

UK powers ahead in China

By JOHN CRIDLAND CBE

DIRECTOR-GENERAL CBI



JOHN CRIDLAND

was educated at Boston Grammar School and holds an MA in History from Christ's College Cambridge. He joined the CBI as a policy adviser in 1982 and has been Director of Environmental Affairs and of Human Resources Policy, as well as Deputy Director-General from 2000 to 2010, before assuming his current position. As Director-General of the CBI, Mr Cridland is the key spokesman for the UK business community in the media, on public platforms and in its dealings with Government.

As Director General of the Confederation of British Industry (CBI) I am delighted that His Excellency President Xi Jinping will be visiting the UK in mid-October and would like to extend my warmest welcome to President Xi and First Lady Madam Peng on behalf of the CBI and our members.

Their visit comes at a time of great optimism for UK-China relations. Bilateral trade, for example, has already reached £51 billion and the UK is now China's sixth-largest trading partner.

And over the last five years Chinese investment in the UK has increased by 85 per cent a year with our country the top destination for Chinese foreign direct investment in Europe. In 2014 alone Chinese businesses started 112 projects in the UK resulting in close to 6,000 new or safeguarded jobs.

We are second only in Europe to Germany in exports to China, with new export markets offering opportunities to UK business. Take, for example, the UK pork sector. Exports have surged by 44 per cent over the past 5 years generating £214 million for the UK economy, with China now the largest international export market for UK pork.

2014 marked the 40th anniversary of UK-China student exchanges totalling 450,000 Chinese and 35,000 British over this period. More than 135,000 Chinese students are studying in the UK – and that does not include the 500,000 who visited as tourists last year.



Horses for courses: Britain's iconic play *War Horse* is touring China this Autumn

In addition to this rich growth of business, cultural and educational exchange, the UK also made its mark in April by being the first major European country to join the Asian Infrastructure Investment Bank (AIIB).

The UK government has also committed to developing London as an RMB hub with the appointment of China Construction Bank as the first RMB clearing bank outside Asia. This follows the opening of the Industrial and Commercial Bank of China's (ICBC) wholesale branch in London – the first since the founding of the People's Republic of China (PRC) in 1949.

Only last month the first ever China season of the UK-China Year of Cultural Exchange was launched in London. The UK season was formally opened by the Duke of Cambridge during his visit to Shanghai in March. A Chinese version of the iconic play *War Horse* is also touring China this autumn, again underlying the depth and breadth of the UK-China cultural partnership.

And I am proud of the contribution that CBI member companies are making to China's growth and development. World renowned engineering and design firm Arup has recently installed a sophisticated city air purification system in Beijing's Tsinghua University, exemplifying the green growth opportunities available to UK business in China. PwC, the accounting consultation support supplier for the 2022 Beijing Winter Olympic Games Bid Committee, witnessed and participated in Beijing's successful bid. In the first half of 2015 UK based Intercontinental Hotel Group (IHG) opened eight hotels in Greater China, including its first two HUALUXE hotels and Resorts in Yangjiang (Guangdong) and Nanchang (Jiangxi). IHG has established itself as a market leader by tapping in to the country's rapidly growing travel and tourism sector. And Virgin Atlantic launched its maiden 787-9 Dreamliner to London from Shanghai this summer ensuring extra efficiency and comfort for the many Chinese travellers visiting the UK and adding more than £549 Million to UK GDP. Finally it has been good to see Chinese CBI members such as Huawei making major, long-term investments into the UK. Their UK investment of £956 million (2012-2014) supports 7,400 jobs directly through the supply chain.

To conclude, UK-China relations have never looked better and I very much look forward to seeing our bilateral relationship continue to deepen and grow over the years ahead.

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