

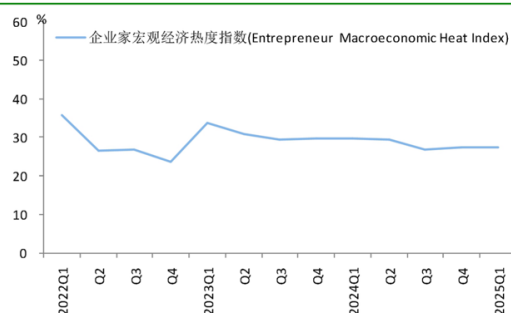
Entrepreneur Survey Report (Q1 2025)

The results of the entrepreneur survey conducted by the People's Bank of China (PBOC) in Q1 2025 are as follows.

I. Entrepreneur Macroeconomic Heat Index

The entrepreneur macroeconomic heat index registered 27.3 percent, on par with the previous quarter. Among the entrepreneurs surveyed, 53.1 percent regarded it as “normal”, 46.2 percent considered the macroeconomic climate “relatively cold”, and 0.8 percent regarded it as “relatively overheated”.

Figure 1: Entrepreneur Macroeconomic Heat Index



Source: Statistics and Analysis Department, PBOC

II. Product Selling Price Sentiment Index and Raw Material Purchasing Price Sentiment Index

The product selling price sentiment index posted 43.3 percent, decreasing 2.0 percentage points q-o-q. Compared with the previous quarter, 7.8 percent of the entrepreneurs surveyed considered the current product selling price “increased”, while 71.1 percent and 21.1 percent considered it “unchanged” and “decreased” respectively.

Figure 2: Product Selling Price Sentiment Index and Raw Material Purchasing Price Sentiment Index



Source: Statistics and Analysis Department, PBOC

The raw material purchasing price sentiment index reached 52.0 percent, decreasing 1.3 percentage points q-o-q. Compared with the previous quarter, 14.1 percent of the entrepreneurs surveyed considered the raw material purchasing price “increased”, while 75.8 percent and 10.2 percent considered it “unchanged” and “decreased” respectively.

III. Export Order Index and Domestic Order Index

The export order index was 39.7 percent, decreasing 8.0 percentage points q-o-q. Compared with the previous quarter, 13.2 percent of the entrepreneurs surveyed considered the number of export orders “increased”, 53.1 percent considered it “unchanged”, and 33.7 percent considered it “decreased”.

Figure 3: Export Order Index and Domestic Order Index



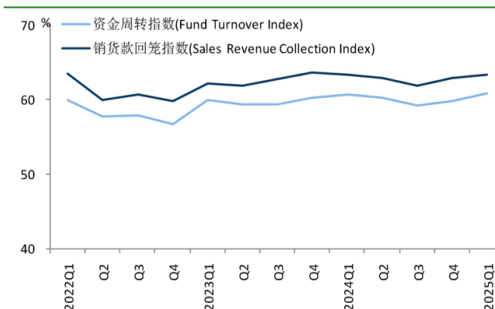
Source: Statistics and Analysis Department, PBOC

The domestic order index posted 37.7 percent, decreasing 10.8 percentage points q-o-q. Compared with the previous quarter, 11.2 percent of the entrepreneurs surveyed considered the number of domestic orders “increased”, 53.0 percent considered it “unchanged”, and 35.9 percent considered it “decreased”.

IV. Fund Turnover Index and Sales Revenue Collection Index

The fund turnover index was 60.8 percent, increasing 1.0 percentage points q-o-q. Among the entrepreneurs surveyed, 34.3 percent considered the performance of fund turnover in the current quarter to be “good”, 52.9 percent considered it “mediocre”, and 12.8 percent considered it “poor”.

Figure 4: Fund Turnover Index and Sales Revenue Collection Index



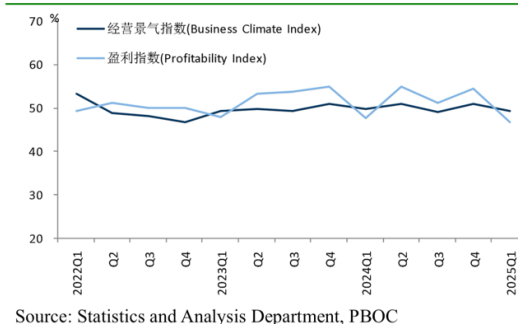
Source: Statistics and Analysis Department, PBOC

The sales revenue collection index registered 63.4 percent, increasing 0.5 percentage points q-o-q. Among the entrepreneurs surveyed, 35.5 percent considered the collection of sales revenue to be “easy”, 55.8 percent considered it “mediocre”, and 8.7 percent considered it “difficult”.

V. Business Climate Index and Profitability Index

The business climate index posted 49.2 percent, decreasing 1.8 percentage points q-o-q. Among the entrepreneurs surveyed, 16.3 percent considered their business performance in the current quarter to be “relatively good”, 65.8 percent considered it “mediocre”, and 18.0 percent considered it “relatively poor”.

Figure 5: Business Climate Index and Profitability Index



The profitability index registered 46.8 percent, decreasing 7.6 percentage points q-o-q. Compared with the previous quarter, 26.0 percent of the entrepreneurs surveyed stated “profits increased or losses reduced”, 41.6 percent considered that “profits and losses remained unchanged”, and 32.4 percent said that “losses increased or profits declined”.

Annex: Survey Index on 5,000 Entrepreneurs

Unit: %

时 间	企业家宏观经济热度指数 Entrepreneur Macroeconomic Heat Index	产品销售价格感受指数 Product Selling Price Sentiment Index	原材料购进价格感受指数 Raw Material Purchasing Price Sentiment Index	国内订单指数 Domestic Order Index	出口订单指数 Export Order Index	资金周转指数 Fund Turnover Index	销货款回笼指数 Sales Revenue Collection Index	经营景气指数 Business Climate Index	盈利指数 Profitability Index
2022. Q1	35. 7	53. 6	67. 1	41. 4	40. 9	60. 0	63. 4	53. 3	49. 3
2022. Q2	26. 5	52. 4	68. 1	40. 9	41. 0	57. 7	59. 9	48. 7	51. 2
2022. Q3	26. 9	45. 4	56. 7	44. 8	42. 2	57. 8	60. 6	48. 1	50. 0
2022. Q4	23. 5	47. 2	58. 5	44. 1	38. 9	56. 7	59. 8	46. 6	50. 0
2023. Q1	33. 8	47. 8	58. 0	42. 9	39. 5	59. 9	62. 2	49. 2	47. 8
2023. Q2	30. 9	43. 1	50. 5	48. 2	45. 5	59. 3	61. 9	49. 6	53. 2
2023. Q3	29. 5	46. 1	54. 3	47. 1	45. 5	59. 3	62. 7	49. 2	53. 7
2023. Q4	29. 7	46. 7	55. 0	48. 7	45. 4	60. 2	63. 6	51. 0	55. 0
2024. Q1	29. 7	44. 4	53. 5	39. 0	39. 5	60. 7	63. 3	49. 7	47. 6
2024. Q2	29. 4	46. 5	56. 3	48. 3	50. 0	60. 2	62. 9	50. 8	54. 8
2024. Q3	26. 9	42. 4	51. 2	43. 8	46. 6	59. 1	61. 9	49. 0	51. 1
2024. Q4	27. 4	45. 3	53. 2	48. 4	47. 7	59. 8	62. 9	51. 0	54. 3
2025. Q1	27. 3	43. 3	52. 0	37. 7	39. 7	60. 8	63. 4	49. 2	46. 8

Source: Statistics and Analysis Department, PBOC.

Note: Figures in this table are rounded to one decimal place. Possible discrepancies between year-on-year or quarter-on-quarter changes calculated from the figures and those published in the report are mainly due to rounding.

Compilation Notes:

The People's Bank of China (PBOC) started the entrepreneur survey in 1992. About 5,000 industrial firms are surveyed nationwide (excluding Xizang) on seven aspects of business operation, i.e., overall production performance, production factors, market demand, funding, cost and profitability, investment and others. The indexes in the entrepreneur survey report are calculated using the diffusion index approach, i.e., the proportion c_i represented by each option is calculated, and different options are given different weights q_i (a weight of 1 to the "good/increase" option, 0.5 to "mediocre/unchanged", and 0 to "poor/decrease"), and the final indexes are obtained by adding up the results of each c_i multiplied by the corresponding q_i . All indexes range between 0 and 100 percent. An index reading above 50 percent indicates an upward trend or expansion while an index below 50 percent is a sign of a downward trend or contraction.

The calculation methods of major indexes are introduced briefly below.

1. Macroeconomic heat index: It is a diffusion index reflecting entrepreneurs' judgment on the current macroeconomic situation. The index is derived by calculating the proportions of entrepreneurs who considered the economic climate in the current quarter "relatively overheated" and "normal" respectively, assigning weights 1 and 0.5 to them, and adding up the multiplication results.

2. Product selling price sentiment index: It is a diffusion index reflecting entrepreneurs' judgment on the current product selling prices of firms. The index is derived by calculating the proportions of entrepreneurs who considered the current product selling price "increased" and "unchanged" compared with the previous quarter, assigning weights 1 and 0.5 to them respectively, and adding up the multiplication results.

3. Raw material purchasing price sentiment index: It is a diffusion index reflecting entrepreneurs' judgment on the current raw material purchasing prices. The index is derived by calculating the proportions of entrepreneurs who considered the raw material purchase price "increased" and "unchanged" respectively compared with the previous quarter, assigning weights 1 and 0.5 to them, and adding up the multiplication results.

4. Domestic order index: It is a diffusion index reflecting entrepreneurs' judgment on the quantity level of domestic product orders. The index is derived by calculating the

proportions of entrepreneurs who considered the current number of domestic product orders “increased” and “unchanged” compared with the previous quarter, assigning weights 1 and 0.5 to them respectively, and adding up the multiplication results.

5. Export order index: It is a diffusion index reflecting entrepreneurs’ judgment on the q-o-q changes of current export product orders. The index is derived by identifying the firms with export business, calculating the proportions of entrepreneurs who considered the current number of export orders “increased” and “unchanged” compared with the previous quarter, assigning weights 1 and 0.5 to them respectively, and adding up the multiplication results.

6. Fund turnover index: It is a diffusion index reflecting entrepreneurs’ judgment on fund turnover of the firms. The index is derived by calculating the proportions of entrepreneurs who considered the performance of fund turnover in the current quarter “good” and “mediocre”, assigning weights 1 and 0.5 to them respectively, and adding up the multiplication results.

7. Sales revenue collection index: It is a diffusion index reflecting entrepreneurs’ judgment of collection of sales revenue. The index is derived by calculating the proportions of entrepreneurs who considered the collection of sales revenue in the current quarter “easy” and “mediocre”, assigning weights 1 and 0.5 to them respectively, and adding up the multiplication results.

8. Business climate index: It is an index reflecting entrepreneurs’ judgment on the current operation climate. The index is derived by calculating the proportions of entrepreneurs who considered the performance of business operation in the current quarter “relatively good” and “mediocre”, assigning weights 1 and 0.5 to them respectively, and adding up the multiplication results.

9. Profitability index: It is a diffusion index reflecting entrepreneurs’ judgment on the profitability of the firms compared with the previous quarter. The index is derived by calculating the proportions of entrepreneurs who considered “profits increased or losses reduced” and that “both profits and losses remained unchanged”, assigning weights 1 and 0.5 to them respectively, and adding up the multiplication results.