



Foreword by
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FIRST

It gives me great pleasure to introduce this Official Report on China to mark the State Visit of President Xi Jinping to the United Kingdom. Lord Hurd and I are especially grateful to His Excellency Liu Xiaoming, the Chinese Ambassador, and his staff for all their help and guidance in the preparation of this report. We are also very grateful to the Prime Minister, David Cameron and the President, Xi Jinping, for contributing such important and personal messages to this Official Report.

The strength of the United Kingdom's strategic partnership with the People's Republic of China has also been underlined by the successful visits of the Prime Minister, Chancellor George Osborne, the Foreign Secretary and the Mayor of London, Boris Johnson. The Duke of Cambridge made an important visit earlier this year and Lord Maude, the Trade Minister, has just returned from China.

The President's State Visit to the United Kingdom, with its full schedule, is particularly timely and will help focus the attention of business leaders and policy makers on the many investment opportunities that exist in China.

China is the world's second largest economy, its biggest exporter and the second largest importer of goods and services, accounting for around 10 per cent of total world trade. Despite global economic turbulence, China's expansion record continues with a GDP growth rate of 6.7 per cent predicted for 2016. Expanding our international trade and investment links with China is playing an important role in the government's economic and financial strategy.

The growth in trade and investment between the United Kingdom and China has been impressive; last year UK exports to China were over £12.5 billion and China was the UK's 6th largest goods export market. The UK also attracted

some US\$12 billion of Chinese foreign direct investment in 2014 – more than France and Germany combined. London accounts for two thirds of offshore renminbi payments outside mainland China and Hong Kong.

China's growth and development provides important opportunities for further strengthening the bilateral business relationship. The United Kingdom's high technology and research-based industries will find opportunities to co-operate further with Chinese partners. Britain's financial and banking services, as well as the retail and creative sectors, will identify enormous opportunities as China's consumers increase their purchasing power. Both countries also share the desire to move to low-carbon, sustainable economies. To Chinese business leaders the United Kingdom represents an ideal gateway to Europe for Chinese exports and investment.

The United Kingdom-China strategic partnership also covers significant co-operation in education – over 130,000 Chinese students study in Britain and an increasing number of British students are attending courses in China. These links in education are paving the way for greater cultural and scientific exchange, to both nations' mutual benefit.

The State Visit of President Xi Jinping to the United Kingdom, while providing an opportunity for private discussions, will give us all an opportunity to study the important developments in China and to weigh carefully the opportunities for our countries to work together even more closely.

We at FIRST are delighted to have been asked to produce this official publication to mark the State Visit and hope that it contributes, in a small way, to its success and the further development of the bilateral relationship, especially in trade and investment.