

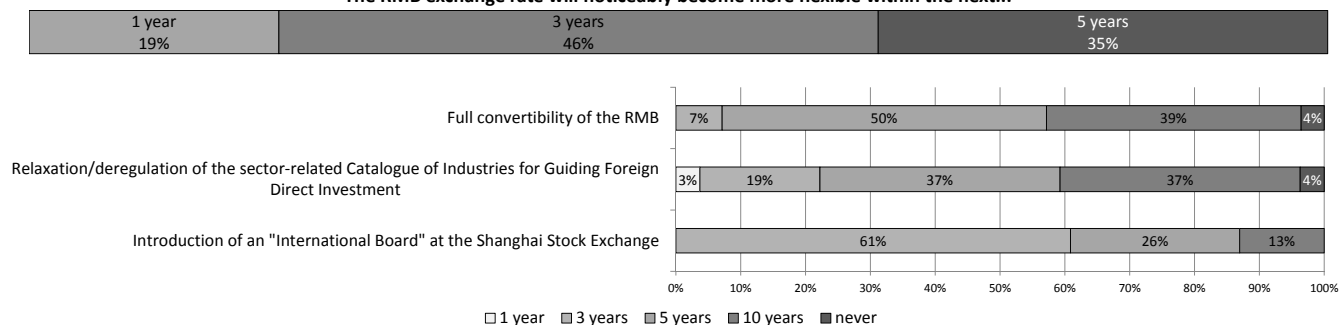
## ZEW-PwC-Wirtschaftsbarometer China: Results June 2014

### Estimated probability of how the overall macroeconomic situation in China will develop over the next 12 months

improve 27.0%	not change 49.8%	worsen 23.2%
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Trade activities of German companies in China (6 months)	increase	slightly increase	not change	slightly decrease	decrease	balance
	26.7	43.3	26.7	3.3	0.0	46.7
Macroeconomic indicators for China (6 months)	increase	slightly increase	not change	slightly decrease	decrease	balance
Annual inflation rate (CPI)	0.0	53.3	30.0	13.3	3.3	16.7
Public debt	14.3	71.4	14.3	0.0	0.0	50.0
International debt	3.6	39.3	42.9	14.3	0.0	16.1
China's FDI inflow	14.3	46.4	39.3	0.0	0.0	37.5
China's FDI outflow	3.3	46.7	26.7	20.0	3.3	13.3
China's export activity	3.3	50.0	26.7	20.0	0.0	18.3
China's import activity	10.0	43.3	26.7	20.0	0.0	21.7
Chinese imports from Germany	10.0	53.3	26.7	6.7	3.3	30.0
Chinese exports to Germany	3.3	36.7	56.7	3.3	0.0	20.0
Average wages	72.4	27.6	0.0	0.0	0.0	86.2
Domestic credit growth	20.7	48.3	13.8	13.8	3.4	34.5
Investment expenditures	17.2	37.9	27.6	17.2	0.0	27.6
Interest rates	3.4	34.5	37.9	20.7	3.4	6.9
Total domestic demand	20.7	58.6	13.8	6.9	0.0	46.6
Investment activities in China (6 months)	increase	slightly increase	not change	slightly decrease	decrease	balance
Banking	36.0	28.0	16.0	20.0	0.0	40.0
Insurance	28.0	52.0	20.0	0.0	0.0	54.0
Automotive	27.6	41.4	24.1	6.9	0.0	44.8
Chemicals	4.2	37.5	33.3	16.7	8.3	6.3
Steel / Metals	3.6	14.3	32.1	32.1	17.9	-23.2
Electronics	10.3	41.4	31.0	17.2	0.0	22.4
Machinery	10.3	34.5	34.5	10.3	10.3	12.1
Consumer goods	25.0	64.3	7.1	3.6	0.0	55.4
Telecommunication	28.6	35.7	28.6	7.1	0.0	42.9
Information technologies	37.9	41.4	17.2	3.4	0.0	56.9
Construction	3.4	10.3	24.1	31.0	31.0	-37.9
Retail	10.7	39.3	32.1	17.9	0.0	21.4
Energy	31.0	44.8	17.2	6.9	0.0	50.0
Services	32.1	50.0	10.7	7.1	0.0	53.6
M&A transactions in China (6 months)	increase	slightly increase	not change	slightly decrease	decrease	balance
Overall	15.4	69.2	7.7	3.8	3.8	44.2
Banking	33.3	38.9	22.2	5.6	0.0	50.0
Insurance	22.7	50.0	22.7	4.5	0.0	45.5
Automotive	23.1	61.5	15.4	0.0	0.0	53.8
Chemicals	14.3	42.9	42.9	0.0	0.0	35.7
Steel / Metals	25.0	50.0	25.0	0.0	0.0	50.0
Electronics	12.5	25.0	62.5	0.0	0.0	25.0
Machinery	16.0	40.0	44.0	0.0	0.0	36.0
Consumer goods	9.1	22.7	59.1	9.1	0.0	15.9
Telecommunication	4.8	19.0	61.9	14.3	0.0	7.1
Information technologies	9.1	40.9	40.9	9.1	0.0	25.0
Construction	12.5	41.7	37.5	8.3	0.0	29.2
Retail	14.3	14.3	71.4	0.0	0.0	21.4
Energy	26.1	26.1	43.5	4.3	0.0	37.0
Services	13.6	22.7	54.5	9.1	0.0	20.5
Chinese M&A activities abroad (6 months)	increase	slightly increase	not change	slightly decrease	decrease	balance
	43.3	53.3	3.3	0.0	0.0	70.0
Germany as target investment destination (6 months)	increase	slightly increase	not change	slightly decrease	decrease	balance
	27.6	44.8	27.6	0.0	0.0	50.0
Economic openness (6 months)	improve	slightly improve	not change	slightly worsen	worsen	balance
Financing	14.8	48.1	33.3	3.7	0.0	37.0
Business approval requirements	21.4	35.7	39.3	3.6	0.0	37.5
Public tenders	7.1	10.7	60.7	17.9	3.6	0.0
Taxation	3.6	28.6	57.1	10.7	0.0	12.5
Legal protection	11.1	22.2	66.7	0.0	0.0	22.2
Intellectual Property	7.1	35.7	53.6	3.6	0.0	23.2
Macroeconomic situation (current situation)	very good	good	normal	bad	very bad	balance
China	3.3	56.7	33.3	6.7	0.0	28.3
Eurozone	0.0	30.0	53.3	16.7	0.0	6.7
USA	3.3	56.7	40.0	0.0	0.0	31.7
Macroeconomic situation (expectation 12 months)	improve	slightly improve	not change	slightly worsen	worsen	balance
China	6.7	23.3	43.3	26.7	0.0	5.0
Eurozone	3.3	53.3	36.7	6.7	0.0	26.7
USA	6.9	37.9	48.3	6.9	0.0	22.4

### The RMB exchange rate will noticeably become more flexible within the next...



Note: The survey for the ZEW-PwC-Wirtschaftsbarometer China in the second quarter 2014 was conducted from May 14 to May 30, 2014. 32 managers of German companies located in China participated in the survey. Numbers displayed are percentages of the corresponding answer categories. Balances refer to the weighted distributions of positive and negative assessments and range within the interval (-100, +100). For the calculation of balances, the assessments are weighted with +1, +0.5, 0, -0.5, -1.