



# Spring 2023 survey of French enterprises in China

*From January 31<sup>st</sup> 2023 to February 17<sup>th</sup> 2023  
305 respondents*

## Assessing China's post zero-Covid business climate.



The page features a vertical illustration on the left side showing a modern building with a grid of windows and architectural details. The title is centered at the top in a bold, dark blue font.

## The end of the zero-Covid policy has an overall positive impact on the activity of French companies in China

With more than 2,100 subsidiary companies employing close to 445,000 people, France is the first European investor in China by the number of companies. With its 1,600 members, the French Chamber of Commerce and Industry in China (CCI FRANCE CHINE) represents the interests of French companies since 1992.

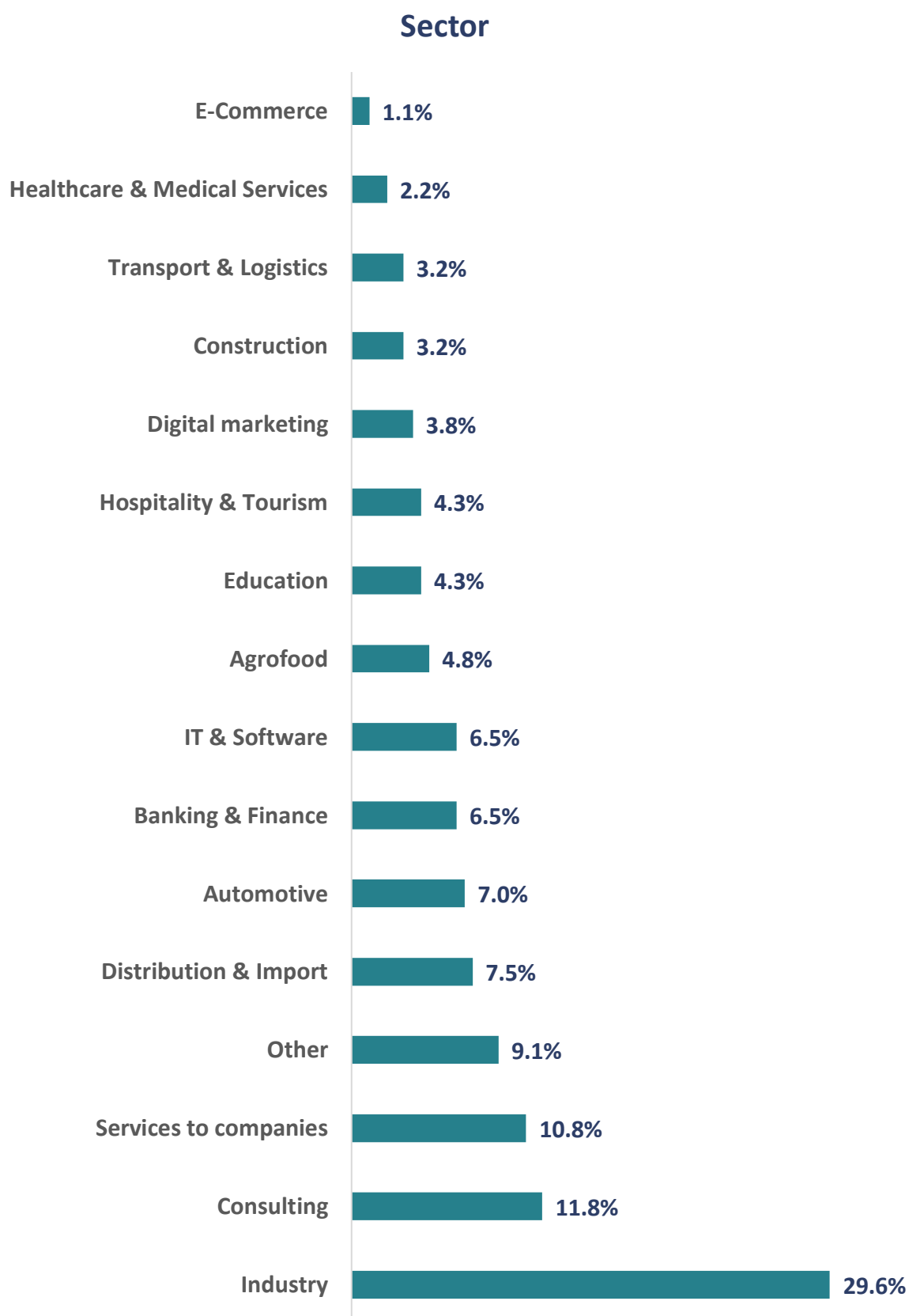
Following up on the [survey](#) published in September 2022, the French Chamber of Commerce and Industry in China (CCI FRANCE CHINE) interrogated its members between January 31<sup>st</sup> and February 17<sup>th</sup>, 2023 on how the ending of the zero-Covid policy has impacted their activity. Three hundred five companies responded to the survey.

- **The immediate impact of the latest Covid-19 wave on the activities of member companies was considerable.** Half of the respondents indicated that the entirety of their staff was infected by the virus; only 5 % reported that 60 % or less was infected. Consequently, 41 % of the respondents had to interrupt their activities for at least a week during the winter outbreak due to the lack of available workforce.
- **However, the majority of companies experienced a swift return to normal.** 88 % of the respondents report that close to all (91 % to 100 %) of their employees already recovered from Covid-19 and resumed work.
- **While almost three-fifths of member companies achieved net profit in 2022, nearly half (46 %) of the respondents reported a worse-than-expected turnover or profit,** and 39 % recorded a lower turnover than the previous year. 21 % of respondents even report a net loss over the year.
- **The lifting of Covid-19 restrictions positively impacts the respondents' perception of China.** One-third of respondents report that the Covid-19 policy shift has positively impacted their willingness to invest in China; half say their perception hasn't changed.
- **Compared to the previous survey, members report a higher willingness to develop their activities in China in the next three years, with up to 47 % planning to further invest in the country** (against 23 % in September). 27 % of respondents report no planned extension of their presence in China (against 43 % in September), and 7 % report downsizing plans (down from 16 % in September).
- The remaining uncertainties surrounding the spread of Covid-19 (59 %, down from 89 % in September), the slowdown of the Chinese economy (48%), and market access restrictions (21 %) are listed as the primary factors determining investment strategies by French companies in China.
- **Almost two-thirds of respondents expect their turnover to increase in 2023.** 22 % expect it to remain unchanged, and 14 % expect it to decrease. Up to 80 % of members report a planned headquarters visit to China during 2023.

The survey results highlight that the lifting of Covid-19 restrictions has a positive impact on China's business environment; the CCI FRANCE CHINE and its members welcome this long-called-for policy change. But while this change of course has partially restored confidence in China's economic potential, companies remain highly cautious in their engagement with China after three years marked by an unprecedented degree of unpredictability.

---

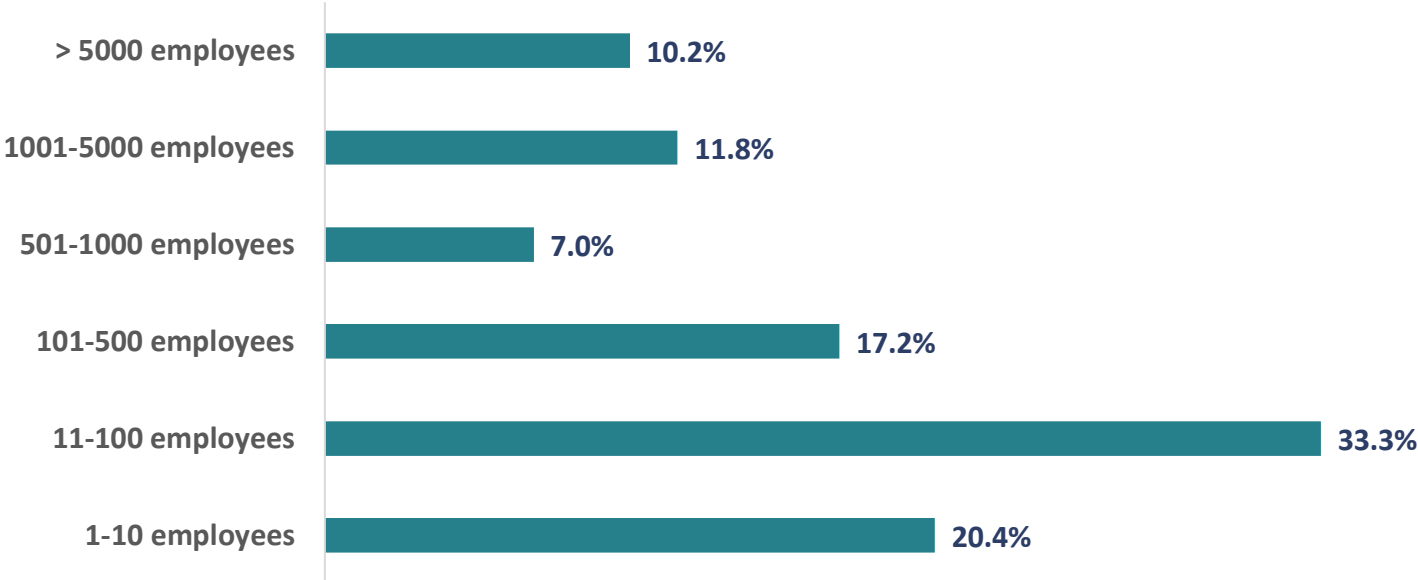
# Profile of respondents



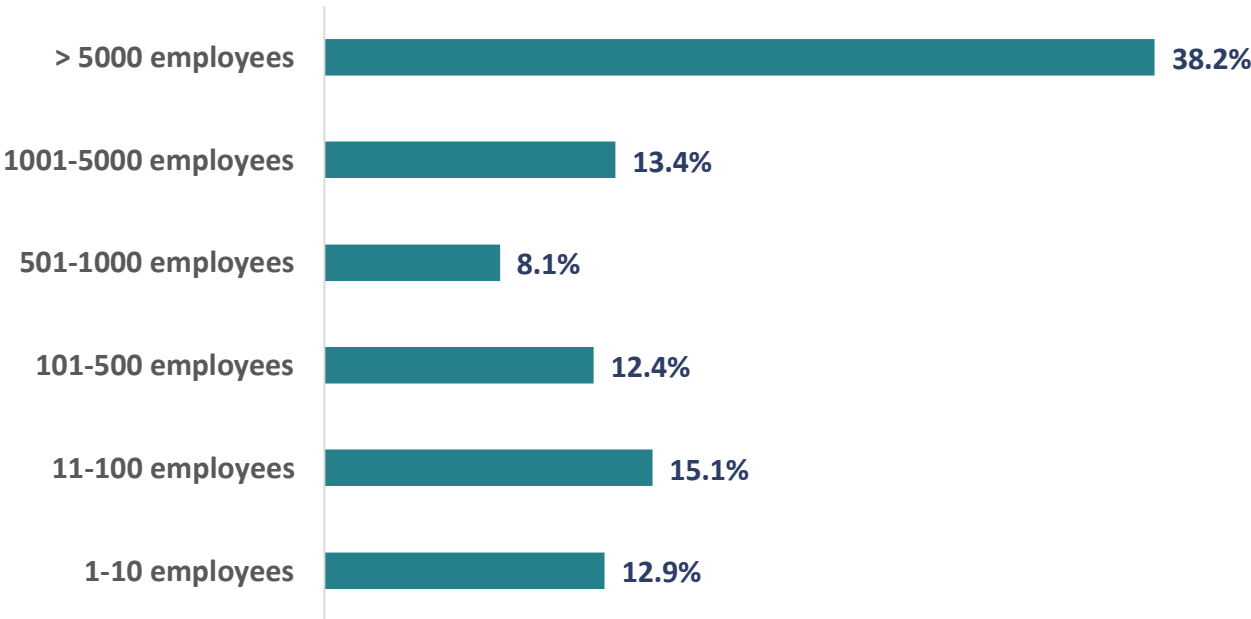
---

# Profile of respondents

## Number of employees in China



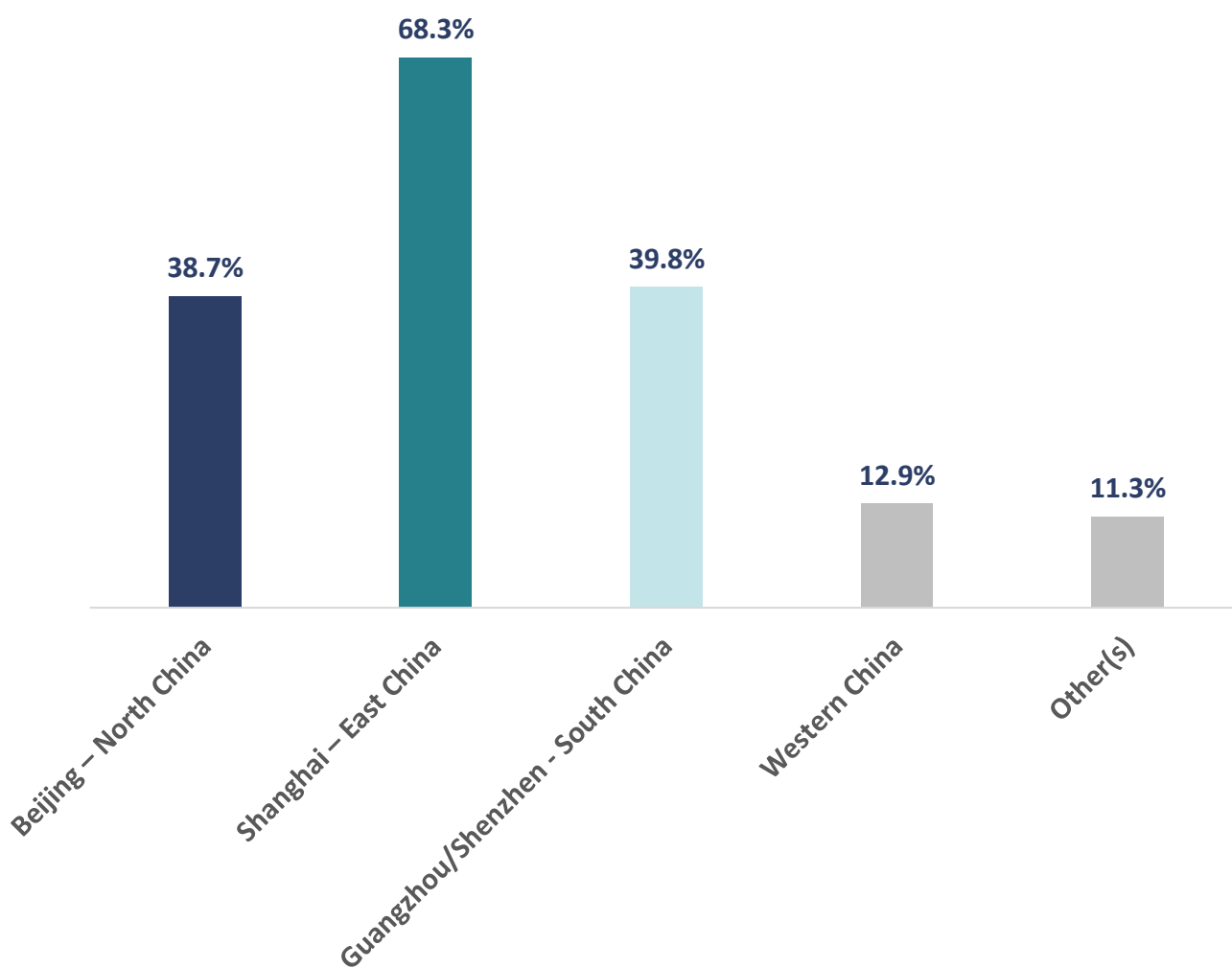
## Number of employees worldwide



---

# Profile of respondents

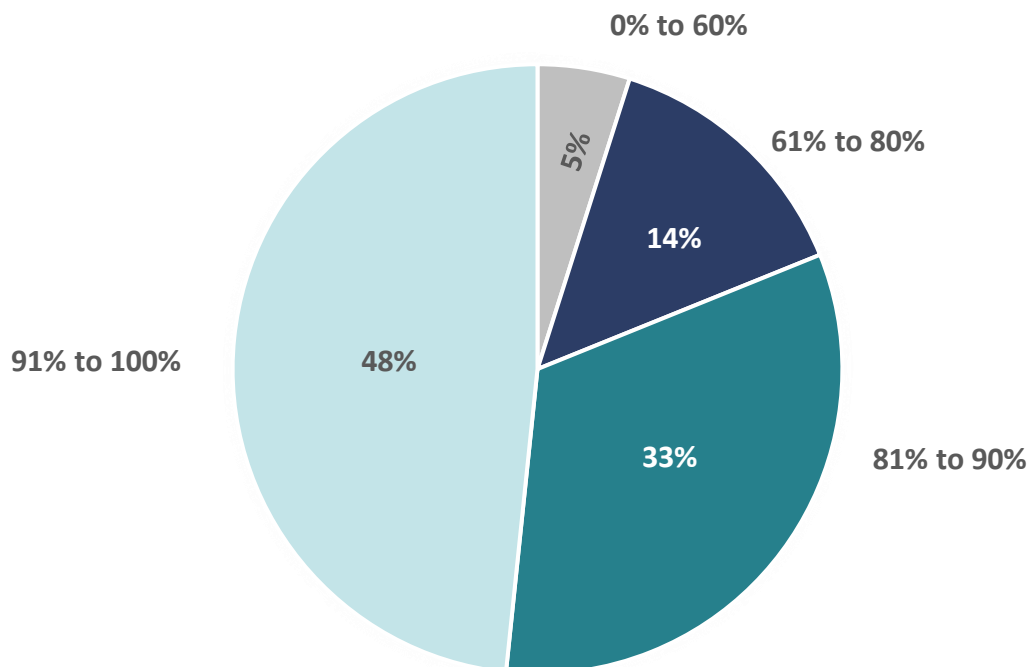
## Your company's location(s)



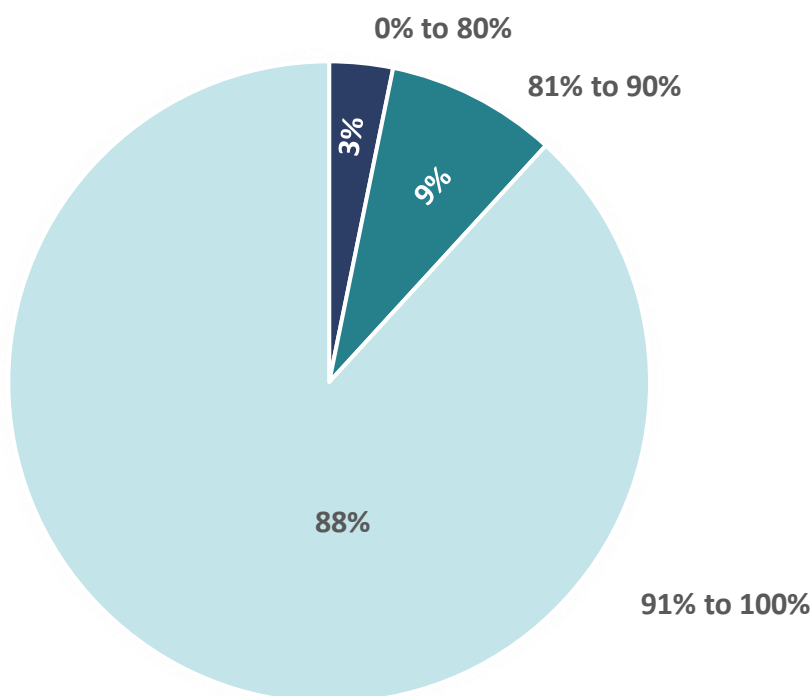
---

# Impact of the latest Covid-19 wave on your activities

What percentage of your staff has been infected by the virus?



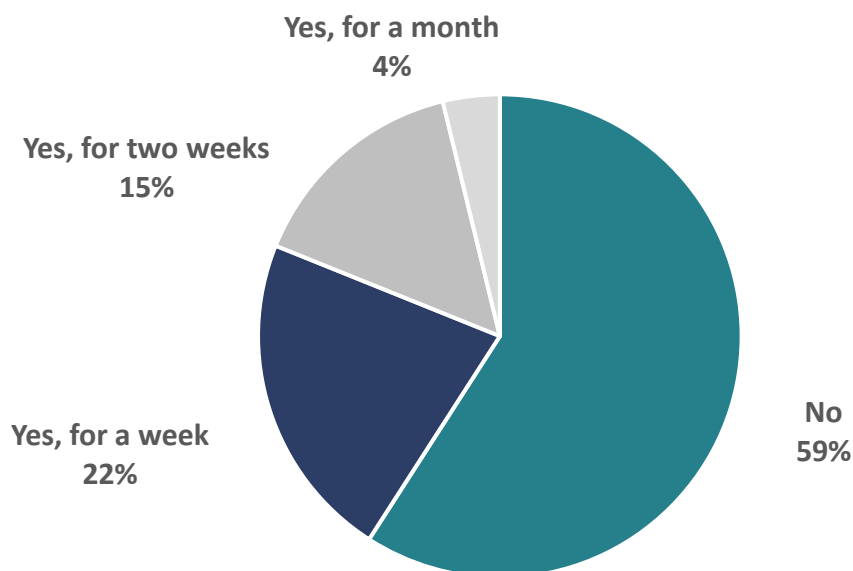
What share of your staff that recovered from Covid-19 and has now resumed work?



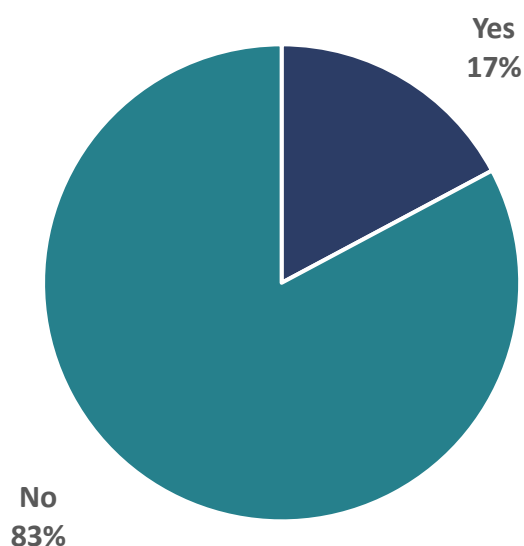
---

# Impact of the latest Covid-19 wave on your activities

Did you have to interrupt your activities due to a lack of available workforce ?



Have you taken special measures for the next wave of infections?



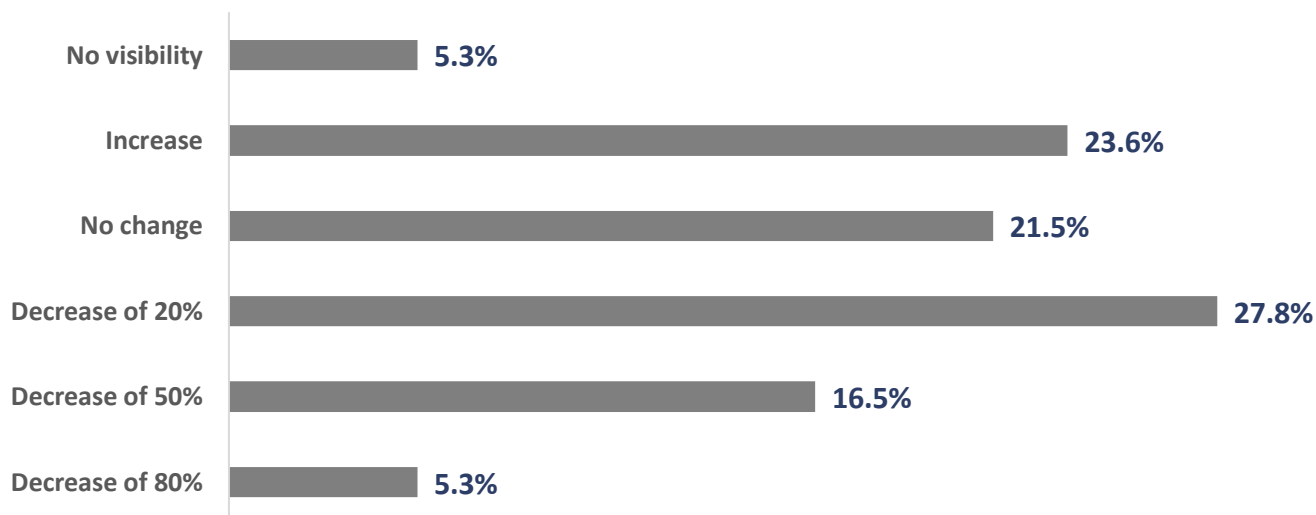
If yes, please precise which measures:

- Distribution of masks, medication, and auto-tests
- Encouragement of home-office
- Special care for people at risk, including relatives (spouses, children and parents)
- Dematerialization of business processes
- Promotion of vaccination and social distancing
- Introduction of staff rotations to reduce on-site presence

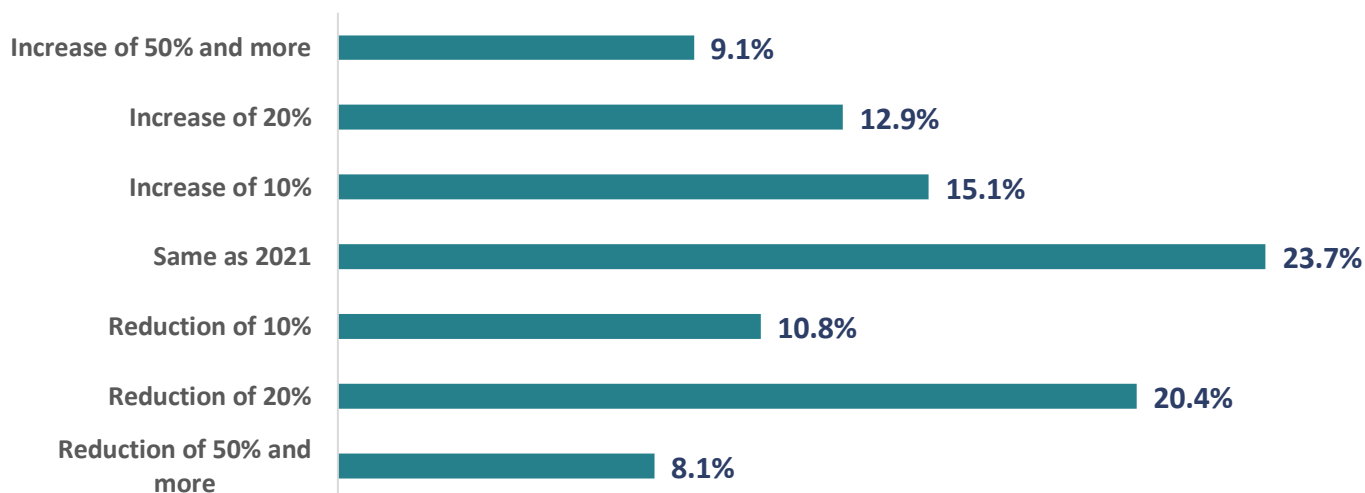
# Impact on your China activities in 2022

## September forecast VS end of the year figures

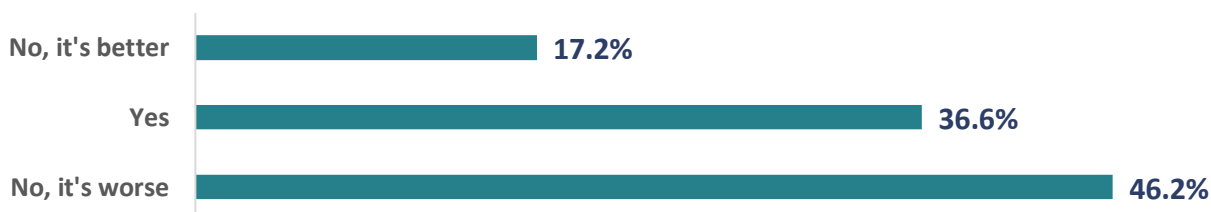
What impact are you expecting on your 2022 turnover?  
Forecast from the September 2022 survey



Which level of turnover were you able to achieve in 2022  
compared to 2021?



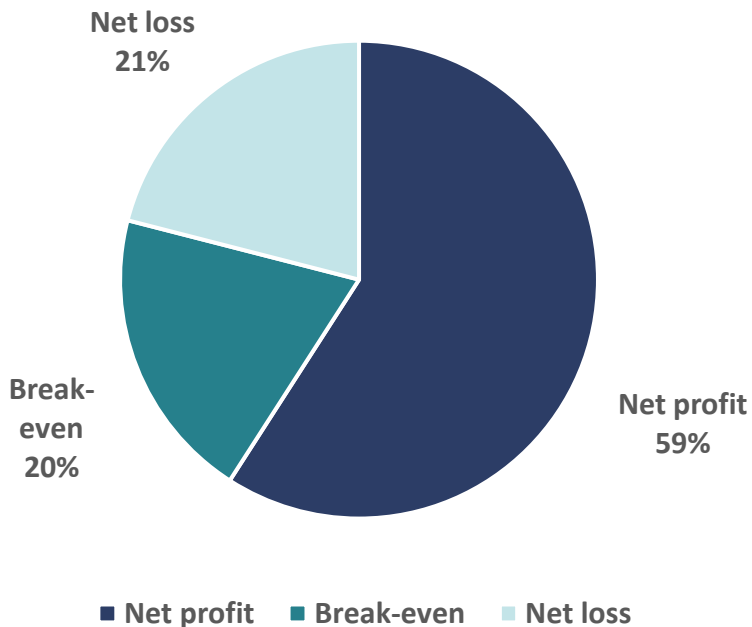
Was this turnover in line with your expectations?



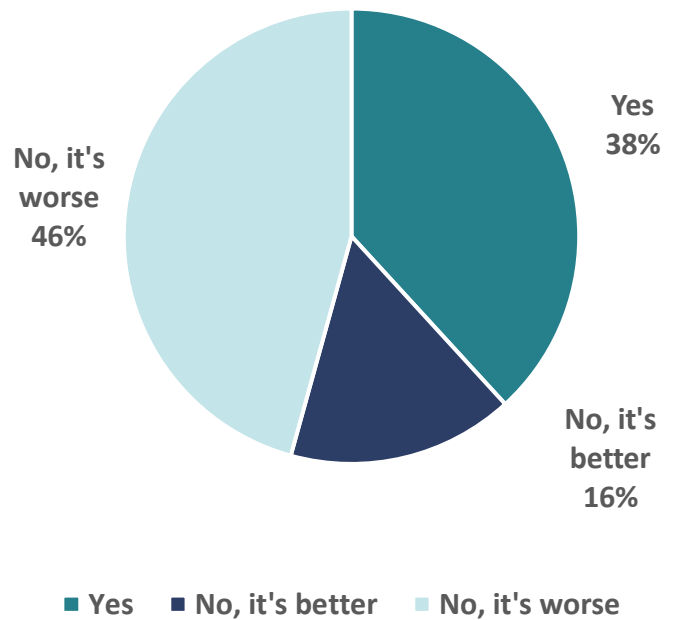


# Impact on your China activities in 2022

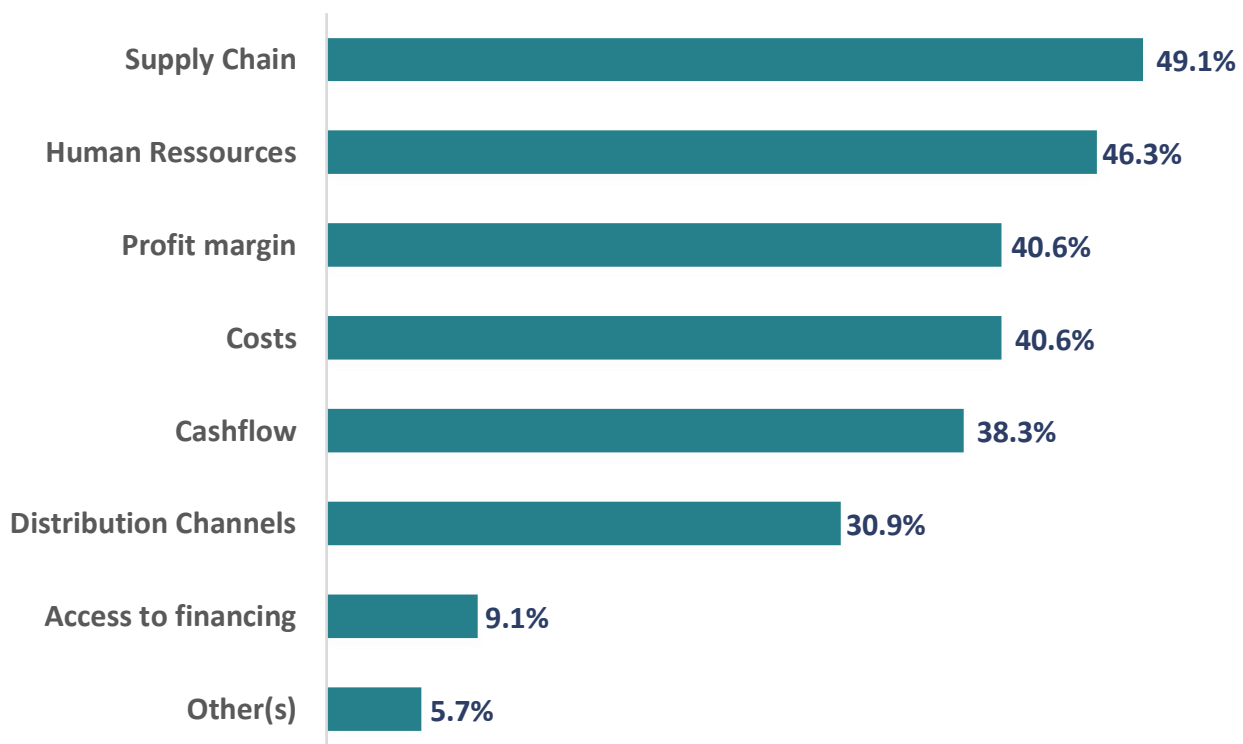
Which result have you achieved in 2022?



Was this result in line with your expectations?

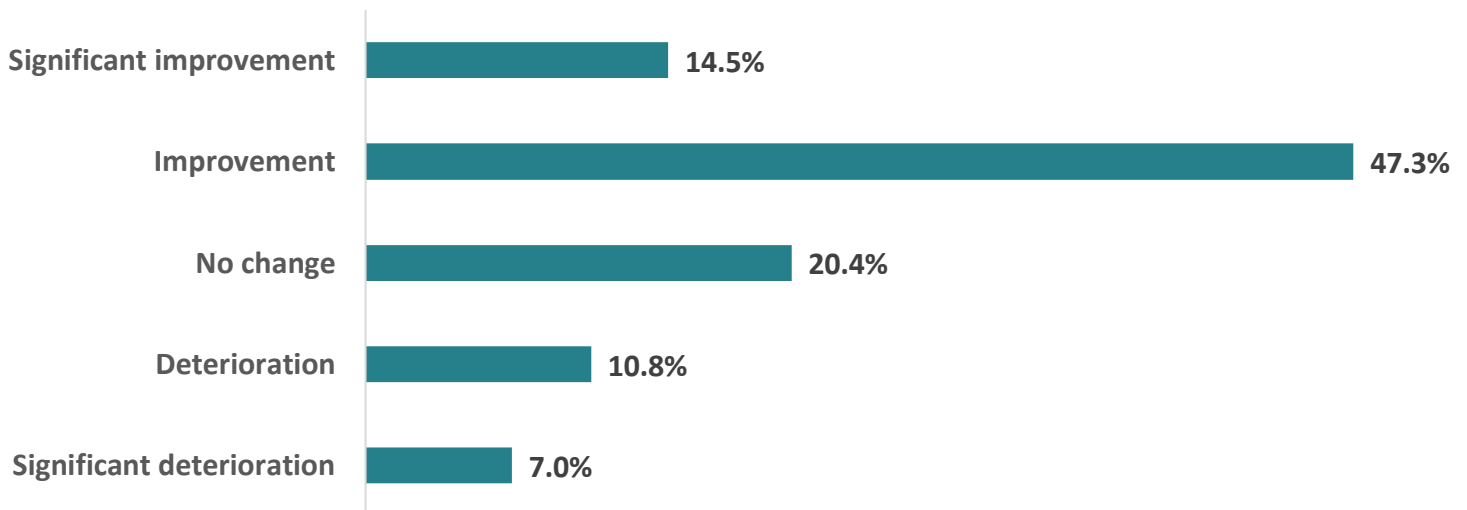


Other areas impacted by the Covid-19 policy?



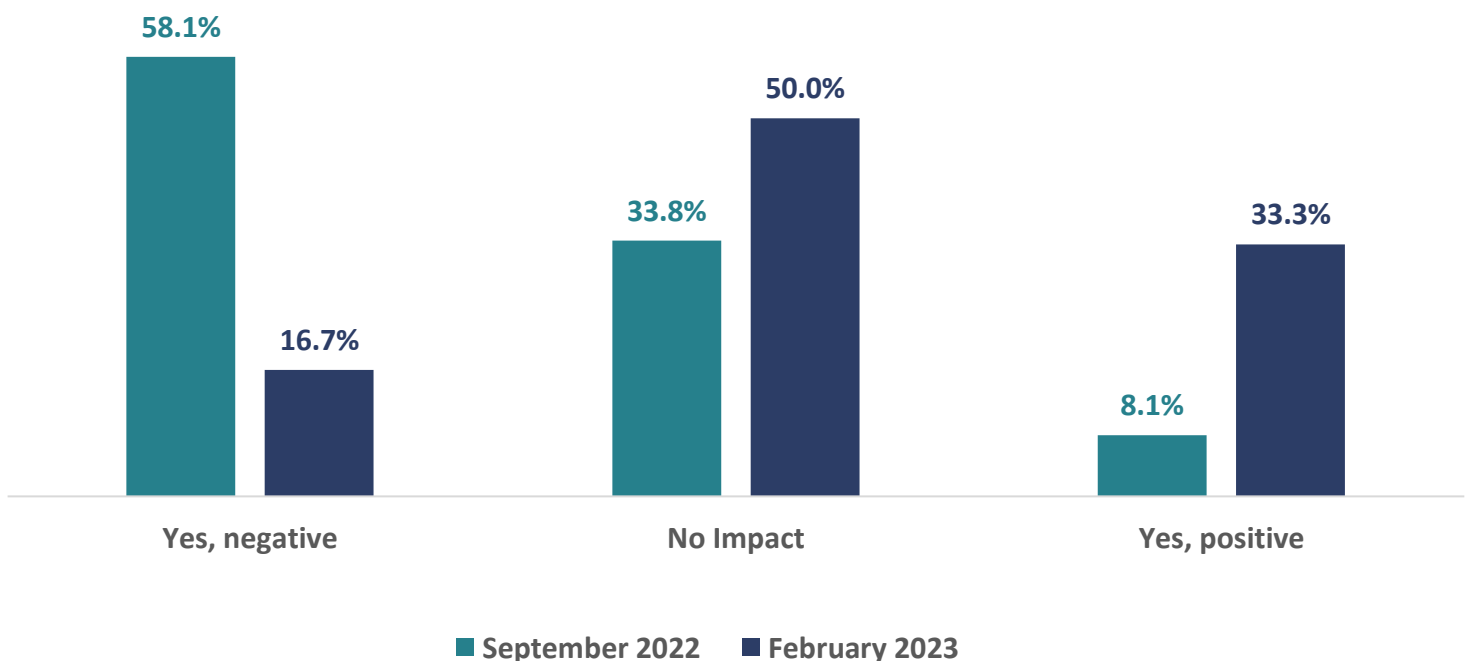
# Forecast for 2023 and future investments

How has your company's perception of China evolved since the lifting of the restrictions?



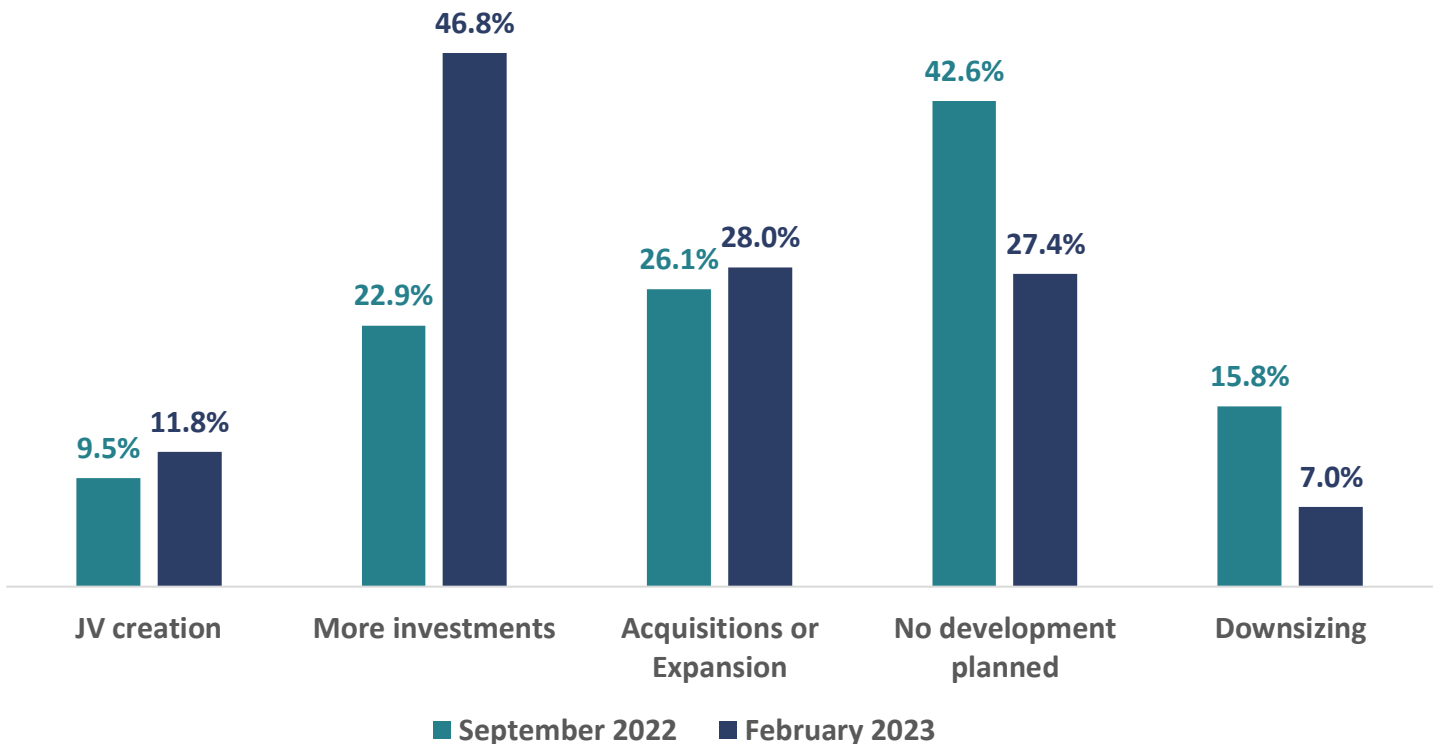
Does this change of perception have an impact on your investment decisions ?

A comparison between September 2022 and February 2023 responses

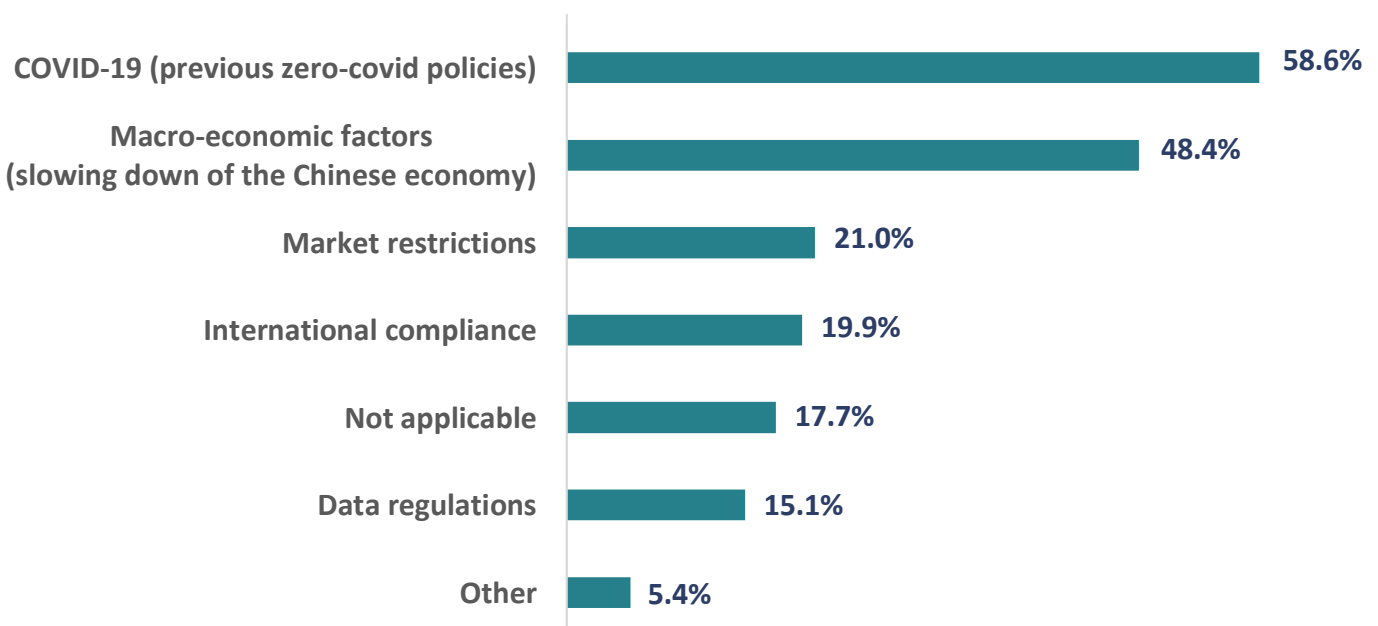


# Forecast for 2023 and future investments

How do you plan to develop your activity in the next 3 years ?  
Comparison between September 2022 and February 2023

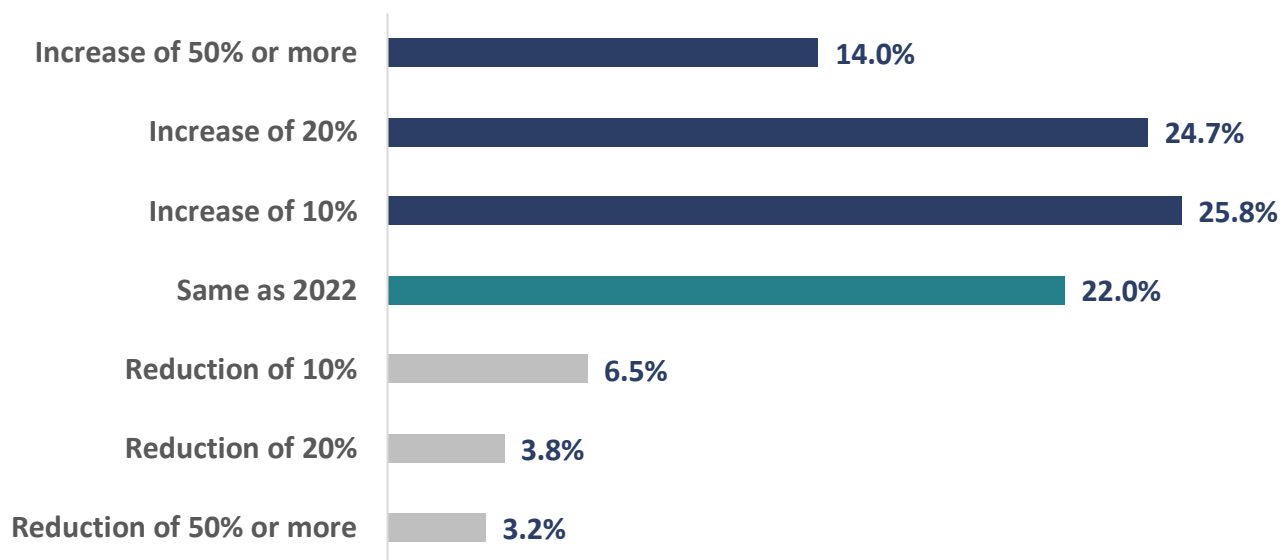


Has your investment strategy been impacted by one or several of these factors ?

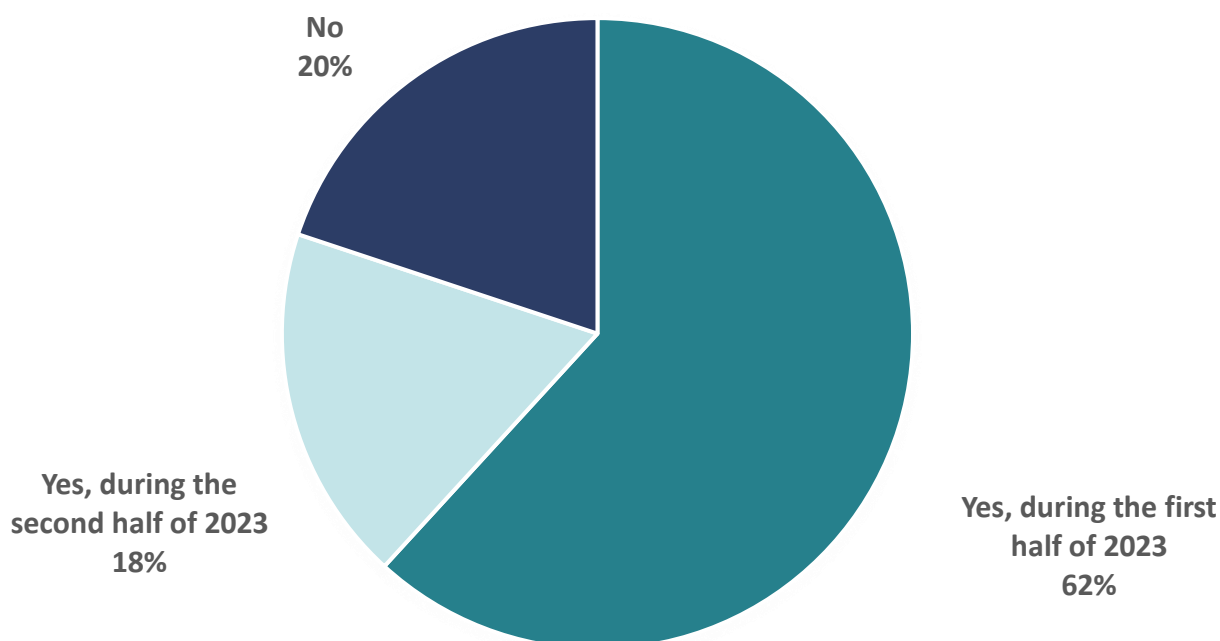


# Forecast for 2023 and future investments

Which level of turnover are you expecting in 2023, compared with 2022?



Does your headquarter plan to visit China this year?



---

SURVEY - SPRING 2023

Thank You

