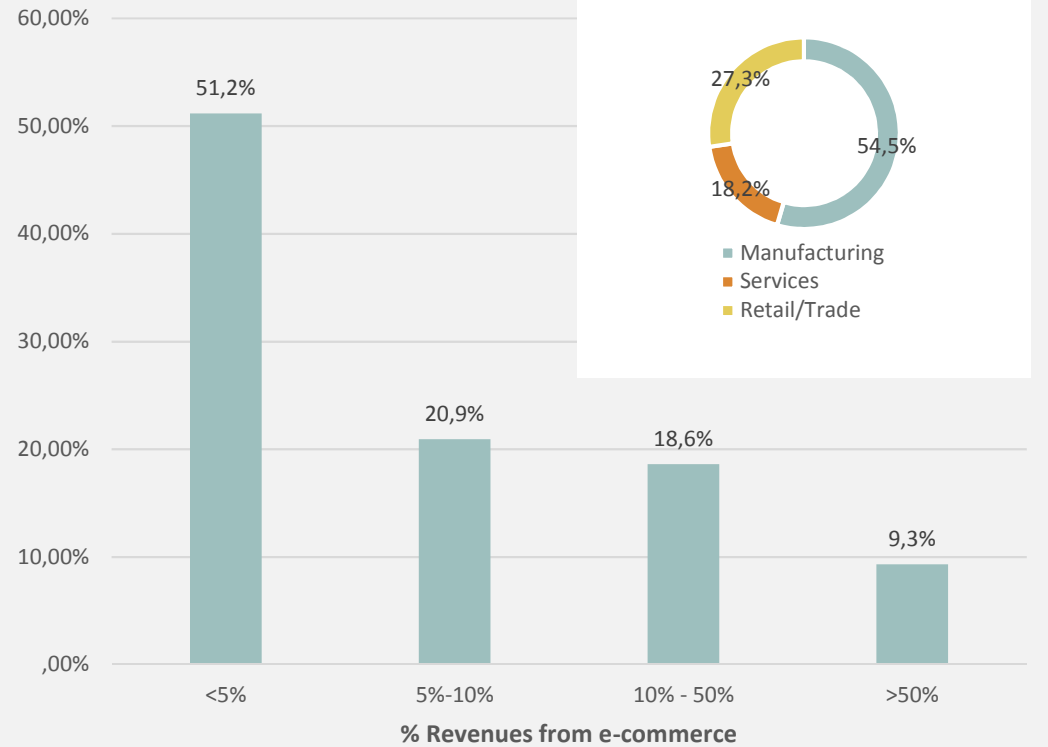
24. Do you use any e-commerce channel in China?

R: 170

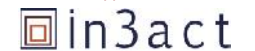


■ Yes ■ No

25. What percentage of your company's total revenue in China came from e-commerce in 2017?



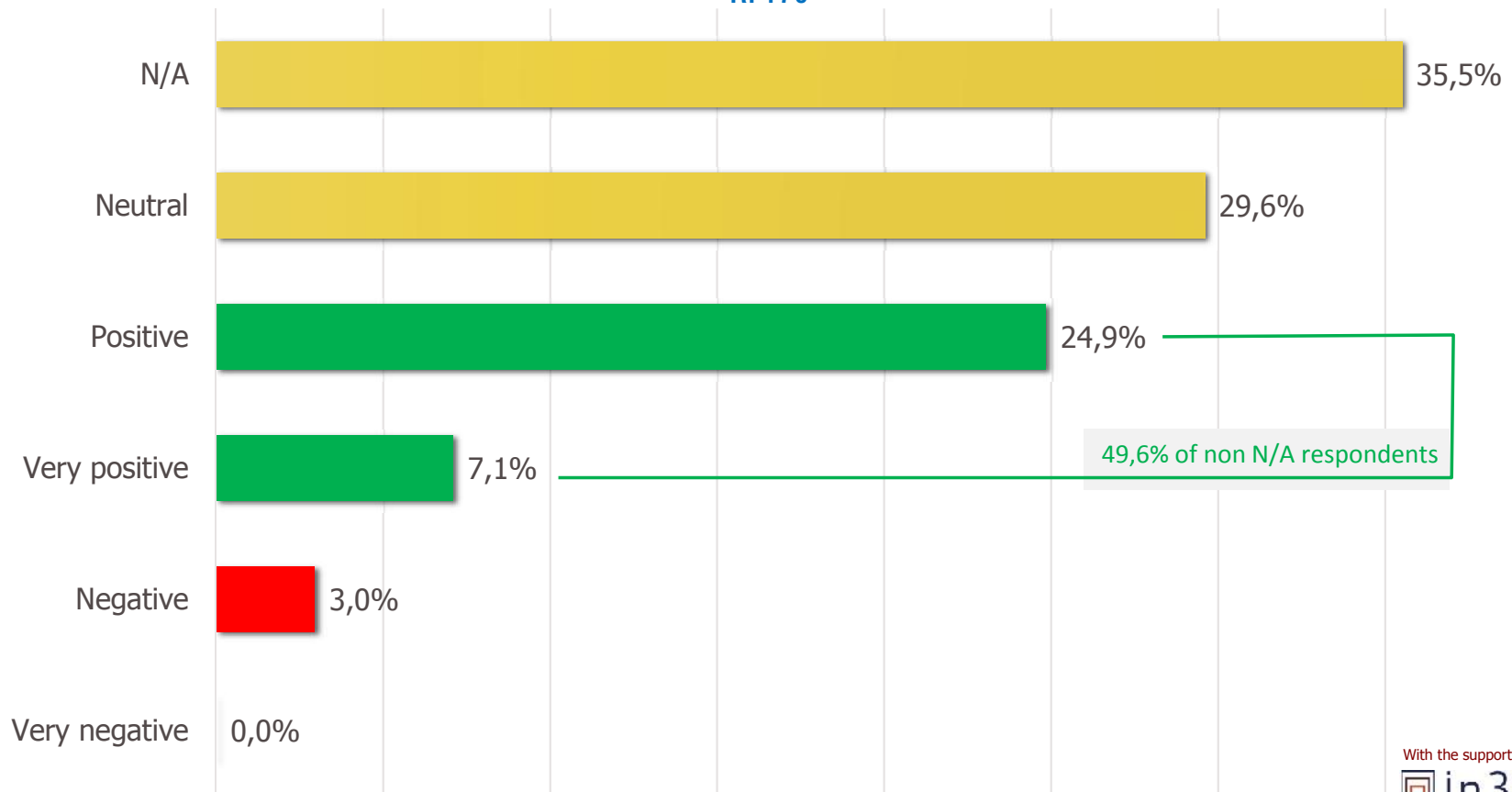
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MiC2025 program appears to be not that relevant/ impacting to more than 60% of Italian companies, although almost 50% of those reckon a positive impact ...

26. How has been/ is the overall impact of Made in China 2025 program on your business?

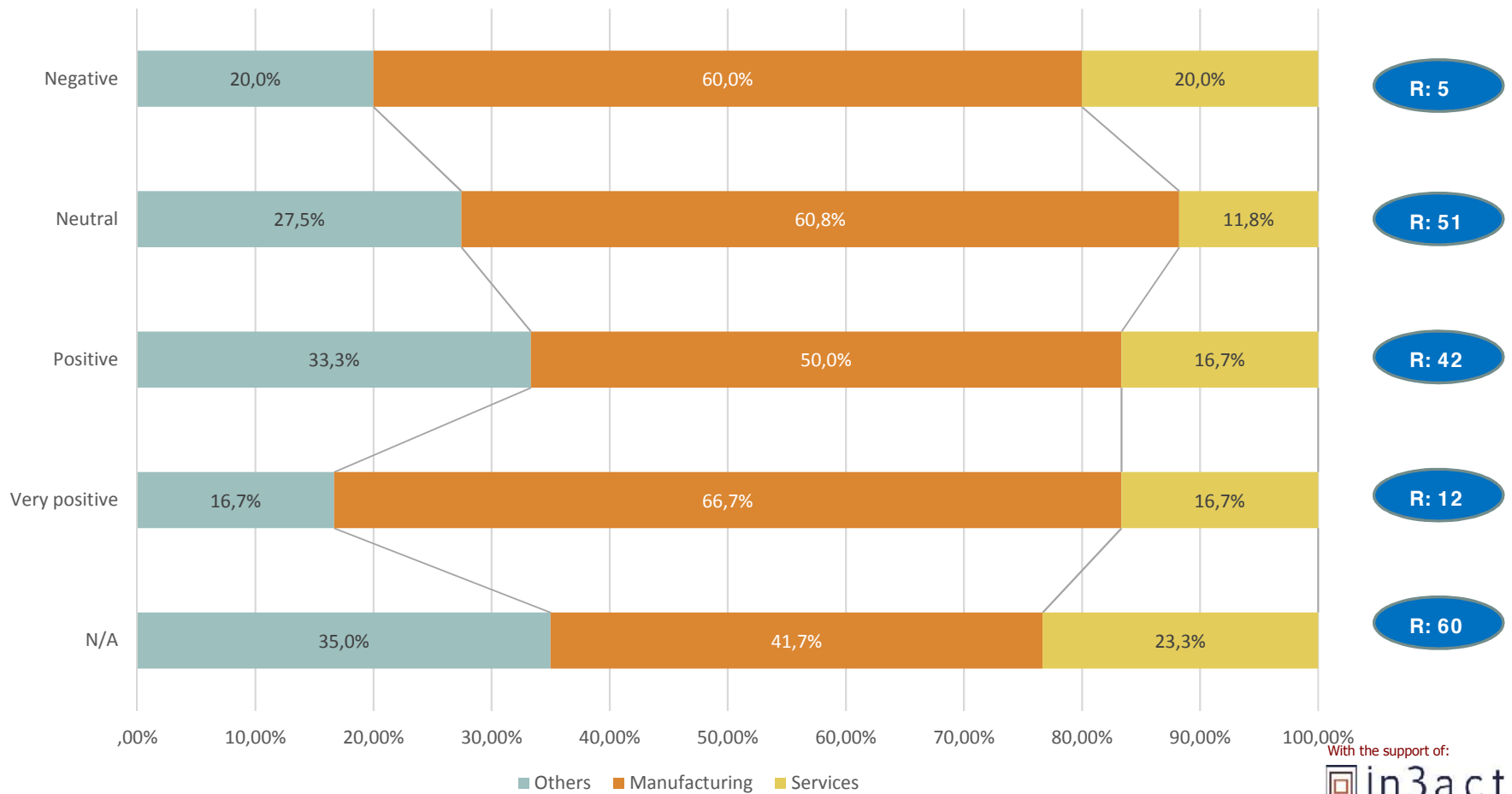
R: 170



... and 2/3 of Very Positive are from Manufacturing sector

26. How has been/ is the overall impact of Made in China 2025 program on your business? SPLIT BY BUSINESS SECTOR

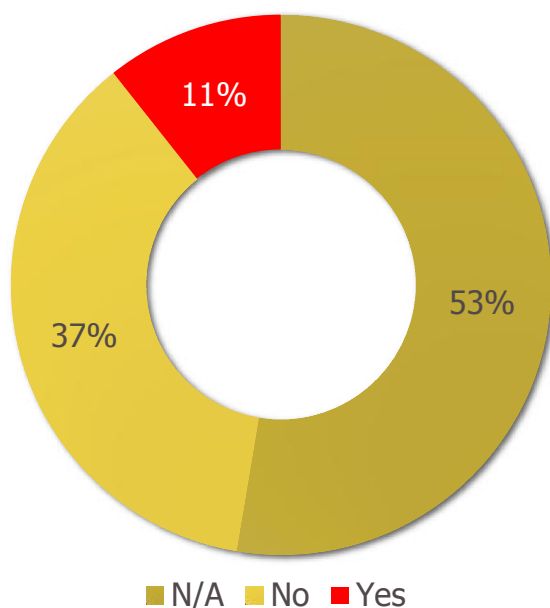
R: 170



More than 50% of Companies not affected by MiC2025 - About 10% of Companies (22,6% of non-N/ A) feel discriminated, as foreign companies

27. Do you feel discriminated as a foreign company regarding Made in China 2025's incentives/ opportunities?

R: 170



Yes because:

1. New sectorial rules and restrictions.
2. No market competition.
3. Limited access to opportunities for foreign companies.
4. Lack of information about MiC2025 details.
5. Unfair criteria of bidding and tenders.
6. Restrictions about practising local law.

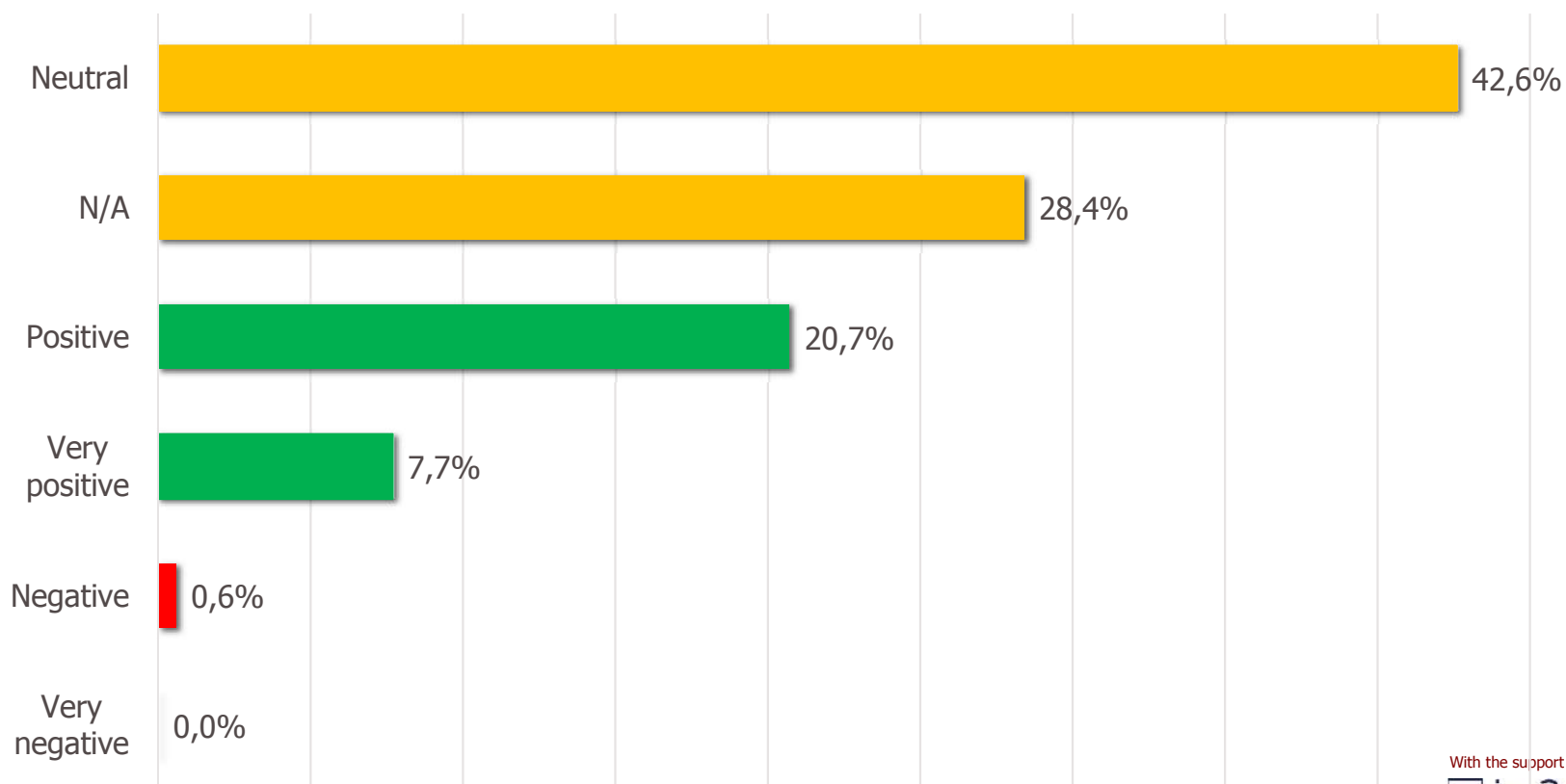
With the support of:



For more than 70% of Italian Companies BRI is still not impacting/ not interesting, although positive/ very positive for the 30% (40% of non-N/ A)

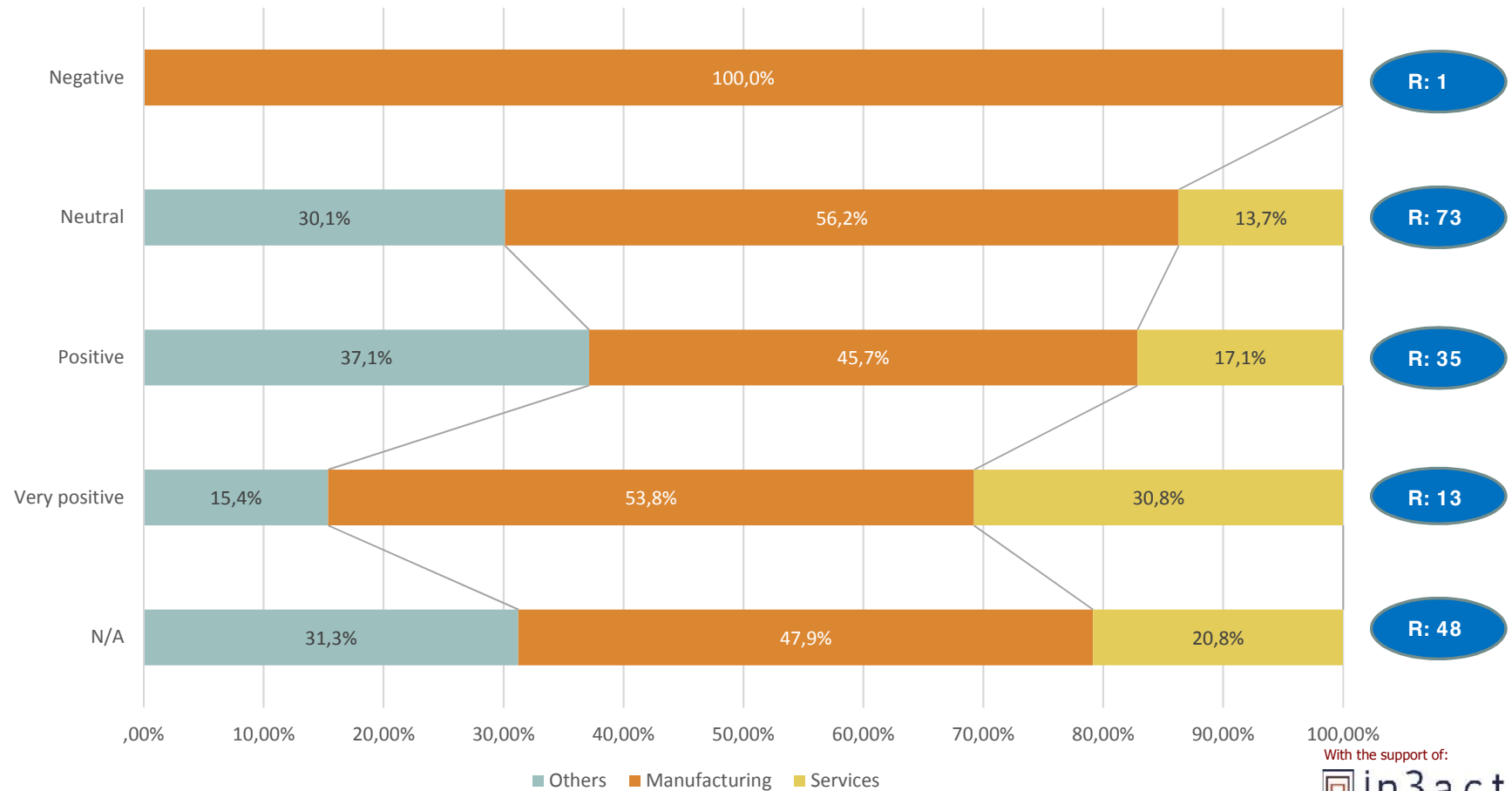
28. How has been/ is the overall impact of Belt and Road Initiative (BRI) on your business?

R: 170



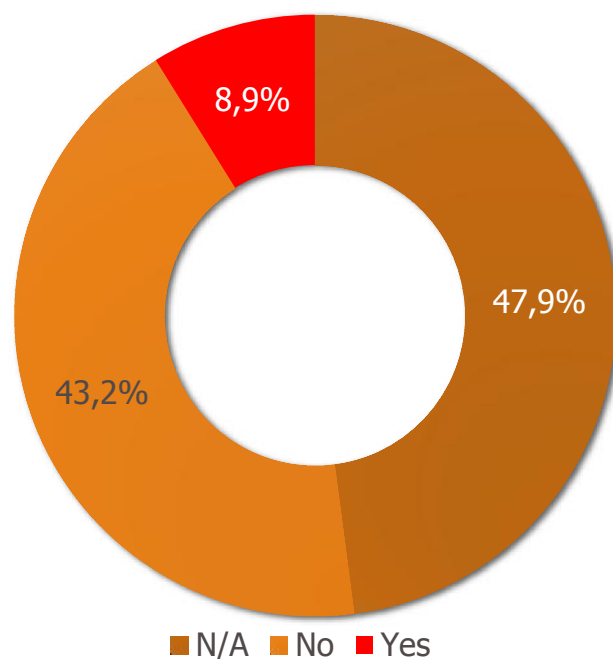
"Positive/ Very positive" BRI impact is shared by all sectors – Services has the highest score for "Very positive"

Re: Q. 28 – Breakdown by business sector
R: 170



Only 9% of respondents (17% of non-N/A) feels that Chinese BRI discriminates foreign companies

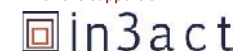
29. Do you feel discriminated as a foreign company regarding the Belt and Road Initiative's (BRI) incentives/ opportunities? **R: 170**



Yes because:

1. No real opening to foreign companies.
2. Chinese companies are preferred when setting up the projects.
3. The bidding procedure seems to be in favour of Chinese companies.
4. Foreign firms are treated in a different way from local law firms.
5. The program is intentionally reserved to Chinese actors.
6. No relevant incentives.

With the support of:



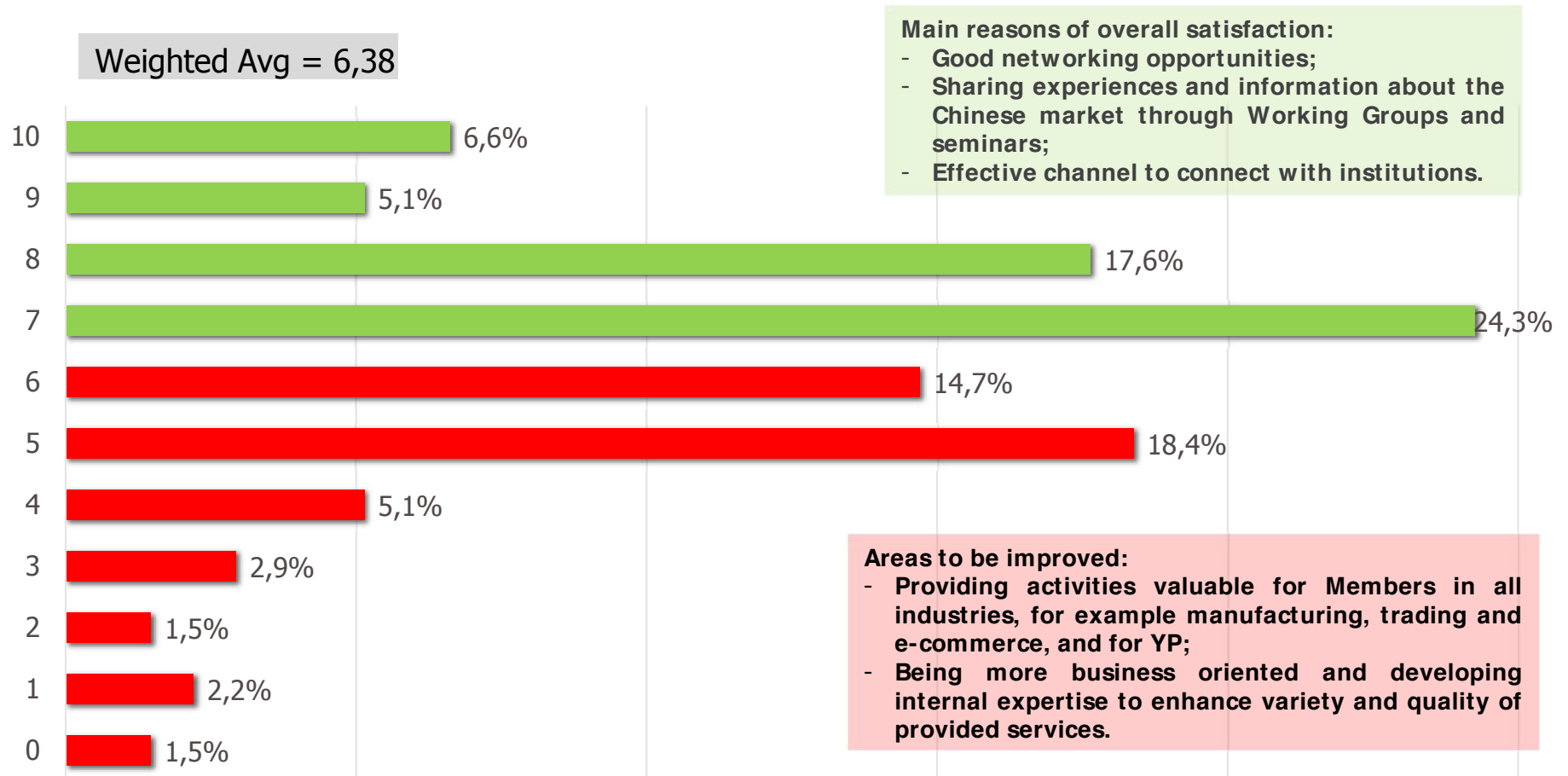
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Overall satisfaction towards CI CC is fairly high, although 46% of respondents declare a satisfaction equal or below 6

34. Overall, how satisfied are you with CI CC (1 very unsatisfied, 10 extremely satisfied)

R: 136



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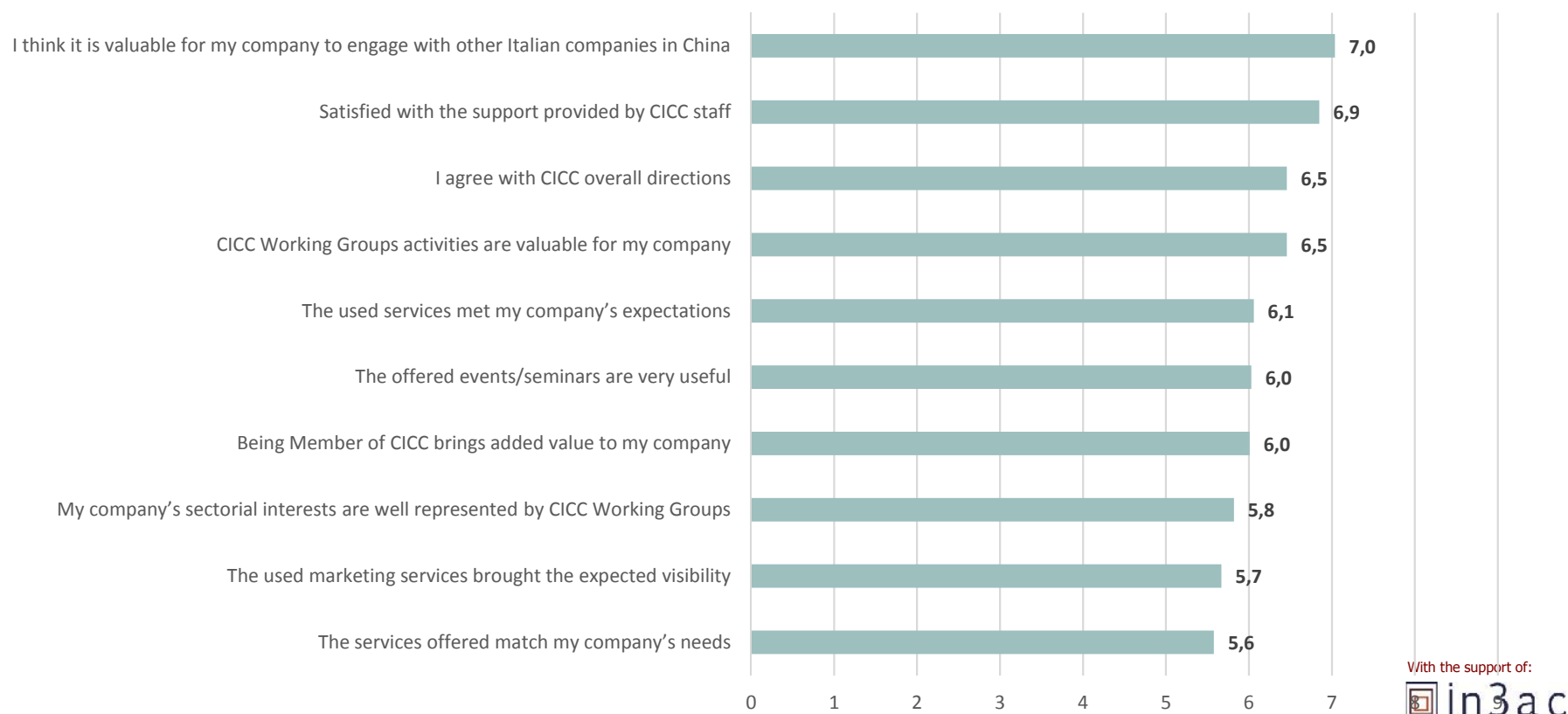


Networking within Community, quality of services and CCI C activities are key reasons for renewing membership, although none is predominant

33. Which are the main reasons that made you renew CICC's Membership? Please rate only the 5 most relevant reasons (1 least important - 10 most important)

R: 135

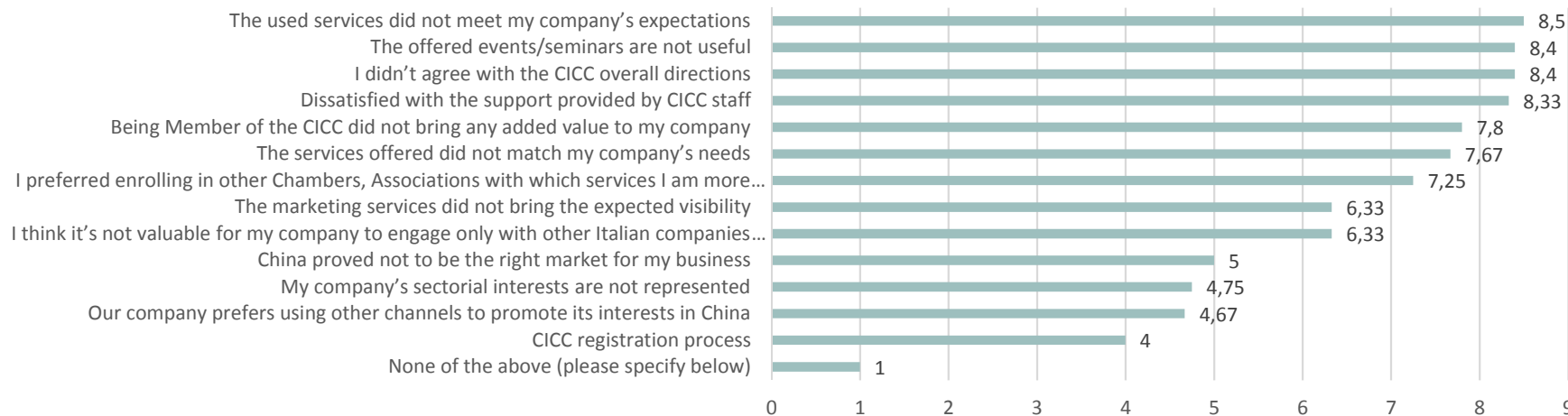
Networking with other Italian companies, keeping updated about Italian initiatives in China and latest market trends are mentioned among other main reasons for renewal.



Although just a few respondents (4-5%), services contents and quality seem to be the key reasons for not renewing membership or becoming a new Member

37. Why did not you renew your subscription with CI CC? Please rate only the 5 most relevant reasons, (1 least important - 10 most important).

R: 11



38. Why haven't you ever been a Member of CI CC?

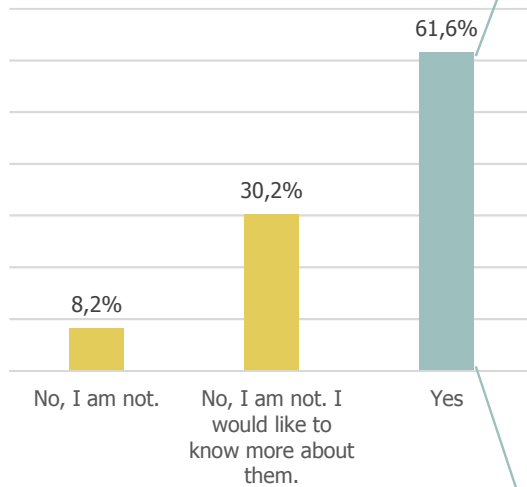
R: 14



Only 2/3 of respondents are aware of CCI C membership benefits. Networking promotion through CCI C media are the main valuable ones, although weights are not well polarized

43. Are you aware of CICC Membership benefits?

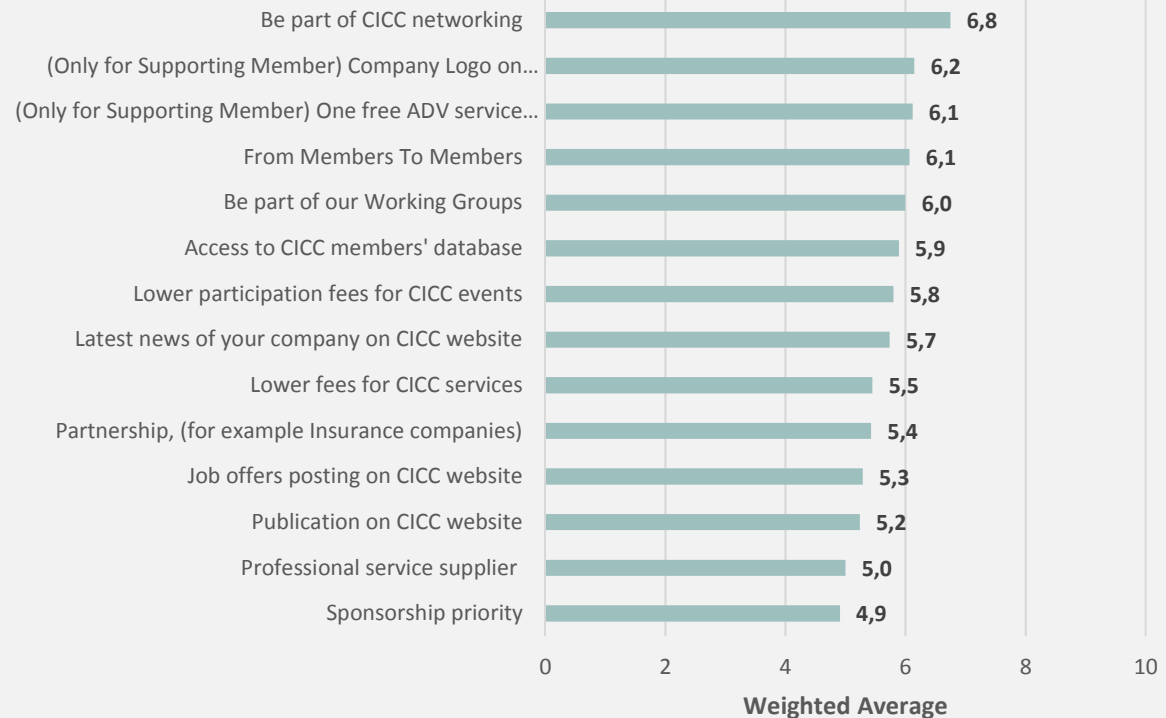
R: 159



Main requests for further services:

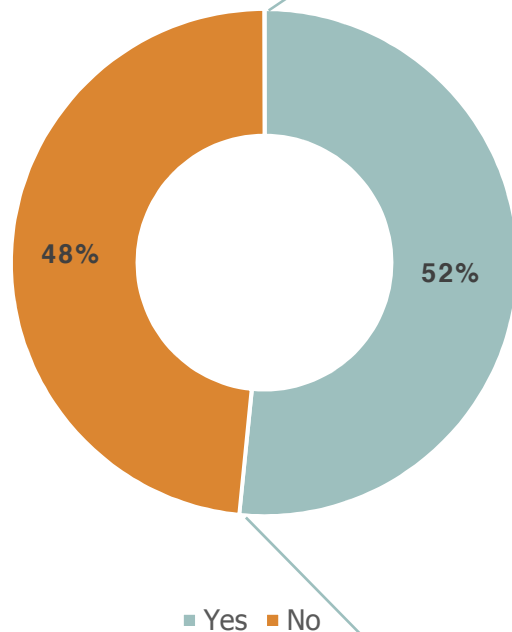
- 1) Informative materials, tools, seminars
- 2) Visa facilitation process/assistance

44. Based on your experience, how do you rate CICC Membership benefits? (Please rate the benefits you used, 1 very unsatisfied - 10 very satisfied) You can choose more than one answer.

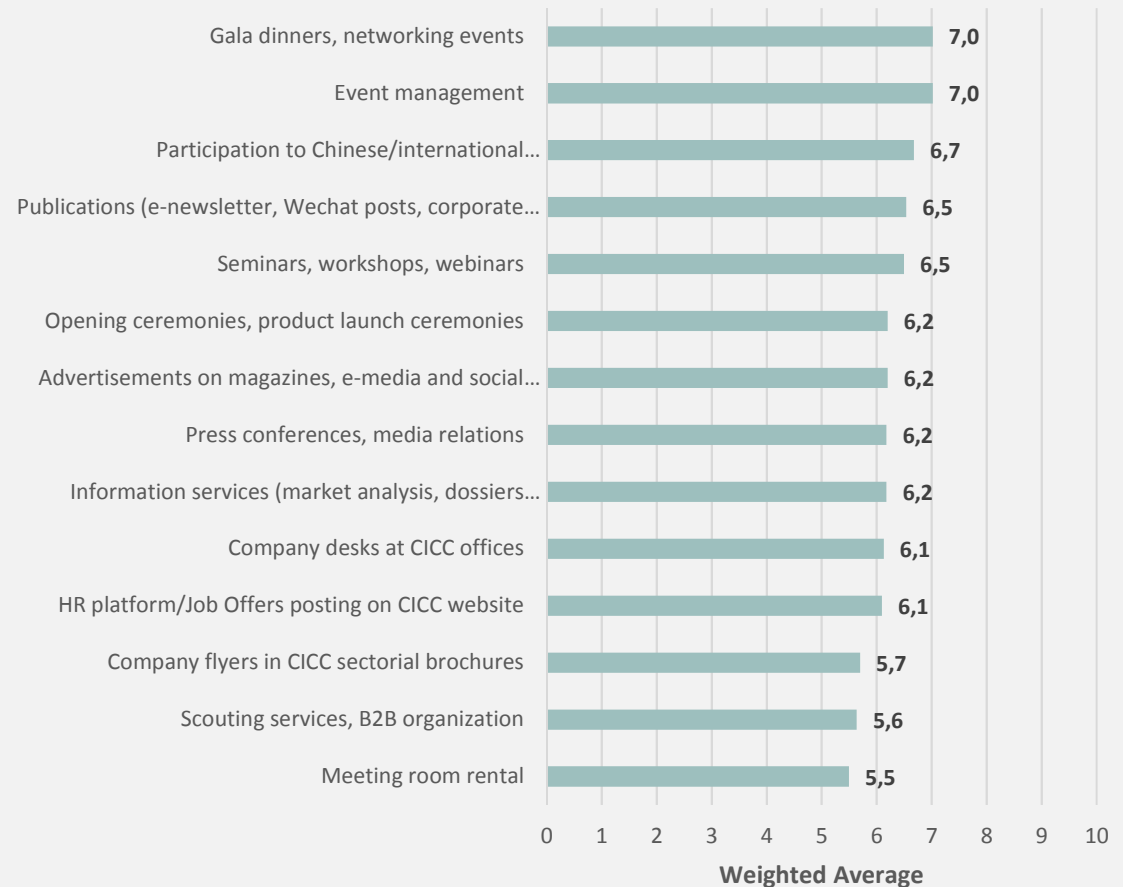


> 50% of respondents have never taken advantage of CI CC services, Events and Networking the most appreciated

46. Have you ever used CI CC services?
 R: 157

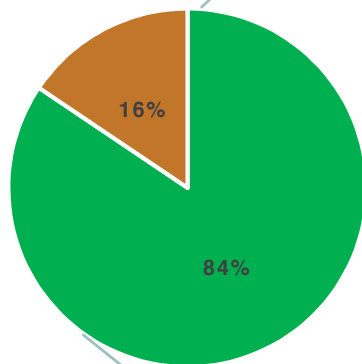


47. Based on your experience, how do you rate CI CC Membership services? (Please rate the services you used, 1 very unsatisfied, 10 extremely satisfied) *You can choose more than one answer.*



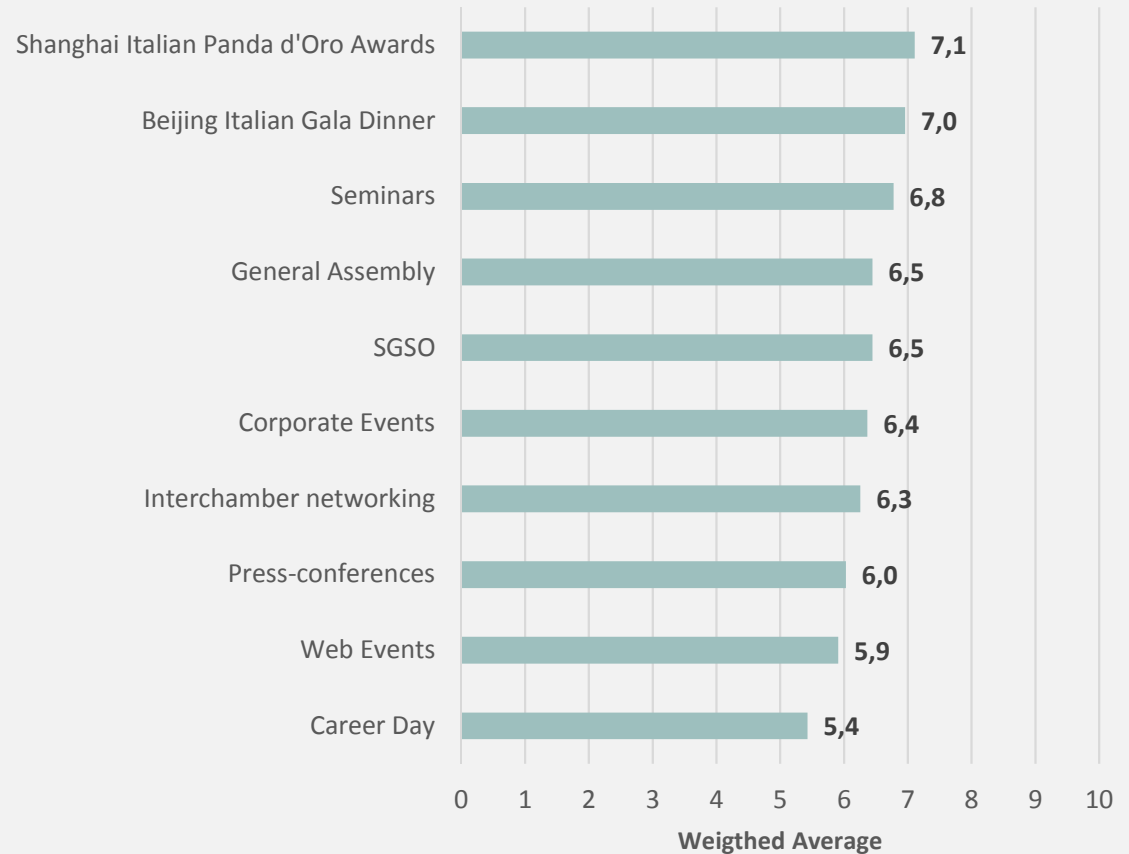
Most respondents have attended CI CC events/ seminars, which are also considered as the most useful activity

49. Have you ever taken part to CI CC events/ seminars?
R: 154



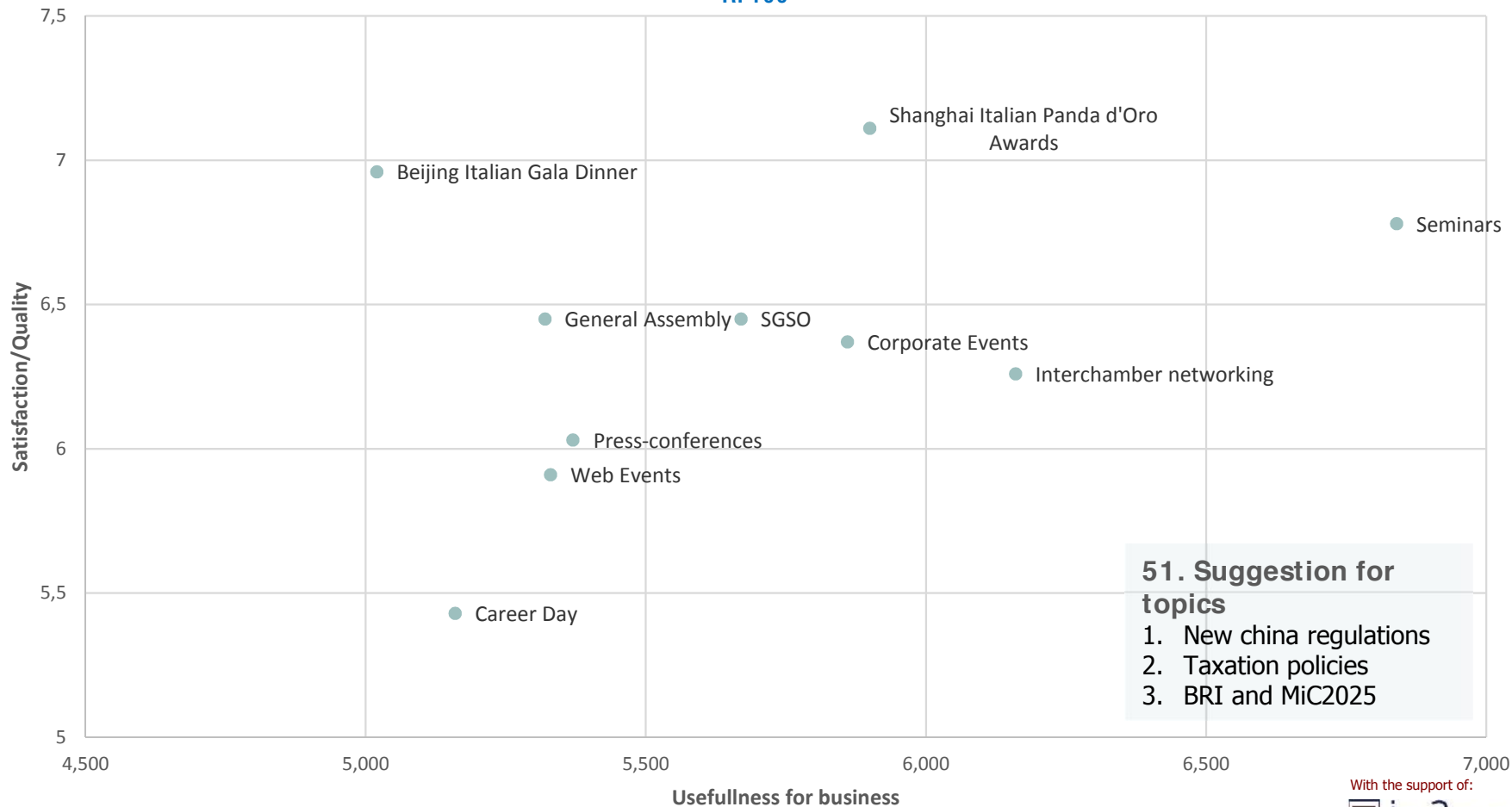
■ Yes ■ No

50b. How would you rate CICC activities? Satisfaction with overall activity quality? (1 very unsatisfied - 10 extremely satisfied)



Seminars is the service high for quality and business usefulness. Career days critical for both

50a. CCIC services-Usefulness for business (1 not useful - 10 very useful)
 50b-CCIC services-Quality of service (1 very unsatisfied - 10 extremely satisfied)
R: 100

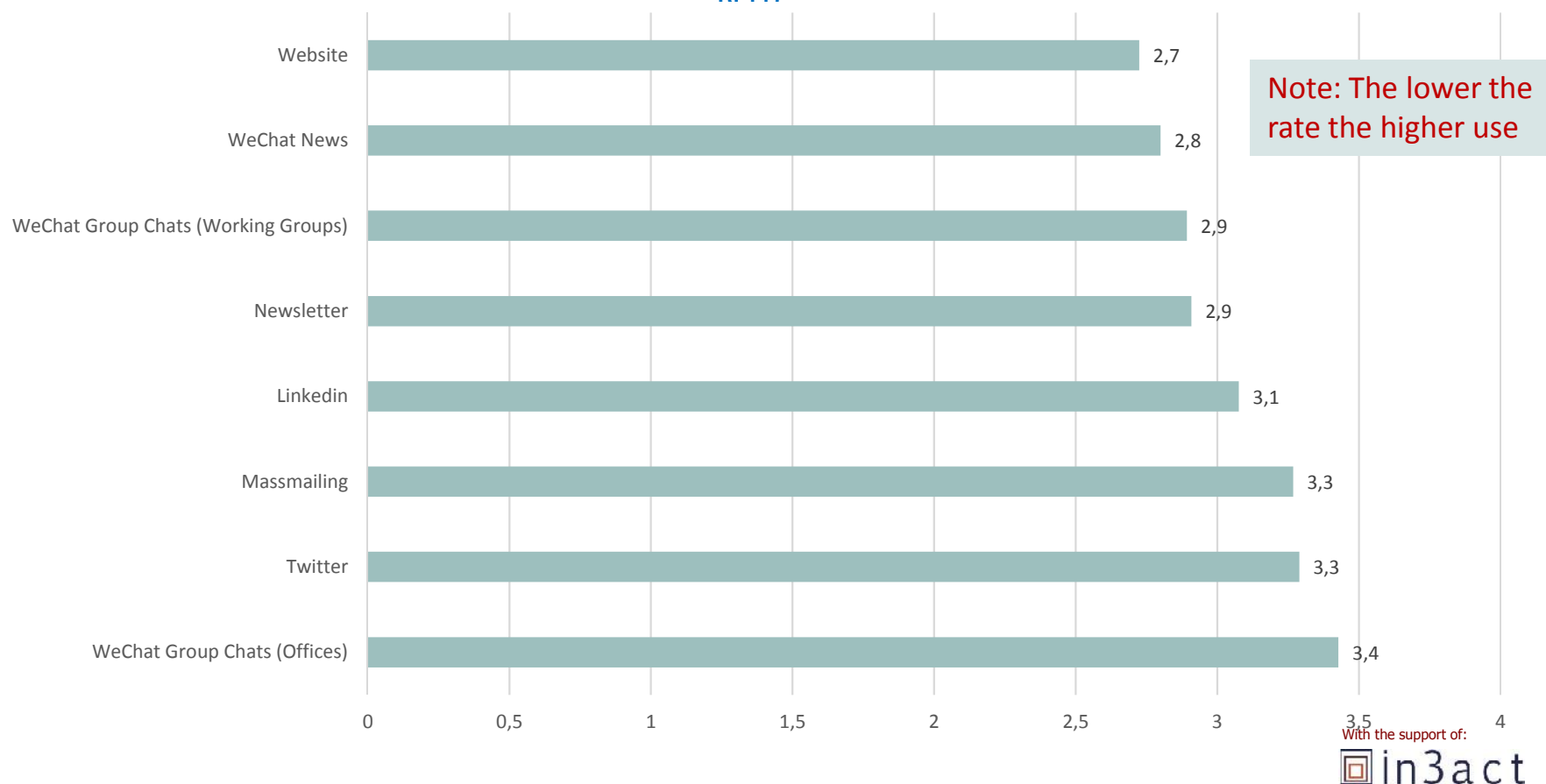


51. Suggestion for topics
 1. New china regulations
 2. Taxation policies
 3. BRI and MiC2025

Not a predominant satisfaction with communication media from CCI C - Wechat Groups (Offices) the least appreciated

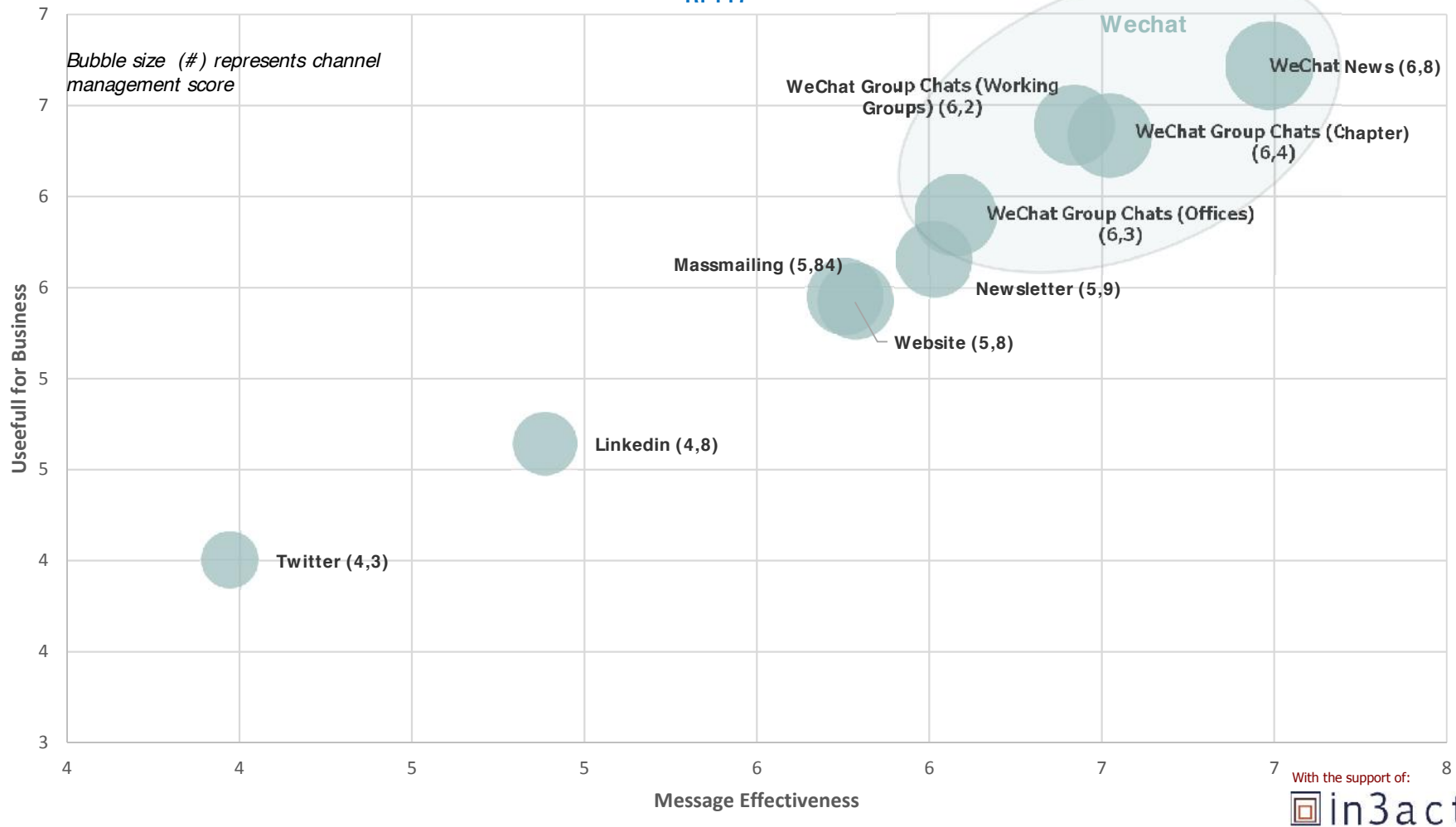
52. Which communication channels do you use to keep updated about CI CC? Please rank from 1 to 5 the most important communication channels you use (1 most important - 5 least important) and simply ignore the remaining options.

R: 117



Amongst the communication tools used by CI CC, Wechat is the most appreciated one. Within Wechat, Offices Groups are the least...

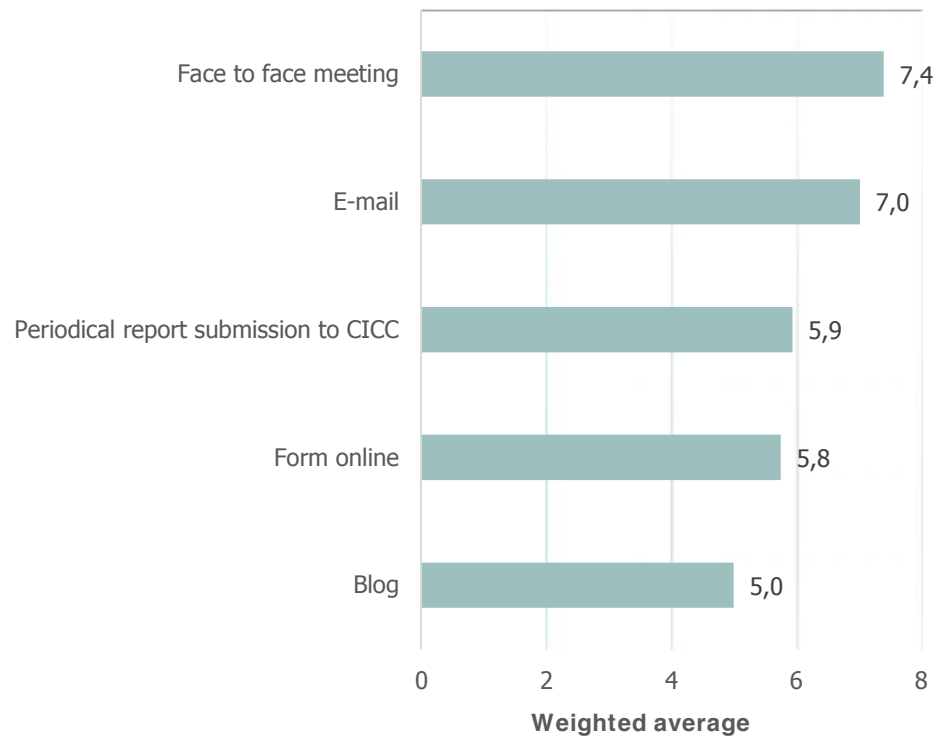
53. Communication media appreciation: Message effectiveness vs Business usefulness vs Channel management
 R: 117



...although more traditional/ professional media (e-mail, meetings) are suggested to improve the communication CCI C-Members

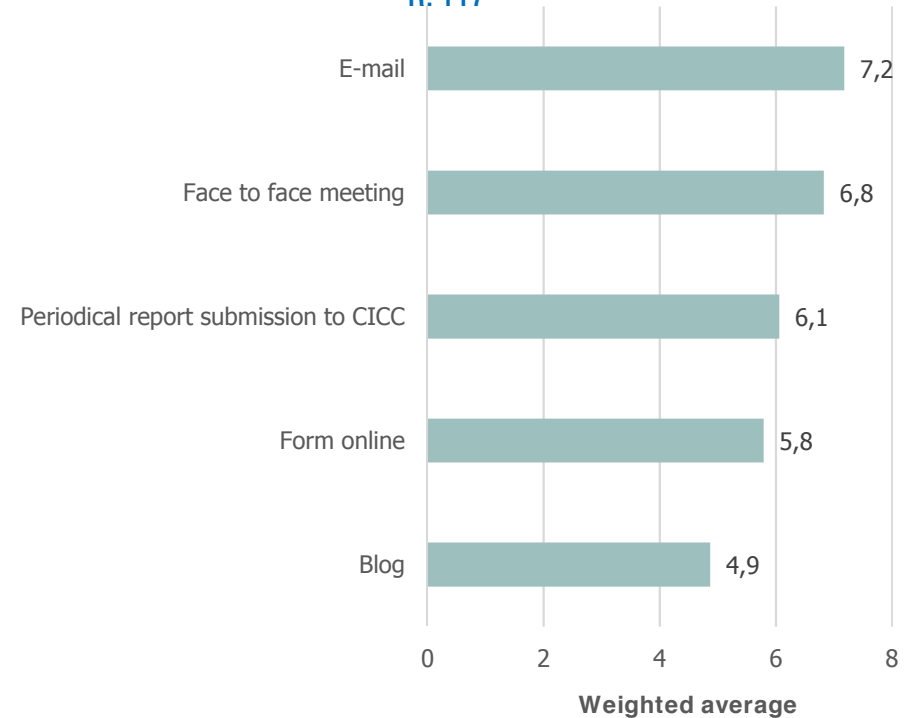
54. Which of the following channels would you rather use in order to improve the communication from Members to CI CC? (1 less preferred, 10 most preferred).

R: 117

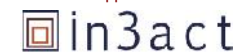


55. Which of the following channels would you rather use in order to improve the communication from CI CC to Members? (1 less preferred, 10 most preferred).

R: 117



With the support of:



Document Content

- Champion Profile overall description,
- Economic/financial profile and business performance
- Chamber services and overall sentiment,
- **Open messages to CCI C**

Summary of key messages and suggestions to CCI C

- Increase number of networking occasions,
- Increase number and intensity of seminars relevant for overall Italian Business Community,
- Strengthen all the provided services and re-activate those discontinued (e.g. visa)
- Improve communication from CCIC to Members and viceversa,
- Consider to selectively lobbying towards Chinese Institutions supporting specific leading Italian business sectors,
- Strengthen CCIC staff organization,
- Promote positive confrontation within Community, smooth and reduce not constructive quarrels