

# China Venture Capitalist Confidence Index™ (Bloomberg ticker symbol: CVCCI)

**First Quarter – 2006**

*Mark V. Cannice, Ph.D.*

The quarterly *China Venture Capitalist Confidence Index* (Bloomberg ticker symbol: CVCCI) is based on a survey of mainland China and Hong Kong venture capitalists. The China VC Index measures and reports the opinions of China-based professional venture capitalists in their estimation of the high-growth venture entrepreneurial environment in China over the next 6 - 18 months.

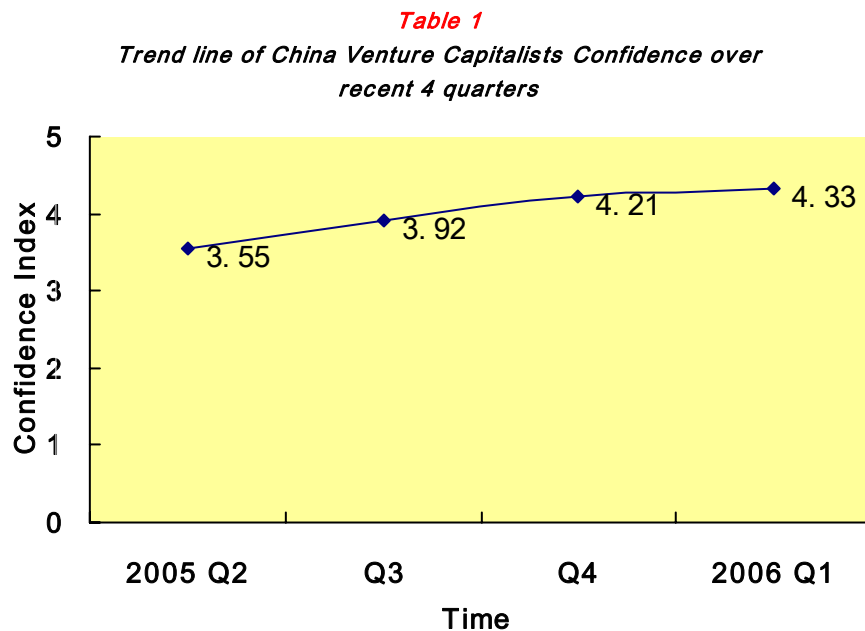
In publishing a recurring confidence index of China-based venture capital investors, we intend to utilize the local knowledge and insight of our respondents to provide an on-going *leading indicator* of local investment in new high growth businesses in the Greater China Region. We expect that this local insight will provide a unique perspective into the dynamic Chinese entrepreneurial business environment. Further, by tracking what local venture investors project about the high growth venture environment rather than what has already occurred in terms of investment flows, we hope to provide actionable insight for all interested parties.

While the venture capital industry is still in a relatively early stage in China, with significant change likely to occur in the near to mid term, these initial reports and index readings will provide a base-line from which to compare future index levels to better judge the relative gain or loss of local professional investor confidence in the environment for investment in high-growth ventures in China.

The China Venture Capitalist Confidence Index for the first quarter of 2006, registered 4.33

on a 5 point scale (with 5 indicating high confidence and 1 indicating low confidence), and suggests a healthy level of China based venture capitalist confidence in entrepreneurial activity in the coming months. This quarter's reading is up from last quarter's index of 4.21 on a 5 point scale. (Please see Table 1 for trend data.)

This is a summary report. Complete data and commentary for this quarter's report may be requested from the author, Professor Mark Cannice at [Cannice@usfca.edu](mailto:Cannice@usfca.edu).



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