

2022 WEST OF ENGLAND China Ecosystem

中国交流中心
布里斯托及西英格兰

Bristol and
West of England
China Bureau

Forging Business Links with China



Table of contents

Executive Summary	3
Introduction	4
West of England Chinese Ecosystem Analysis	5
Key findings & recommendations	6
Key topic areas – summary of themes	9
West of England Chinese Ecosystem Analysis	10
Report overview and research process	11
UK activity with China	13
The West of England relationship with China	17
Doing business with China	23
Education	31
Connectivity and collaboration	35
The West of England opportunity	37
Bringing it all together	41
Participants	42

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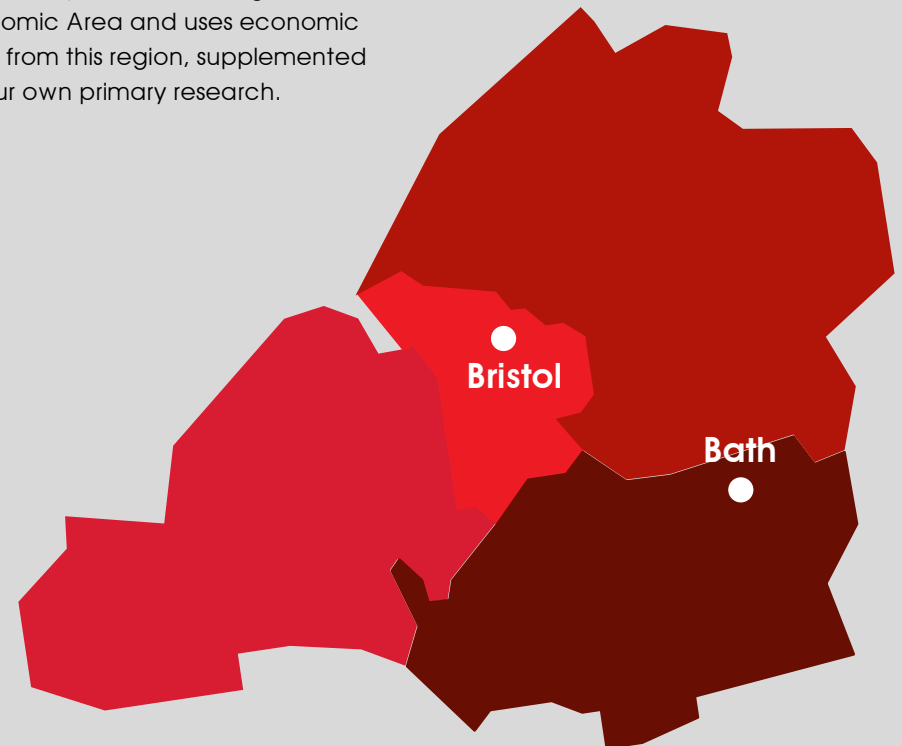
We would also like to thank supporters of this research:



West of England Region

Research area:

This report focuses primarily on the activity in the geographical area covered by the West of England Economic Area and uses economic data from this region, supplemented by our own primary research.



Executive Summary

China Sector in West of England

Chinese Ecosystem

Key findings & recommendations

Key topic areas – summary of themes

Introduction



Dianne Francombe OBE
Chief Executive

Bristol and West of England China Bureau

The Bristol & West of England China Bureau is a not for profit company who have developed a network across the region to support businesses on their journey, or to begin a journey, to develop partnerships for trade, import, export and service delivery with China. We work collaboratively with all the key support agencies across the region, many of whom have contributed to this research and as the report shows we can all do more to 'connect the dots' and make the journey of discovery easier for businesses wishing to enter this very important market. We also engage with the local community who have an interest in China.

It is our aim to continue to be a supportive and encouraging voice in this arena and in the Year when as a country we celebrate 50 years of formal UK-Sino relations, following the 20th Anniversary of the Sister City relationship between Bristol & Guangzhou and the 10th Anniversary since the first SW of England mission visited China we are delighted to launch the outcomes of the China Eco System research.

We believe the report is an excellent resource for anyone who wishes to connect with China for business, trade or just for interest. Through undertaking this work it highlights that there are a lot of skills and expertise across the region and research undertaken which we could showcase more prominently and use the assets to help other organisations to avoid just repeating the same work and enabling the region to develop a body of knowledge and resources which can be shared. This fuelled our reason for commissioning the report which is to provide an up to date view of the connectivity between our region and China and to showcase the wealth of expertise, knowledge and interest in China which I believe it does admirably as a result of the excellent lead from Stuart Harrison.

As an organisation the China Bureau is committed to continuing our work in developing UK-Sino relations. Our report supports the messages from other Eco System reports that connectivity is key to developing business models in any sector and being disconnected is disruptive. We really hope that this exercise will put UK-Sino relations on a new starting block for the West of England region and more 'friendships' will be developed

that have economic as well as cultural benefit to our society. We will endeavour to promote this message to all organisations as it is critical to the UK's success. To help in the journey towards being a more connected region we need your continued help and engagement to realise the main outcome of developing the online platform and create the Virtual China Centre as a resource for everyone.

A comment in a conversation which sticks with me is 'We can't change the world we must just keep doing the right thing'. We will remain the voice of reason and hope to build upon our knowledge and continue to develop a real understanding of the sophisticated, complex and vibrant civilization which is China and the Chinese people. This will enable businesses to flourish in an increasingly complex international trading environment. Personal relationships are also very important and history is our biggest lesson. Let us embrace a style of dialogue with China that indicates 'friendship' and avoid a combative dialogue which is not helpful. China's increasing international involvement should be applauded as an example of how the country is adapting and is engaging more proactively with the rest of the world and using its voice. Let us work with you in the West of England region to develop a dialogue, with China, which results in a fruitful outcome for everyone and releases the latent demand that has developed during the pandemic.

West of England Chinese Ecosystem Analysis

West of England region



1,1m
population



27,115
graduates
per annum



£38.3bn
Gross Value Added
(GVA)

630,000
workforce

81,345
students

6.8%
of UK GVA

4
universities

Local Chinese ecosystem

5,000 (approx.)
Chinese students at local universities

>1,000
based in the West of England with
China connections

72.9%
recent South West export growth
(year on year)

- Partnership MOU with Guangzhou
- Collaboration with Hong Kong and Hunan
- Core matching technologies
- Machinery, metals, instruments lead the way

UK and China



Goods exports worth
£15.2bn
Up 5.5% year on year



over
150,000
Chinese students
in the UK

3rd largest trading partner

- Long and historic relationship
- UK recognised for heritage, education and innovation
- China has growing “worldly” and wealthy middle class

Key highlights

- The West of England is not very well known within China and is commonly viewed as almost a suburb of London. Despite this, we have many relevant and positive success stories to tell and a very solid base to build upon including good government to government relationships with Guangzhou and a growing connection with Hunan.
- In setting out what makes the West of England different, what we want to be famous for, we have a great opportunity with up and coming technology solutions that match the interest and need within China and Guangzhou itself. This has the potential for the region to rightly position itself as a world leader in these areas of interest and distinguish ourselves from other competing regions and nations.
- Many Chinese students, including those from Hong Kong, come to the UK and numbers are rising this year. Although most return to China after their studies, which the Post Study Visa may change, those returning students represent a superb long term opportunity to build long lasting and positive relationships with the region and its organisations.
- The West of England is well known as a collaborative region and the desire shown by everyone interviewed was to deliver that same level of collaboration within the Chinese business, educational and cultural community. There may be several areas of disconnect at the moment but this is easily rectified with this level of desire to bring it all together.
- The Bristol and West of England China Bureau has ambitions to build on the findings made in this report and deliver positive change for the region, its organisations and people who work within it.

Key findings & recommendations

Recommendations and actions

Key stakeholders

1. Develop existing China relationships

The region already has established connections with Guangzhou/Guangdong and developing relationships with Hong Kong, all parts of the Greater Bay Area (GBA) as well as Hunan. These represent great foundations to build upon and to provide opportunities for local organisations.

- **Promote the Guangzhou relationship** more widely and encourage activity at multiple levels. The pre-existing agreements and relationships represent a great base to build upon at all levels, from government to education to business, yet in many instances little is known or communicated about the relationships or how it could benefit the “ordinary” business that wants to engage with China.
- **Explore what partnership and business opportunities can be developed in Guangdong** by learning and building on the Guangzhou relationship. With Guangzhou as the provincial capital and the Guangdong province having interests overlapping with the skills and knowledge in the West of England and South West, there are opportunities to promote the respective regions with each other.
- **Build on many Hong Kong connections** to head towards an MOU. The Special Administrative Region (SAR) of Hong Kong borders Guangdong, has close connections to the UK and a number of people with significant past and existing Hong Kong relationships live in the South West. As Hong Kong can represent an excellent launch pad into China, extending the relationship with the SAR offers significant return particularly focused on mutual technology skills.
- **Explore a potential Hunan relationship** perhaps initially focusing on mutual areas of interest that are already showing some activity involving culture and media.

- Bristol China Bureau
- Local and regional government
- Appropriate national government departments and agencies including DIT
- Universities, colleges and relevant schools
- Regional and national trade bodies
- Businesses

2. Focus on regional strengths

The region has world-class technology and industry strengths that are of value to China. These, particularly matching, sectors should be focused on to help the West of England stand out as a partner of note.

- **Develop the region’s USP** for China as far as is possible to match regional strengths. Focusing on strengths and needs will lead to a greater recognition in China for what the region is famous for. This will prove of greater benefit than supporting a “me too” approach when comparing the South West to other areas of the country resulting in a non-differentiating tick list of capabilities.
- **Identify matching technologies** and case studies for promotion of the region’s strength in China and to encourage businesses in those sectors to get involved. The region’s most successful and growing sector is technology and particularly technologies that map on well to Guangdong and wider Chinese needs and challenges with an ageing population, environmental challenges and demand for STEM focused solutions.
- **Promote synergistic future facing technology sectors** as the region clearly has world-class businesses, research and education in several related sectors (eg, renewable energy) which stand it in good stead for developing business channels.

- Bristol China Bureau
- Local and regional government
- Universities, colleges and appropriate schools
- Relevant regional and national trade bodies
- Science parks, accelerators and other tech bodies
- Tech representative bodies

Key findings & recommendations

Recommendations and actions

Key stakeholders

3. Building a long-term strategy around students

The Chinese students studying here will be future leaders and captains of industry and represent long term ambassadors for the region.

- **Develop a strategy** around ensuring that the many thousands of students who will ultimately return to China become ambassadors for the region and will speak positively about their experiences as they become captains of industry and/or achieve influential positions.
- **Encourage Chinese nationals** who have gone through UK education and will typically be highly educated and intelligent students, to remain in the region to go into local industry, become entrepreneurs or pursue research interests. The new Post-Study Work (PSW) visa represents a great opportunity to start to keep a great proportion of the talent pool locally for economic benefit.
- **Achieve greater student involvement** in local industry and the community which alone may encourage retention of skills in the region post-study by demonstrating to the students that industry does want and need their skills and perhaps it isn't so hard to integrate into the local community as they might fear it is.

- Bristol China Bureau
- Local and regional government
- Universities, colleges and appropriate schools
- Major employers

4. Connect the region

The widespread enthusiasm for working with China across the region can be much better harnessed by bringing people and organisations together to collaborate.

- **Identify and work with local China expertise.** Across the South West there is a great deal of Chinese business and educational expertise which, although currently not well connected as a whole, could be brought together to help the wider community. Many of those experts who were interviewed expressed the desire to assist in this development.
- **Develop an action plan** to create awareness of activity and bring the community together. Although widely reported as a relatively disconnected community, the enthusiasm to work collectively and collaborate is strong meaning that delivering an action plan should attract considerable support.
- **Build a virtual China centre** lead by the Bureau to act as a focal point for a range of informative, connectivity and collaboration activities. This, post-COVID levelling up approach, is a feasible and realistic objective with potential wide ranging benefits to the region and community.

- Bristol China Bureau
- Local and regional government
- Universities, colleges and appropriate schools
- Representative trade bodies
- Major and regional businesses

Key topic areas – summary of themes:

UK activity with China

- China is currently the UK's third largest trading partner.
- UK goods exports are now worth £15.2bn, up 5.5% year on year.
- Top exports are machinery & transport equipment and vehicles.
- Over 150,000 Chinese students study in the UK.
- China's economy is growing at a faster rate than the US and EU.

The West of England relationship with China

- The South West's year on year export sales to China is growing strongly.
- Existing export strengths are machinery and metals.
- The region has significant connections as a result of existing business and education relationships with China.
- Bristol & Bath and the wider South West are not very well known in China even when relationships exist at organisational levels.
- The existing Guangzhou relationship is underutilised, but a number of Guangzhou focus areas match with regional focus and growth opportunities.

Doing Business with China

- China is not low hanging fruit however it is a very important market.
- Research, planning and commitment are needed to enter the market.
- There may be significant competition both from Chinese businesses and incumbent suppliers.
- Learn about the culture and the way business is done.
- Work with advisors and trusted representatives.

Education

- There is a large Chinese student population in the region and university applications are going up significantly.
- Opportunities to increase the welcome and involvement Chinese students have in the region through activities and industry placement.
- Very high percentage return to China after studies but the PSW (Post-Study Work) visa may influence that.
- Student population represents a notable opportunity to build a longer term strategy creating ambassadors, connections and awareness of the region in China.

Regional Connectivity and Collaboration

- Willingness to collaborate regionally needs to move from discussion to action.
- People undertaking China related activities are keen to help the community but don't know how or where to get involved.
- Desire to integrate Chinese businesses and Chinese nationals more and make them feel welcome and part of the wider community.
- Lot of good success stories but they are well hidden and need to be told.

The West of England Opportunity

- Focus on matching areas of innovation with Guangdong in particular.
- Evolving technology sectors, in which the West of England has world class strengths, represent great avenues of opportunity.
- Government to government activity can really assist business to business activity and the Guangzhou relationship offers great opportunity if it is developed.
- Business, education and tourism are all related and any strategy needs to consider all three collectively.

Bringing it all Together

- There is a great desire to do more with China.
- Connecting the currently disparate threads of activity will potentially reap great rewards.
- Focusing on the region's matching strengths with China is important.
- Building on a longer term strategy around students as ambassadors represents great potential.
- A China Bureau led "virtual China centre" could lead the way.



Bristol & Bath Chinese Ecosystem Analysis

Report overview and research process

Report purpose and structure

The purpose of this report is to map the current business and academic activity related to China within the West of England. It identifies the point at which the region has reached in those activities and how the region can collectively build on the success so far.

It has been written in a format intended to be useful to those who operate in the West of England China ecosystem and can influence the next stages of growth. It should also provide useful information to those organisations who wish to get more involved and understand who else to reach out to and what is involved in “doing business with China”.

Finally, the report seeks to provide the Bristol & West of England China Bureau with evidence in order to roll out activities and programmes to support the region.

Research process

Over the course of the last few months we have conducted over 30 stakeholder interviews and discussions with individuals from organisations of various sizes, professional services firms, Chinese entrepreneurs, students and providers to the sector, plus various advisers and industry experts. The insight from these interviews has been thematically analysed and incorporated into the report. In parallel, we also designed and implemented an online survey which generated additional information and provided further qualitative and quantitative insights.

Additionally, the project team has arranged meetings, discussions and roundtables with industry experts including the project sponsors, with whom we have had an ongoing engagement.

Bristol & West of England China Bureau

The West of England China Bureau (WoECB) works unstintingly to connect the people of Bristol and the South West of England with the people of China and in particular Bristol’s Sister City Guangzhou in Southern China to encourage greater mutual understanding between our two countries.

We provide a platform for businesses and individuals in Bristol and the region to develop understanding and connect with like-minded organisations. Join us in activities that build friendships and strengthen our business and cultural ties. Our members influence and identify events, activities, engagement and services that will best increase investment opportunities and broader benefits that increase connectivity with China.

The report’s purpose is to provide clear actionable recommendations about how the region and Bristol & West of England China Bureau can seek to develop new, and build upon existing, opportunities.

Project Team



Dianne Francombe OBE
Chief Executive
Bristol & West of England
China Bureau



Stuart Harrison
Director
Corporate Karma Ltd



Nicholas Du Preez
Consultant
Corporate Karma Ltd

A historic relationship

The UKs association with China dates back to 1687 when the first person from China is recorded as arriving on our shores. As a country we have only benefitted from the friendship and connection we have with this great country which is now the second largest economy in the world. The West Country is also privileged to have a growing number of Chinese nationals who call the region home and have set up their own companies here.

There are two words which creep into any conversation about China and doing business with China and they are "trust" and "culture". In the west many people base their assumptions on standard world order practices and assume that China will adopt the same practices. To succeed in doing business and building partnerships we need to understand that working with China will always require us to develop a different mindset as there will always be a 'China way' which respects their history and culture as well as their aims for the future.

There is a long association of working with China as the Chinese supported our shipping industry in the late 17th and early 18th century and entered the domestic service industry in the late 18th century. The origins of London's China Town is recorded in 1929 and from which trade with China and especially Canton developed which is all recorded in the History of the First Chinese in Britain. It is through this long association that the UK developed a level of 'trust' with China during an age when we engaged positively with China and is I believe why there is a strong bond between the UK and China - one which we should continue to foster. But in doing so we need to remember 'China is different and may never adopt a liberal model as did other countries.' As was recorded in the Harvard

Business Review article May 2021. Dig back in history and you will find all the reasons why 'control is key' in the brand of authoritarian government in China which has driven China to be such a force in the world today.

We need to be more accepting and understanding that society and daily experiences have shaped the Chinese people and their history still shapes their future and the world would be a better place if we accepted this reality and worked with it, rather than expect them to change to our way. In upping our game and leading by example in agreeing common foundations that will withstand political change both countries will win and become more globally respected and accepting.

Education has always been a vehicle through which relationships with other countries are forged and China is no exception. As is reported in the research China is a vital partner for most UK Higher Education institutions as well as other educational institutions. They are benefitting enormously by having students from across the world who are able to share their expertise and experiences. It is no wonder why the association through education is so strong when the records show that the earliest a Chinese person came to study in the UK was in the 1840's. As is shown by the research it is the Chinese students who come to study in the UK who are our biggest advocates and friends. So many wish to stay in the UK to work following their study and it is through the engagement with these students that we can all learn more about their culture and respect those differences. The changes in the visa regulations means students are now able to live and work in the UK more easily. Engaging with the students can help deliver your ambitions for developing trade with China.

History confirms that the UK has benefitted from Chinese culture having a wealth of artefacts in our museums which attracted royal approval as early as 1769 when Ta Chitqua, from Canton (now Guangzhou), a well established artist arrived in Britain and exhibited one of his sculptures at the Royal Academy exhibition in April 1770. Our love of Chinese food occurred in the early 1900's when the first Chinese restaurants opened in London. The big wave of Chinese immigration happened during the 1960's and this was when Chinese restaurants appeared in lots of large cities including Bristol. The tourist industry started as early as 1908 when the first tourist arrived in the UK but really developed in the 1980's and by 2019 had really taken off. All of which have helped us understand more about the Chinese and their culture.

The next wave of engagement with China will be equally important as we learn and share our knowledge and experience in advanced technology, health, medical, energy and other key sectors which will shape everything we do, and how we live in the future. A more balanced approach is required in the relationship with China to ensure as a country we avoid missing out. The UK should be at 'that table' and engage with the most vibrant, engaging and innovative country in the world in order to better all our lives in the future.

UK activity with China

China is currently the UK's third largest trading partner.

UK goods exports are now worth £15.2bn, up 5.5% year on year. Services exports Q1-Q3 2021 worth £7.7bn.

Top exports are machinery & transport equipment and vehicles.

Over 150,000 Chinese students study in the UK.

China's economy is growing at a faster rate than the US and EU.

China is the UK's largest trade partner for UK imports, having recently overtaken Germany who have traditionally held first place. In fact, with regard to combined export and import trade, China, the US and Germany are relatively evenly matched, all just over £20bn trade value for the three months to October 2021. The China figures are split approximately 80% import and 20% export which is far more heavily skewed towards import than export compared to Germany (64/36) and the US (50/50).¹

China now accounts for 13% of the total goods imported to the UK. Not surprisingly the growth of trade with China has grown significantly over the last 20 years and although it remains as the third largest trading partner behind the US and Germany, a second place is likely due to this growth and the impact of Brexit on EU trade.

The latest UK trade data available at the time of this report shows the UK's top exported goods to China are oil, cars, pharmaceutical products, metals and scientific instruments. The top imported goods are machinery, telecoms, clothing, other manufactured goods and textiles.

The same data also shows that 11,300 VAT registered companies in UK exported to China with 159,000 exporting in total and 60,400 VAT registered companies in the UK imported from China with 256,000 in total importing. Clearly these figures reflect the balance shown between the import and export figures with China. Interestingly, inward bound FDI (Foreign Direct Investment) from China is comparatively low at only £3.4bn or 0.2% of the total UK FDI.

Historically the trade imbalance with China was easily argued to be the nature of the UK's desire for low cost manufactured goods versus the lack of a sophisticated enough market in China for the UK's more advanced products. Clearly this is not the case now as China has an

advanced industrial economy with a significant number of "middle class" citizens with disposable incomes. Possibly the UK should be looking to address the balance towards a more Germany level of business as the China market is very attractive to many organisations as it represents a large and fast growing market economy.

The UK has earned a lot of respect in areas such as education, innovation and heritage and UK brands retain a lot of residual goodwill in the market. Many Chinese consumers associate British products to be of good value and high quality.

Many, many thousands of Chinese students have studied in the UK (155,000 in HE 2019/2020 from China including Hong Kong) with China being the UK's single biggest supplier of overseas students.² This could and should build a lasting positive impression of the UK with those students as most return to China to work.

Those interviewed as part of this report, also state that the mainland Chinese and the representatives of government from China are a lot more "worldly" and "well-travelled" than they were 20 or 30 years ago. In addition, China is at the forefront now in many areas of research and development, composite materials, robotics and so on, hence it represents a very different business environment currently compared to 20 or 30 years ago.

China has a federal regulatory framework but there's lots of independent planning and decision making that goes on a provincial level. China provinces can be thought of as many high potential markets in their own right, and UK organisations should really understand each province they are dealing with as much as possible – they same as they would with US states.

¹ UK TradeInfo Government Website

² Higher Education Statistics Authority



Stakeholder perspectives

"Why wouldn't you want to engage with the second largest economy in the world, that at some point in time, I have no doubt will become the first."

**Dianne Francombe OBE, Chief Executive,
Bristol & West of England China Bureau**

"I believe China is really, really important to us and we need to spend more time and effort focusing on the Chinese market."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"China is a big market for us in all areas, not just student recruitment, but also partnerships with institutions, partnerships, with government and partnerships with businesses."

Caroline Baylon, Director – International, University of Bristol

"I think there's a lot of traditional Chinese values that are very useful in business that help you navigate Western society. Many aspects of Chinese culture can help people to work better together rather than operate as individuals."

Xiao Ai, Co-founder and CTO, QLM Technology

"China wants the West to understand Chinese culture, take the time to acknowledge and demonstrate this. Sure there's some hard business negotiations in there too, but you need to be friends, communicate regularly, respond quickly and earn the confidence and respect of your partner first."

Darren Horne, CEO, China UK

"China is becoming more flexible, I know a number of businesses that do business in China without a local partner, there isn't a one size fits all."

**Jim James, Founder EASTWEST PR and Entrepreneur,
Podcaster, Author**

"We source a lot of our components in China because we realised even when we bought from UK or European suppliers we found it was originating from China anyway, so why not just go to China to buy the stuff."

Dr ChengHuan (Bamboo) Zhong, CTO, Inductosense

"The mainland Chinese and the government representatives I've met from China are a lot more worldly well-travelled than they were in the 90s. It makes for a very different business environment today to the environment that I knew between 1991 and 2000."

Paul Lowndes, Programme Director, Gravity

"Ultimately, I think we'll find a way through Brexit by the fact that a lot of inward investment is coming in from China and is overtaking Germany. If that continues, that's good news."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"Demand is high in China for businesses who want to promote themselves in the UK, and that's across different industries."

Yang Ding, Founder, New Silk Route Digital

"The new China middle class generation have a lot of buying power and know a lot more about the West compared to years ago but equally have a lot of options and it is very competitive."

Nancy Myers, Managing Director, IMEX China Trade Ltd

"China generally "opens up the pitch" and decides what the rules of the game are going to be after everybody's been playing for a bit which is, as far as China is concerned, a pretty normal way of doing things. Whereas our government tends to be very conservative and thoroughly research the game and clearly set out the rules before anyone is allowed to play."

James Savage, Independent Director

"Engagement with China has to be part of our future and it does have to be a partnership."

**Dianne Francombe OBE, Chief Executive,
Bristol & West of England China Bureau**

"British brands have a lot of residual goodwill in the market, so we do have the advantage that a lot of Chinese consumers consider British products to be of good value and good quality. There are preconceptions that you can play to if you're a British brand."

**Jim James, Founder EASTWEST PR and Entrepreneur,
Podcaster, Author**

CASE STUDY: Hewlett Rand and Hong Kong Institute of Bankers

Richard Lowe, Hewlett Rand's Managing Director focused their Training and Digital Learning consultancy services, initially, to Hong Kong (SAR). Richard explained:

"My research led me to the conclusion that there were immediate opportunities in the Hong Kong market as we worked with financial services and professional services sector. In addition, Hong Kong is a super connector across Asia-Pacific, so a great place to start exporting within the wider Greater Bay Area (GBA) of China.

Our Department of International Trade (DIT) South West Trade Advisor and DIT Education and Training advisors

have been an excellent source of support and resources along the way. It's also been important to establish trusted partners locally, like CW Certified Practising Accountant, who have provided a 'home from home service' service to Hewlett Rand.

Our first client opportunity arose with the Hong Kong Institute of Bankers following a DIT Trade Mission to Hong Kong and Macao in 2013, and after our IoD China Trade Mission, that I'd spearheaded during 2012. The Hong Kong Institute of Bankers (HKIB) is responsible for the professional development of Bankers across the special administrative region (SAR) and we developed an eLearning strategy to support their organisation to provide a comprehensive library of over 700+ hours of financial services eLearning courses for its 80+ Corporate and thousands of Individual Members to support the HKIB Certified Banker qualification and Continuous Professional Development.



After several meetings and in-market visits, we successfully launched HKIB eLearning portal in 2016 and we have provided this platform for over six years."

Hong Kong Institute of Bankers

Hewlett Rand continues to export training and digital learning services to Hong Kong and China clients, now including HSBC. During 2020, Angela Tang, HR & Training Partner for GBA, based in Hong Kong, joined Hewlett Rand. Following a successful career as a senior HR leader in the high-tech sector across APAC, Angela has equipped Hewlett Rand with the ability to deliver multi-lingual in-person and online training to local GBA clients.

Richard says "COVID has meant we have had to adapt our UK and China training deliver methods to provide online learning to remote teams. This has created new opportunities for exporting our services and we recently developed Dragonfly Academy, an SME Top Team Scale Up programme to complement our bespoke consultancy to Corporates. We will continue to expand Hewlett Rand's training and digital learning offering across the Greater Bay Area (GBA) with our valued local partners."



Carrie Leung
Chief Executive Officer,
Hong Kong Institute of Bankers

The West of England relationship with China

The South West's year on year export sales to China are growing strongly.

Existing export strengths are machinery and metals.

The region has significant connections as a result of existing business and education relationships with China.

Bristol & Bath and the wider South West are not very well known in China even when relationships exist at organisational levels.

The existing Guangzhou relationship is underutilised, but a number of Guangzhou focus areas match with regional focus and growth opportunities.

The West of England has a significant number of organisations and people with Chinese connections spanning government, business and education. Many of these connections represent notable areas of success and activity yet much of it is generally not very well known and the various threads of activity are often not joined up or collaborative.

The city of Bristol signed a sister city partnership with Guangzhou in 2001 and a bilateral agreement in 2013. The Bristol & West of England China Bureau was core in helping those agreements happen and continues to develop relationships with both Guangzhou and Guangdong province.

Clearly these relationships provide a good base to build on although most interviewees did not feel the most was being made of them and/or were unsure what they meant to them or what benefit they gave their organisations. In fact, very little can be found about the agreements, even online, so other than knowing they exist it is not surprising businesses can't equate how they might translate through to them, even if they have an interest in or an existing relationship with Chinese counterparts.

Correspondingly, it is well recognised that Chinese based contacts don't really know about the West of England or what we are famous for, perhaps save Bath for its heritage and tourism connections. Most interviewed who have had discussions with Chinese organisations will have experienced at some point the misunderstanding that the region is a suburb of London or that they simply don't know where it is. This is not just organisations new to dealing with the region but notably even those with existing relationships as indicated clearly on many occasions in the Bristol & B&NES Research Report of 2016.

There are however many good stories and potential case studies that exist from Chinese connections and business relationships albeit not necessarily well known in the public domain. We found hundreds of local organisations with business connections and thousands of individuals

who have experience in China and/or are from China working in the region— there are over 1000 people on LinkedIn alone with some kind of connection based in the region. In addition, of course, there are many thousands of students who attend the region's educational establishments and tourists who visit the region.

The South West as a whole (as figures are only provided by the Government for the entire area) has shown some significant export growth during 2021 with year on year growth for March to July (the latest available) being an impressive 72.9%. This is higher than every other region apart from London. Primary product areas were machinery (power generating, general industrial and electrical) with non-ferrous metals also high on the list along with professional and scientific instruments.

The exports do represent particular strengths of the South West but it is also clear that the region has a high degree of research and innovation in areas of business that are important to China for the future. Like the West, China also has challenges it wants to solve on pollution, low-carbon, energy, an ageing population and smart cities. These represent a good opportunity to build on existing relationships and maximise our world-class specialisms in these areas for economic benefit. These include areas such as renewable energy, green tech, robotics, med tech and other STEMM (Science, Technology, Engineering, Maths, Medical) related sectors.

The Bristol Connection:

Why Guangzhou and Guangdong Province?

Guangzhou, a port city north west of Hong Kong on the Pearl river, is the capital city of Guangdong Province with a population of over 15 m. Guangdong Province, in southern China is the largest in the country with a population of 126 m equal to almost twice that of the UK at 67 m.

Guangzhou, Guangdong and Hong Kong form the Greater Bay Area (GBA) which is being envisioned as an economic powerhouse. The GBA has a rich ecosystem of startups, incubators, and accelerators in the fields of agile tech, biotech, medical tech, and innovation.

Many consider the region as the emerging Silicon Valley of Asia and so apart from size it is very comparable in interests and sectors to the West of England. Speakers at a seminar on Low-Carbon Sustainable Development expressed their confidence in a greener future for the Guangdong-Hong Kong-Macao Greater Bay Area, which they said has huge advantages and potential.

In the 2021 Guangdong Province Business Environment Evaluation Report it showed that Guangzhou and Shenzhen are leading in business environment development in the province, the two cities are also listed in China's pilot programs on the business environment. Both are Tier 1 cities.

Guangzhou's GDP in 2021 grew 8.1% year on year to 2.82 trillion yuan, according to Guo Yonghang, Acting Mayor of Guangzhou. Main statistics show the city's development in 2021 as follows:

- Last year, the city's fixed asset investment exceeded 850 billion yuan, with a year on year increase of 11.7% and an average annual growth of 10%.
- The added value of the private economy, and the total volume of import and export of goods all exceeded one trillion yuan.
- The city's actual use of foreign investment was 224 billion yuan, with an average annual growth of 10% and
- Guangzhou has attracted investment from 330 Fortune Global 500 enterprises
- Five Guangzhou companies were also included on the 2021 Fortune 500 list.
- The value of import and export to the markets along the "Belt and Road" has seen an average annual growth of 8.2%.

According to the work plans for 2022 in the government work report, the city will see a GDP growth of around 5.5% this year, the local general public budget revenue will increase 5% and the share of R&D expenditure in GDP will reach about 3.2%.

In 2021, the Guangdong Provincial Development and Reform Commission took the first business environment evaluation for the performances (in 2020) of 21 cities in the province. Learning from the evaluation index systems of the World Bank and China, Guangdong's evaluation

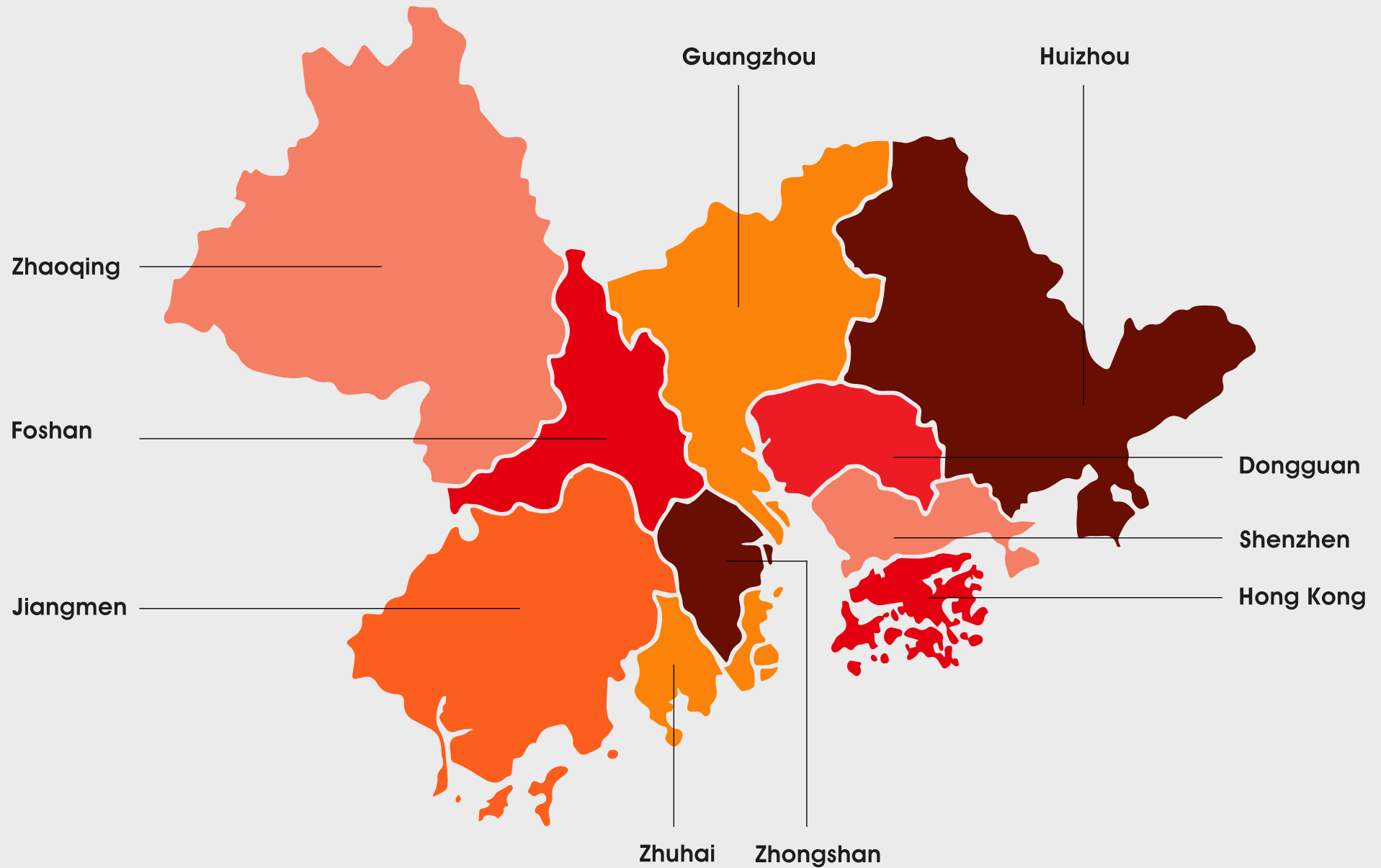
has set up a total of 19 first-level indicators and 88 second-level indicators covering business operation, paying taxes, government procurement, obtaining credit and many other aspects.

Opening a business in Guangdong has become much easier with the whole process being "digitised" (all applications can be completed online), and the average operation time of starting business in the province is only one working day. In addition, more than 90% of the tax-relevant businesses are handled online.

Guangzhou also has targets to increase its role as an international business and trade centre, a comprehensive transportation hub, and a scientific, technological and cultural centre for the next five years.

Fu Zhengping, Associate Dean of the Institute of Guangdong, Hong Kong and Macao Development Studies at the Sun Yat-sen University, said the bay area's advantage lies in its advanced technology, which can help with green development. "Cities are a main focus of energy conservation and reducing emissions. Green and low-carbon standards need to be set higher when it comes to urban planning and design," he said. "Our talented young people will build a vibrant environment of economy, culture, science and technology and art in the area," he said.

China's Greater Bay Area





Stakeholder perspectives

"The South West of England will prosper from greater mutual investment and connectivity between our region and China."

Richard Lowe, Managing Director, Hewlett Rand & China Bureau's Director of Business Initiatives

"If we in the South West want to get their attention we have to focus on things that we're better at than anybody else in the world and not be generalist about wanting to do trade with China."

James Savage, Independent Director

"Bristol is not a place that many in China know about but they do think Britain is one of the most creative countries in the world."

Xiao Ai, Co-founder and CTO, QLM Technology

"I've spent a lot of time on stands in China trying to explain where the University of the West of England was and that Bristol wasn't part of London."

Jo Midgley, Registrar & Pro Vice-Chancellor (Student Experience), UWE

"There's such a wealth of expertise, and knowledge, and now wonderfully, a growing number of Chinese nationals who have their own companies here."

Dianne Francombe OBE, Chief Executive, Bristol & West of England China Bureau

"There's no place better than home in Bristol where it's not too big or small, just about right."

Dr ChengHuan (Bamboo) Zhong, CTO, Inductosense

"In order to reach the China market working with the business to business side is absolutely critical. It's about communicating effectively what the destination has to offer and how it correlates with the interests of Chinese visitors, and the practical aspects of travel as well as the inspiration."

Kathryn Davis, Director of Tourism, Visit West

"In a big country like China, you need to understand all the different provinces you wish to operate in, in the same way that you do different states in the US. You need to think of China as lots of high potential markets in their own right."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"The South West is friendly to Chinese immigrants with pleasant and convenient living."

Wenkai Yvonne Weale, Founder, Wyden Education Studio

"We can only concentrate on a couple of regions in China otherwise we'll probably lose our focus."

Yang Ding, Founder, New Silk Route Digital

"The importance of the visitor economy needs to be taken a little bit more seriously in terms of the value to the local economy. We've heard from people who came here for a short break, and then went, 'actually, I've been looking for somewhere for my business, this would be perfect.'"

Kathryn Davis, Director of Tourism, Visit West

"Contacts are not that difficult to find in China. China is looking west generally. I suggest a top down approach."

Darren Horne, CEO, China UK

"I know we in the West Country are not offering the same level of business incentives that happen in the North or devolved nations and this deters companies moving into our region."

Dianne Francombe OBE, Chief Executive, Bristol & West of England China Bureau

"We have been working with a trusted partner, and also the UK Government, given the potential issues when balancing the UK Government's views on both security and prosperity."

Matt Walker, Head of International Strategy & Government Relations, Versarien plc

"I think that you've got to spend time reading about China and understand how the Chinese do business. That's what can make you different from the competition."

Paul Lowndes, Programme Director, Gravity

"There's not really a Chinese business community in the West of England but it would add value if there was."

Nancy Myers, Managing Director, IMEX China Trade Ltd

CASE STUDY: Gravity



Gravity, fast-track to the future, naturally!

Gravity is an ideally situated 616-acre commercial development site, set in the heart of beautiful rural Somerset in the Southwest of England, with direct access to the M5 Motorway (Junction 23), a dedicated main line passenger/freight rail connection, dark-fibre optic communications, ability to offer energy and water solutions to the very largest tenant/occupiers and with excellent International transport connectivity via the Port of Bristol and Bristol Airport.

Gravity is a blueprint for a smart, sustainable, clean growth, bright tomorrow, delivering a new era of possibility where companies make a difference socially, economically and environmentally and enjoy a complete live/work/play offering.

Gravity has the potential to create 9,000 full-time, high value jobs with associated supply chain opportunities, providing significant economic impact for the greater Southwest region.

Gravity is "shovel ready" and the site provides unique flexibility to cater to the needs of users from small to the very largest, offering a variety of bespoke solutions tailored to tenant/occupiers precise needs. The site has enterprise zone status until 2042 and flexible planning parameters via a local development order, approved by Sedgemoor District Council in December 2021.



Doing business with China

Guide for SMEs wanting to export, learning from the experts & real feedback

China is not low hanging fruit.

Research, planning and commitment are needed to enter the market.

There may be significant competition both from Chinese businesses and incumbent suppliers.

Learn about the culture and the way business is done.

Work with advisors and trusted representatives.

Many of the interviewees are, or have been, directly involved in working with China and provided a great deal of practical and useful feedback resulting from their own personal experience. This section of the report has distilled out many of those lessons learned particularly for the benefit of SMEs who may be considering exporting their product or solutions to China, although it may also provide a valuable resource for others as well.

There is one particular quote made during the interviews which summarises undertaking business with China and that is “China is not low hanging fruit”. Interviewees consistently reported the significant research, time and effort required in order to achieve success. They report that “tackling” China because it’s thought to be simple to do or a quick route to increase revenues will most likely lead to failure and disappointment but done properly, can result in significant success.

The following points, or variants of, were made on multiple occasions:

Be clear on your USP and what you can do that a Chinese company can’t.

As with any business venture, you need to be clear what your Unique Sales Proposition (USP) is, in this case for the Chinese market. Are you offering something that the Chinese can’t get elsewhere or can’t do themselves? If so, you’re much more likely to find success with the market.

The second part of this is whether your business is ready and really prepared to commit. If you have the right product and right price that is good, however you also require the patience and willingness to invest time and resources into establishing your business there.

There has to be a determination to really focus on the China market as although brands certainly can succeed and be successful, if not undertaken with sufficient preparation your time and money might be better spent elsewhere.

Ensure you research thoroughly, have a business model suited to the China market and localise your offering.

Preparation is vital and may require a lot of research before launching. Just because your solution has been successful in the UK or abroad already, don’t assume what has worked to date will be successful in China – it may need a complete shift.

The business model must be suited to China and you may need to localise your material and approach. For example, in the food and drinks industry, China has standards just the same as we do in Europe, they’re just not the same ones.

Think carefully about how you will compete because you may not only be trying to beat Chinese businesses but incumbent foreign businesses too. Some industries will be much harder to win business in than others and it might not be as easy to evaluate competition as it would if you were venturing into the US or European markets. Don’t however try and win Chinese business based predominantly on price as that is surely going to fail.

Make sure you have Chinese language material, speakers and “people on the ground” even if only partners. Preparation and attention to detail is important as even things such as a Chinese website will need to be structured differently and support different content, plus be hosted there, if you want to reach a Chinese audience.

Have you got a heritage, brand, university connections or a particular niche or cutting edge solution which will provide you with competitive advantage?

Although many different organisations can be successful in China with the right business model, solution and preparation, there appears to be some aspects that will provide a distinct advantage:

- Niche or cutting edge solution – You don't have to be a big brand to be successful – many smaller companies that offer something niche or have a particular sector lead with a specialist product can succeed. Don't be put off just because you are a smaller business.
- Recognised brand or association with heritage – Connections with recognised names, places or organisations can add great value to the presence of organisations and products in China. What we take for granted here may add notable value to export efforts.
- University connections or being a university spinout or any such connections with highly regarded educational institutions can be of significant help towards credibility and trustworthiness. Perhaps partnering with or gaining support from a University could be of great value.

How defensible is your solution and are you ready for the competition?

IP protection in China is something that often worries organisations but much of the concern is based on historic reputation. The reality is that China's IP protection has progressed enormously in recent years and should not present too great of a concern when addressed correctly. Certainly though, specialist expert advice should be sought.

Businesses will need to register their IP in China, in fact, mainland China and Hong Kong have different legal systems requiring separate registration, so check what you need to do where. You can also register trademarks, copyright and design rights and they can all be protected and enforced.

Unfortunately, as with anywhere, ideas can't be protected, only the results of ideas in the form of such things as copyright or patents. This makes launching a software or service particularly problematical in China as it could be subject to high degrees of competition within a relatively short space of time. It happens in the UK too but where you might have 1 or 2 competitors here, in China you might find 100s. Chinese entrepreneurs are very good at spotting ideas and making something from those, quickly and cost efficiently. Many software firms have failed in China, large and small, competition is certainly a major threat but often the cause of failure is also not understanding the market, culture or adapting to China's needs.

Are you prepared for the distance, language and cultural challenges you might face?

The more you can research early on the better, particularly as it is now far more acceptable, if not initially preferred, to have video conferencing meetings without meeting in person. At least one benefit of COVID is that you can do a lot of effective desk research like this in a way that wasn't possible a few years ago. Spend time interviewing potential distributors, talking to local trade bodies, chambers of commerce, commercial offices, organisations, of course, like the Bristol China Bureau, and get as much information as possible, because then when you are ready, you'll be that much more capable and informed.

Organisations sometimes have difficulties because they take a superficial view on doing business in China. It takes time to be accepted and become a trusted supplier/partner and for Chinese organisations and their people to know that you are not there just for short term gain but intent on building a long lasting and fruitful working relationship.

Interviewees advise establishing these relationships might take many months and that they often have gone wrong, because of a lack of patience. Their advice is to spend time reading about China, its culture and how the Chinese do business. It may well be that which makes you different from the competition.

Money might be a deal breaker but relationships are more likely to be the deal maker because if you don't have the relationships, you'll never get to the point where you start talking money

Have you got sufficient budget and patience to ensure success?

Ensure that you have sufficient resources to play the long game and that the board understands the time and effort required. Interviewees report that often export managers have been given a brief to get into China but with unrealistic budgets and timescales, then everyone gets frustrated. Cancelling the project a year down the line can mean a lot of effort can get wasted. Listen to expert feedback and plan accordingly.

There will be many areas to consider but don't overlook the website and other areas of localisation. If you only have an English website, it's nearly impossible to be found by people in mainland China. It's not just the language but how the website is structured, you will need to work with Baidu not Google to be found and the website itself will need to be hosted in China or Hong Kong as it will require a special "ICP" licence.

What advisors have you got in place?

You will need to work with advisors at some point to undertake a launch of a product or service in China. There are many good organisations to speak to including DIT, Bristol China Bureau, the British Chamber of Commerce and so on.

You may not need an office in China, although larger organisations will certainly want one, but a local agent and/or advisor in China is important. Someone who knows the local economy, culture and modus operandi. Get as much advice as possible before you appoint those organisations or people though as they will perform vital roles. You will have to be working with a distributor or people on the ground in China to import the products to sell in China. Even export managers experienced in other countries many not necessarily know that much about China.



Stakeholder perspectives

"I've learned to innovate as an entrepreneur and China was a rich place to do that."

Jim James, Founder EASTWEST PR and Entrepreneur, Podcaster, Author

"Market knowledge and understanding about your users are essential. You might want to look into how the history of a country, its political situation, infrastructure setup, economic context, social norms and culture influence the behaviours, attitudes and mentality of its people. If you don't know what your users do and most importantly, why they need what they desire, how do you know what to offer them and why they would choose your products and services?"

Chui Chui Tan, Ph.D., Director & Founder, Beyō Global

"Most companies underestimate the amount of investment and the amount of time it's going to take, they need to get the board fully committed in terms of the financial and the time resources required."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"Partnering with someone in China who understands the market is a real advantage, otherwise it can become a more difficult challenge."

Matt Walker, Head of International Strategy & Government Relations, Versarien plc

"It can take six to twelve months easily, if not longer, to establish the partnership and boundaries and become operational. However, once boundaries and terms are agreed, Chinese business culture is very transactional and keeping up with the operational speed and pace that China keeps, can be even more challenging than the negotiation of terms. Ensure you have the resource to keep up, this accounts for about 80% of failed partnerships."

Darren Horne, CEO, China UK

"I could tell you a hundred stories of where things have gone wrong and usually they've gone wrong because of a lack of patience."

Paul Lowndes, Programme Director, Gravity

"Get as much advice as possible before you act. That advice can come through the commercial offices in the embassies, through DIT or it can come through private organisations that operate there plus the chambers of commerce are very useful."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"Chinese students had worried there would be some sort of unfair or discrimination against Asians in business but it's just a part of a misconception and I've not seen this."

Xiao Ai, Co-founder and CTO, QLM Technology

"If you only have an English website, it's nearly impossible to be found on the Chinese search engine – Baidu."

Yang Ding, Founder, New Silk Route Digital

"Go to events that the British Chamber of Commerce or the British Government arrange and use the really excellent services that they've got in the embassies and consulates to reach out."

Jim James, Founder EASTWEST PR and Entrepreneur, Podcaster, Author

"The reason why some businesses have difficulty establishing themselves in China is because they take a short term approach. If your business is serious, you must commit yourself and resources for the long term. It will take time before you secure your first contract, it took me two years of negotiation before we signed our first training project."

Richard Lowe, Managing Director, Hewlett Rand & China Bureau's Director of Business Initiatives

"Clients often come via word of mouth, through relationships."

Nancy Myers, Managing Director, IMEX China Trade Ltd

"There are two elements that stand out. First is your company ready and second, is your product appropriate for the market."

Jim James, Founder EASTWEST PR and Entrepreneur, Podcaster, Author

CASE STUDY: UWE

In 2014, with the support of the Bristol and West of England China Bureau, the University of the West of England (UWE Bristol) opened an office in Guangzhou with the aim of forming new partnerships and welcoming prospective students to the university as a source of higher education.

This provided a great base and helped to develop profile and in October 2019, UWE joined the Alliance of Guangzhou International Sister City Universities (GISU). UWE is now an active partner contributing to and benefitting from the Alliance's immense research capacity, diversity, and wealth of academic programs. Professor Kaijun Wu, Vice President of Guangzhou University, referred to UWE's work in a November 2021 speech: "Since joining the Alliance, the University of the West of England has actively participated in various activities initiated by the Alliance, such as council meetings, annual conferences, academic forums and student entrepreneurship competitions. We look forward to developing bilateral or multilateral educational exchanges and cooperation between Guangzhou University and the University of the West of England."

In 2021, despite the challenging global situation, UWE recruited 34 students from institutions in Guangzhou and neighbouring cities, many transferring from our partnerships with local including Guangdong University of Finance and Economics. Students are studying a range of programmes in Business and Management, Human Resources, Accounting and Finance and Information Technology, bringing much welcomed diversity of thought, experience and culture to share with students in Bristol. UWE's standing as a destination for students from

Guangzhou extends beyond the level of bachelor's. Through the Guangzhou District Exchange Scheme, senior staff from the Guangzhou municipal government study a postgraduate degree at UWE, bolstering not only expertise for their professional roles back home, but fostering cultural exchange and lifelong ties between Bristol and Guangzhou. In 2022, UWE will welcome its 15th student to Bristol under the scheme.

"It has been very valuable having these scholars, as they now think of Bristol as their second home," comments Dianne Francombe, Chief Executive of the Bristol & West of England China Bureau. "They have all done exceptionally well academically, with some achieving a First Class Degree, and of course they have so enjoyed the city and the environment. The scheme is valued on a civic as well as educational level."

Zhang Mi, a UWE Scholar who graduated with an MSc in International Management in 2013, applied for the program in 2011 and was given the chance to attend by her administrators at the Guangzhou Foreign Affairs Office (FAO). She summarizes her experience in one word: rewarding. "It helped me get a better understanding of the world, because it was the first time that I spent a long time in a foreign country. Navigating a new city and country is a wonderful growth experience. And I got better at collecting and analyzing information and source material."

Even after returning home, she and her colleagues at the Guangzhou FOA, at which a number of UWE alumni are employed, would share their memories together. "We'd tell (our younger colleagues) that if they work

hard, someday they might get the opportunity to study at UWE . . . They are certainly hopeful for their future opportunities."

UWE's activities in Guangzhou continue to foster strong academic ties with the city. In November 2021, in celebration of the 20th anniversary of the sister city relationship between Bristol and Guangzhou, the Sustainopia competition connected teams from Guangzhou and UWE. Supported by the Bristol and West of England China Bureau, GISU and the People's Government of Guangzhou Municipality, the competition received 200 applications from 7 Guangzhou universities, with 15 students chosen from across these institutions to join 15 UWE students for the competition.

The 5 teams comprising 3 students from UWE and 3 from Guangzhou universities were tasked with designing plans for highly functional, technologically agile cities that were sustainable and optimally healthy for their residents, therein responding to climate change and the large-scale ecological crisis of the modern era.

For the 3-day duration of the competition, the students not only had to collaborate on their development plans, but to deal with any challenges posed by differences in their academic backgrounds or cultures, as well as to cope with different time zones. The judges included Dr Wei Yang, founder of Wei Yang & Partners—an award-winning master planning firm in London—and Ben Smith, a chartered environmental consultant with 20 years of experience in sustainable development, energy strategy, climate change and urban resilience.

Huang Rong, from the winning team, found that communication and discussion with Western students brought about an exposure to ideological diversity, going on to state, "I think I will continue to seize such opportunities again in the future. Growth and progress are achieved through continuous practice. This competition also serves as a very good platform for students from both countries to have the opportunity to convey the relevant culture of their own countries and cities to enhance mutual understanding." Offering further reflection on her experience, she adds, "In the process of preparing for this competition, the friendship we cultivated through solidarity, cooperation and mutual understanding . . . will last forever. I hope that in the future I will have the opportunity to meet three of our Team 4 students from the University of the West of England, and continue to imagine a diverse future and a better and peaceful world together."

Sustainopia represented a prominent activity that marked new friendships and a collaboration of knowledge across borders and was one of the many UWE activities which took place with Guangzhou higher education institutions in 2021. Online seminars and workshops were conducted continuously throughout the year, priming students with knowledge and skills for their future studies and future careers and creating new connections and understanding to bring us closer together. UWE also participated in multiple education exhibitions in the city, as well as several opening ceremonies.

The university hosted special events, such as a tea party with students from Guangdong Peizheng College's international class in October, and in November a webinar on scientific research and teaching was conducted for the college by Dr Hilary Drew, Associate

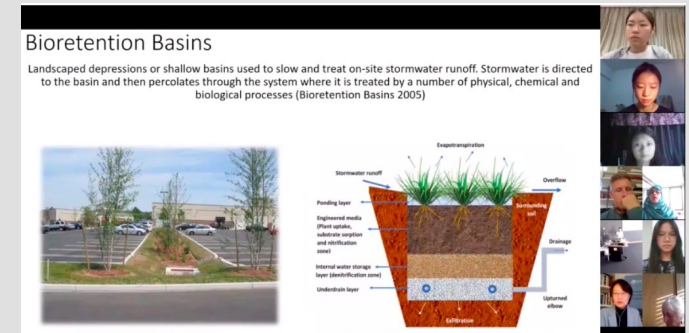
Head of the Department for Partnerships (Business and International Management) at UWE's Bristol Business School.

UWE also develops strategic partnerships with businesses in Guangzhou. For example with Meiyu Education Group, which is developing a model for high-quality sustainable development in conjunction with the formation of international centers for scientific and technological innovation. UWE is contributing to their body of international educational resources through its participation in the Software Engineers Joint Education Programme, a project carried out through coordination between the company and Neusoft Institute Guangdong.

At Neusoft Institute Guangdong, students can study the 4-year Joint Education Programme (JEP) to acquire a BSc (Hons) Software Engineering for Business from UWE and a Bachelor of Software Engineering from Neusoft, with the option of transferring to UWE to complete their final year of study. For the 2021-2022 academic year, there are 81 students across 3 classes studying Software Engineering at the Institute, where they are learning to code in Python. In January 2022 UWE conducted English tests for the full cohort, finding that roughly two-thirds of the students had achieved a band score of 4.5 or higher, highlighting the progress being made in their English language ability in addition to their principal studies.

Taking into account UWE's full range of initiatives, partnerships, student recruitment and activities in Guangzhou, it is evident that its relationship with the city and its institutions continues to grow and flourish. Through both students from Guangzhou studying at UWE or participating in its programmes and collaborations in their home city, cultures are being bridged and inter-societal cooperation and understanding strengthened, while new ties in business and academic partnership with

are secured and built upon. These enduring and fruitful partnerships have required commitment, dedication and hardwork on both sides but it is absolutely clear that UWE's work in education is helping to ensure a bright future of cooperation and opportunity for these sister cities.



Education

There is a large Chinese student population in the region and university applications are going up significantly.

Opportunities to increase the welcome and involvement Chinese students have in the region through activities and industry placement.

Very high percentage return to China after studies but the PSW visa may influence that.

Student population represents an notable opportunity to build a longer term strategy creating ambassadors, connections and awareness of the region in China.

WECA estimate that there are approximately 16,000 non-UK students that attend one of the four universities in the region. Based on the stated figures from the universities, it would appear around one third of these students are from China (including Hong Kong).

This represents a significant number bringing income, diversity and potential to the region. International students tend to be very employment focused – they are paying high fees compared to UK students and it's not just about learning English but ending up standing out against their peers who haven't had this worldly experience. Their level of engagement with the university careers services tends to be disproportionately high compared to other students, suggesting that career paths are very important and being at university is far more than just an experience.

Currently, most Chinese students return to China after their studies, estimates from the universities put this number as high as 99%. Where the students actually go post-study is not tracked, so it is not clear exactly where they land although evidence is strong that most return to China. The retention rates in the UK do vary according to degree type, for instance, those studying education are far more likely to return to China than say those studying accounting. The retention rate in the UK is also reported to be lower for Chinese students than other international students. However, with their higher numbers compared to other international students, it would not take much of a shift in retention to make a big difference to adding the talented students to the regional economy.

The PSW (Post Study Work) visa scheme available since July 2021 is expected to increase the number remaining in the UK although it is too early to report on its impact. The PSW allows for graduates to remain in the UK to work or

look for work for up to 3 years for PhD students or 2 years for others. It represents part of the Governments strategy to move towards a points based immigration system which aims to enable UK businesses to more easily recruit foreign skilled workers. Specifically the students do not need to have secured a job in order to apply for the visa which allows for a great deal of flexibility on what they actually do post-studies.

Interviews with current and past Chinese students showed that the reasons for picking the UK is primarily because of the reputation of educational standards and the desire to learn English. Similarly, the US is commonly chosen for the same reasons as well as Australia. However, the political climate at any one time can affect those choices.

Specific universities are often chosen because of their ranking in league tables plus whether the city is known to the students and their families. Bizarre as it might seem, this does favour Russell Group universities in larger cities with more prominent football teams! However, once in the UK, students moving to post-graduate studies, although still somewhat driven by league tables, will select specific universities on more specialised requirements meeting their MSc or PhD ambitions.

Younger Chinese students, as with those of any nationality, clearly have influence from family members, particularly as their parents will be funding a relatively expensive education. It is worthy of note that the influence of tourism could have a significant impact on this as, although there's no hard evidence, logic suggests that tourists from China could be the same parents and/or indeed the leaders of businesses in China.

What is evident is that most of the students have little idea what Bristol & Bath as a region will hold for them on arrival. Although the universities do undertake quite intensive acclimatisation and help with the language before studies, there's nothing like being here to experience it.

A key question asked by many is what impression do we leave those returning to China with? Those interviewed who expressed a view felt it was generally good but could be a lot better. With so many Chinese students in the region, we have access to many future captains of industry and otherwise significant influencers on a China – South West relationship. All this from a region where currently in businesses in China, few even know where Bristol & Bath is. This would appear to be a major opportunity for implementing a deliberate longer term strategy to create lifelong advocates for the region.

Similarly, many interviews revealed a desire to do more for the students. To offer them opportunities to get more involved in the region, in industry as well as show that, although we don't have a China Town as the thriving Chinese community is more integrated across the city, they are welcome and we want to celebrate the relationship with them. Perhaps that could encourage more to stay and invest their skills and knowledge for regional or national economic benefit. At the least it creates ambassadors for the region on their return to China.

Chinese entrepreneurs who have stayed and started their own businesses here report that they remain in contact with other graduates they made as friends when they move back to China or other parts of the world including elsewhere in the UK. These connections provide them with potentially valuable future contacts to help their business as well as social connections. This appears to be mostly achieved informally and hidden to others outside of those networks, not deliberately but because there has been no move to integrate with or build upon them.

Those entrepreneurs who have started their businesses in the region report that they needed somewhere to "go" after university in order to make the business opportunities happen. SETSquared, Science Creates (Unit DX) and QTEC were named as specific examples. However, it's not just down to the venue and its programme but to the level of encouragement and support they have to make it happen. Examples include help to find funding and university lecturers/assistants becoming involved in the business itself as co-founders or advisors. It would appear most, without this help, would have simply got jobs, albeit good jobs, with corporates most probably elsewhere in the UK.

The entrepreneurs do fear disadvantages or even discrimination by being Asian when they first set out due to cultural and language differences although thankfully they report this is more of a fear than reality. It was felt that once the language concerns were overcome that there are a lot of traditional Chinese values that help navigate a Western business. For example, although, as of August 2021, the 996 work culture particularly commonplace in Chinese high tech businesses is now outlawed, there is a strong work ethic throughout Chinese culture with less emphasis on individualism. A number of Chinese nationals recognised this both in Chinese industry and education, although welcomed the less intensive Western work culture enabling a better life-work balance.

Clearly better integration into the region, supporting and embracing cultural differences, and connecting industry all takes time and effort. These are often expected to come from people, departments or organisations such as the Bristol China Bureau or university careers departments that simply don't have the resources to help. A long term plan really embracing the Chinese student as a core platform to build on could have significant payback to the region through business connections, reputation and simply knowing where we are!

CASE STUDY: IBB/ Windey



China's pioneering turbine manufacturers in renewable energy

China and a pioneer and innovator in China's wind energy industry. With the mission of "Green power to human, blue sky to nature", Windey is becoming a leader in the Chinese wind power industry, building a national wind power brand, and providing customers with high-quality products and technical services.

'Bristol is one of the top technology hubs in the UK. It has a strong renewable energy industry and a large pool of talents from local universities.' Tao Han – Chief Representative, Senior Specialist

Key facts:

- **20 years:** Wind turbine operation
- **99 %:** Wind turbine availability
- **10,000:** Sets of wind turbines installed worldwide
- **27,360:** GWh Clean energy products per year
- **1,140:** Annual power supplies 1140 million families
- **2,626:** Million tonnes of reduced CO2 emissions

Helping organisations adapt and move forward

Research and development is at the heart of Windey's focus. They have invested heavily in R&D and have 195 patents, 159 software copyrights and participated in 78 national standards.

Building partnerships with local universities

Windey is looking to develop these technologies in the region which will benefit the renewable energy industry and reduce the cost of wind power generation.

The future

Windey plan to strengthen its research and development and become a wind turbine owner and operator. They are expanding their business from onshore wind turbine manufacturing to offshore wind turbine manufacturing, wind farm operation and maintenance.

Support in the region

Invest Bristol & Bath (IBB) played a key role in Windey's work in Bristol and Bath. Through their brilliant experience in assisting businesses grow throughout Bristol and Bath, the IBB team helped Windey to setup meetings with various organisations to build R&D partnership.

IBB also has regular catch-up meetings with Windey to understand their needs and will continue to support them as they move forward.

China's pioneering turbine manufacturers in renewable energy

Windey is one of the earliest wind turbine manufacturers in



Image credit: Windey

CASE STUDY: IBB

The West of England is an economic powerhouse for the UK. Our global-first mindset makes our region a catalyst for business growth and a key market for Chinese expansion. Many international players are already thriving here, and their success is underpinned by world-leading centres of excellence, cutting-edge research and development, and first-class academic institutions.

Bristol is the most innovative UK city outside of London (Paymentsense 2021), and home to the largest tech cluster outside of the capital. Bristol is also the world's first smart city and hosts an industrial internet of things (IoT) testbed, as well as the Umbrella Testbed, a technology partnership with Toshiba Research Europe Ltd and South Gloucestershire Council. This strength in innovative technology represents significant growth opportunities for the Chinese market.

AI

Home to an artificial intelligence (AI) unicorn, Graphcore, our region excels in AI research and encourages collaboration opportunities in deep tech. With a community of 450 academics, researchers and industry experts, including the Bristol Robotics Laboratory and the Bristol and Bath Science Park, the innovation to come out of these dedicated centres has global impact. China is recognized for its exceptional capacity in robotics and artificial intelligence, and with its latest five-year plan, this growth is set to continue. Collaboration in industrial innovation will ensure that China and the West of England remain at the forefront of future AI capability.

Quantum

China is actively involved in quantum communications and the country's efforts are set to increase. The UK is ideally placed to lead the global market, with Bristol fast establishing our region as a UK research and commercial playground for Quantum organisations. As Europe's first incubator for quantum businesses, the Quantum Technologies Innovation Centre's dedicated facility supports the growth of quantum entrepreneurs. We are also the testbed for the UK's first Quantum Key Distribution' through DETI (Digital Engineering Technology and Innovation), engineered in partnership with BT and Toshiba. The market for Quantum technology is predicted to drive the creation of a £1 billion industry, with further commercial opportunities being realised within many sectors.

FinTech

In 2021, Bristol and Bath was recognised as one of the UK's ten leading FinTech clusters identified by the Government's strategic review of UK FinTech. With the cluster of major banks and financial institutions in our region, we supported both national and international FinTech businesses to relocate or set up their operations here and have the expertise to drive market growth for China. The FinTech bridge with China introduced in 2016 by the UK Government has made relations between the two nations even more seamless. The bridge helps to foster the dialogue and to make it easier for FinTech businesses to move across the two countries.

Our region is accelerating innovation and we're providing increased support to our region's businesses with the West of England Combined Authority's inward investment service, Invest Bristol and Bath. Through this service, we will continue to attract new investment to accelerate our economy and ensure it remains a thriving, successful place for the future.

Contact our team today: invest@bristolandbath.co.uk or visit www.bristolandbath.co.uk





CASE STUDY: University of Bristol

The University of Bristol (UoB) is proud of its excellent relationships with China across research, education and industry. In addition to being home to a growing community of Chinese students (currently around 3500) that enriches the student population, UoB students and staff benefit from the unique opportunities that have emerged from our links with China.

Cross-University collaborations

The University of Bristol has built excellent research and teaching links with top Chinese Universities, including Tsinghua, Peking, Zhejiang, Shanghai Jiao Tong, Sun Yat Sen and Nankai. Our education partnerships provide students with opportunities to obtain a joint degree in areas such as Liberal Arts, Translation and Geography.

Scholarships

The University has a strong relationship with the China Scholarship Council. 2018 saw the introduction of the China Scholarships Council – University of Bristol Joint Scholarship PhD Programme, enabling high-calibre Chinese students to carry out research in Bristol on a fully funded basis. The numbers on the programme have increased every year and in 2022 the programme will provide 60 fully funded PhD scholarships for up to 48 months of research.

Opportunities for UK students in China

There are also several opportunities in China for home students to join. These programmes reflect the increasing level of interest that our students have for China, particularly towards cultural understanding and professional experience.

Students have had access to a number of China-focused opportunities, both in person and virtually. These have included internships in Shenzhen and intensive language and culture programmes with partner institutions in China.



Stakeholder perspectives

"UK higher education is perceived as being a gold standard internationally, has for a long time and continues to be quite a prestigious higher education destination for international students."

Jo Midgley, Registrar & Pro Vice-Chancellor (Student Experience), UWE

"Generally within China there is the idea that rankings equal quality and Chinese students tend to be ranking minded. So in all Russell Group universities there is a fairly large Chinese population."

Caroline Baylon, Director – International, University of Bristol

"The Chinese still look at the University ranks and pick from the top. You go to interviews and then you see which one you like the most. I had never been to Bristol but went to the interview. I stayed in Bristol for the whole weekend, I really liked the city and I decided to come to study."

Xiao Ai, Co-founder and CTO, QLM Technology

"One of our key focus areas at the moment is understanding international students, what they need, what they want, on a really granular level, so that we can continue to develop activities for them, that will give them the edge."

Alex Paterson, Professional Liaison Manager, University of Bristol

"The PSW (Post Study Work visa) scheme definitely attracts many students to come to study. It helps a lot."

Simon Zeng, PhD student in Medical Image Processing, University of Bristol

"We find that it is common that a lot of Chinese students just turn up in Bristol and they have no idea what the city is about, they're just happy to be here in a top 100 university."

Caroline Baylon, Director – International, University of Bristol

"I think we need to do more as a region to make Chinese companies and Chinese nationals feel welcome in the South West, especially students, as they are ambassadors for us when they go back. They're all potential entrepreneurs and if they've got a favourable opinion of Britain then that is only going to be good for us."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"When students choose a university, it could be the whole family (including extended family) that also has a say or has a strong impact on which one to go to and why."

Chui Chui Tan, Ph.D., Director & Founder, Beyō Global

"Chinese students are coming to the UK to experience a UK higher education. They're not coming to the UK just to sit in a classroom with other Chinese students."

Jo Midgley, Registrar & Pro Vice-Chancellor (Student Experience), UWE

"There are lots of young graduates across the region who are showing an interest in wanting to work in some capacity with China."

Dianne Francombe OBE, Chief Executive, Bristol & West of England China Bureau

"Chinese students becoming entrepreneurs need a good co-founder or university backing to get investment – I was very lucky I got a professor to work with me as a co-founder."

Dr ChengHuan (Bamboo) Zhong, CTO, Inductosense

"The students here are an important part of the picture."

Kathryn Davis, Director of Tourism, Visit West

"The English language is obviously a strong attraction for us in addition to the good reputations of worldwide famous universities and the good facilities here."

Simon Zeng, PhD student in Medical Image Processing, University of Bristol

There is a good environment for research with abundant funding which makes the South West very attractive to Chinese-born academics.

Wenkai Yvonne Weale, Founder, Wyden Education Studio

There are even more tweaks we can make to actually improve things such as bringing international students into the conversation bit more and making them feel at home.

Alex Paterson, Professional Liaison Manager, University of Bristol

Connectivity and collaboration

Willingness to collaborate regionally needs to move from discussion to action.

People undertaking China related activities are keen to help the community but don't know how or where to get involved.

Desire to integrate Chinese businesses and Chinese nationals more and make them feel welcome and part of the wider community.

Lot of good success stories but they are well hidden and need to be told.

Many of the interviewees across all sectors expressed the view that although collaboration is often talked about, follow through action and activity is much rarer. It is recognised that the size of Bristol in particular is in a "Goldilocks zone", namely not too big and not too small, big enough that a necessary critical mass exists but small enough such that many key people across organisations know many others.

There does seem a great desire to collaborate as a region although in many cases it appears to be a lack of resources, specifically money and people, rather than willingness which restricts action. An important factor related to this was how this was also very much the case for Chinese nationals, whether involved in businesses or as students and although in some instances they were not active, this was down to not taking up engagement with them rather than any failing on their part.

It was clear from the disparate nature of organisations and their various activities related to China that there are many people in many organisations who are enthusiastic about making a real success of working with China but they are very fragmented. Furthermore, although we do see a lot of Chinese business activity, both from entrepreneurs setting up their own businesses, companies exporting and so on, many report not knowing about others undertaking China related activities within the region.

A corollary of this and similarly something regularly reported is that we as a region could do much more to pull "the community" together and particularly make Chinese companies and Chinese nationals feel more welcome. That's not to say they are treated poorly, far from it as all report being well received and treated as equal, however equal does not equate to feeling especially welcome nor catering for their particular needs given that they have come from a very different background and culture, including of course having the significant challenge of learning English.

Chinese nationals consistently reported back a desire to help and advise both fellow nationals and regional organisations yet were never approached or if they did make advances, found interest in involving them low to the extent they gave up. Although it might only be logical that an organisation or business doesn't engage unless they perceive direct benefit in doing so, perhaps there is benefit in having a wider regional strategy around establishing a better connected network and community. It may be necessary for those interested in the "China relationship" to collaborate on what that means over a 5 or 10 year period.

Experienced interviewees reported that government to government relations across the UK and China were very important to establish good grounding for organisations to connect and explore working with Chinese partners. It was also felt that our local structure didn't really map on to the Chinese structure which made that connectivity more difficult and that it was important for those at city level or regional level to clearly articulate what the messages are about the availability of projects or investment opportunities in the region and then to share them widely.

A number reported back that there is a lack of overall support packages to encourage Chinese business to the region whether that be rent free or rates free, or other incentives with the common perception that other regions have a lot more on offer. It was also viewed that fragmented politics across the region may result in the fact that there appears to be no single, heavyweight voice that speaks for the region.

Stakeholder perspectives

"People are much more similar around the world than they are dissimilar."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"The Chinese community here is only loosely knitted and a traditional China-town like community doesn't really exist in the South-West - I like it this way since I don't want to be a part of a racially defined community."

Wenkai Yvonne Weale, Founder, Wyden Education Studio

"We have much better opportunity to make the difference we want to make both locally and internationally if we partner. We've not yet managed to come together as a region to really make that difference."

Jo Midgley, Registrar & Pro Vice-Chancellor (Student Experience), UWE

"Those Chinese students that do stay can be in touch with many of their fellow Chinese students that have gone back to China which I think is an interesting aspect that really helps build some bridges both culturally and business wise for the future."

Alex Paterson, Professional Liaison Manager, University of Bristol

"I often think organisations like mine could help develop Chinese business for the region but we're never consulted or spoken to by local councils or similar organisations."

Nancy Myers, Managing Director, IMEX China Trade Ltd

"I think it's good thing to provide the students opportunities to do their internship or work experience here in Britain. The students get work experience and the companies get experts in a relevant area."

Simon Zeng, PhD student in Medical Image Processing, University of Bristol

"I've established partners in Hong Kong because they know the China market and have established relationships. You do need trusted partners, which takes years to develop."

Richard Lowe, Managing Director, Hewlett Rand & China Bureau's Director of Business Initiatives

"One of the challenges we have is that although there are businesses who are very enthusiastic about making this happen, they're often already engaged with particular markets and so a little fragmented. We definitely see a role for ourselves, subject to resource, to co-ordinate this for the benefit of all."

Kathryn Davis, Director of Tourism, Visit West

"One of the good things to come out of COVID is the fact that people are now used to having conversations without having to fly and travel so many times."

Phil Broek, Market Specialist Advisor – Technology Sector, DIT

"Money might be the deal breaker but the relationships are more likely to be the deal maker, because if you don't have the relationships, you'll never get to the point where you start talking money."

Paul Lowndes, Programme Director, Gravity

"Engagement with China has to be part of our future and it does have to be a partnership."

Dianne Francombe OBE, Chief Executive, Bristol & West of England China Bureau

"Be upfront and firm in China with what your expectations are, and take the time to understand your partners objectives. (this doesn't actually only relate to China!)."

Darren Horne, CEO, China UK

"I would like to see a greater integration of placement opportunities for Chinese students doing our degrees in particular with local companies."

Caroline Baylon, Director – International, University of Bristol

"The MSc. Marketing programme, with a high proportion of Chinese students, were connected up to do individual research projects on marketing challenges for local businesses in Bristol, and then they report their findings back to the organisation. That kind of thing is a really good way to help transition those students."

Alex Paterson, Professional Liaison Manager, University of Bristol

The West of England opportunity

Focus on matching areas of innovation with Guangdong in particular.

Evolving technology sectors, in which the West of England has world class strengths, represent great avenues of opportunity.

Government to government activity can really assist business to business activity and the Guangzhou relationship offers great opportunity if it is developed.

Business, education and tourism are all related and any strategy needs to consider all three collectively.

The region has a wonderful opportunity to build on the already established relationship with Guangzhou, the capital of the Guangdong province. The research has shown that success with China most likely comes from focusing on specific provinces and we could not wish for a better one than Guangdong which has the largest provincial economy in China and a GDP on its own which would place it as the world's 11th largest economy, comparable to entire countries such as South Korea and Spain. However most interviewed who expressed an opinion did not feel that the most was being made of the relationship with Guangzhou and were not sure what it could mean to their organisation.

The West of England may not have the same level of resources or reputation that regions such as Manchester, Liverpool or Birmingham have but does have a number of areas of innovation that represent significant growth opportunities both generally and as needs in China. China has many similar issues to other industrialised countries including pollution, transportation, an aging population, food production demands and so on. In the West of England and wider South West, we have demonstrable, world leading solutions across these sectors including renewable energy, advanced materials, low carbon, health tech, smart cities and so on. Perhaps that's what the region should be famous for in China, especially as Bristol was Europe's first green city and has a demonstrable track record in sustainability.

Building on the West of England strengths and matching macro trends around technology and innovation provides many businesses in the region the opportunity

to build on the symbolic government to government relationships. This could possibly lead to opportunities to encourage FDI via means of R&D funds coming in from China and encourage technology and business partnerships.

It has also been reported that the Chinese tourist industry in the region requires work and resources to support it yet it offers great potential both as a direct income source and for awareness and goodwill given that many tourists will also be business people and also related to current, past or future students. We should also not underestimate the importance and influence that the increased levels of TV and filming in the region that takes place for an increasing worldwide audience.

The payback to the region through student and tourist income, even before business relationships are considered, represents significant potential which isn't perhaps recognised currently. There is also clear evidence, both actual and anecdotal, that Chinese nationals move from being mere visitors to more involved members of the community and the economy whether that is post-graduate start-ups or tourists moving on to establish business connections.

There is little doubt that Chinese economic growth, heavy investment in innovation and the Belt and Road Initiative will only increase the Chinese influence on the world economy and global affairs. Of course there will be political and cultural challenges to overcome but the business opportunities, especially in a region such as the South West which is renowned for innovation and quality is immense.

The potential with Changsha and Hunan Province

Hunan Province is located in the south central part of China, and its capital city is Changsha, sited in the lower reaches of the Xiang River in the north eastern part of the province. With a total population of approximately 10 million, it is around 20 times the size of Bristol, however despite this difference, strong connections have been established between the two cities. Both have long histories and rich cultural identities and continue to thrive as attractive tourism destinations with diverse resources to offer.

Geographically, Changsha enjoys mountain views, and the city is divided by the wide Xiang River, in the midst of which sits Orange Isle also known as “Top 1 Sandbank in China”. The western part of the city is mainly cultural and educational, while the eastern part is primarily commercial. The city has a long and rich history stretching back at least 2,400 years, and its Yuelu Academy – established in the year 976, and now renamed as Hunan University – is recognised as one of the four major academies of ancient China.

Economic development has burgeoned since the 1990s, with the city being renowned as a home for manufacturing and industry; alongside this, cultural and tourism development have also flourished, with several thriving museums and galleries, parks, performance venues, sports arenas and more inhabiting the city. Tourism activity is undoubtedly supported by the presence of Changsha Huanghua International Airport, which has been recently recognised as one of the world’s 40 busiest airports, with direct flights to and from many international cities including London Heathrow.

Notable cultural destinations include the Changsha Meixihu International Culture and Arts Centre, a striking, contemporary complex designed by Zaha Hadid Architects, featuring a theatre, art museum and multi-purpose venue, which has hosted a diverse programme of events and exhibitions since it was completed in 2019. Ancient history is richly presented at the Hunan Provincial Museum, which houses over 180,000 historically significant artifacts.

With the city’s long history, items of cultural interest are around every corner, and one cannot talk about Changsha without mentioning the delicious food. As Hunan’s capital city, it is of course synonymous with the famously spicy Hunan cuisine, which is recognised as one of the Eight Great Traditions of Chinese cuisine. Dishes such as Changsha Stinky Tofu have become renowned far beyond the city’s borders.

Since 2018, the Changsha Culture, Tourism, Radio and TV Department has established great communications with Visit Bristol and the Bristol and West England of China Bureau to establish more exciting culture exchange opportunities between Changsha and the southwest region. Mrs Lan Yu, Duty Director of Changsha Culture, Tourism, Radio and TV Department, said, “It is great to see that the two regions have established such strong connections in culture and tourism, we are grateful for our local partners such as the China Bureau who have done an amazing job to connect, maintain and escalate the friendly relationship, especially during the special time. This year marks the 50th anniversary of the establishment of diplomatic relations at the ambassadorial level between

China and the UK, we certainly are keen to see more culture exchange projects between Changsha and West of England. I know there are already some film projects underway with between a China Bureau member and us, and we are keen to develop more. We look forward to welcoming friends to visit Changsha soon.” CEO of the China Bureau, Dianne Francombe, said, “Hunan, especially Changsha, has been so active in advancing the cultural connections with our members and the South West region, thanks to our Culture and Tourism Director Dennis Hu, who has been actively working on this project. It’s proven that there is so much to do and explore in the culture exchange between the two places. We certainly look forward to bringing more people to visit Changsha soon.”





Stakeholder perspectives

"As a region we should be speaking to China about things that we are world leaders in and go and talk to them about those because for the rest of the stuff, we're just noise."

James Savage, Independent Director

"Many of my colleagues and classmates didn't stay in UK, they went back to China but I maintained a good relationship with them. As they grow in their careers, they provide me lots of help as they are working in the same technical areas. So even when they have gone back to China they bring lots of business help."

Dr ChengHuan (Bamboo) Zhong, CTO, Inductosense

"By nature of what the region is famous for in terms of its green credentials and highly advanced technological developments there should be great potential for working with China."

**Dianne Francombe OBE, Chief Executive,
Bristol & West of England China Bureau**

"We have a large cohort of Chinese students we should be aiming to ensure they become lifelong advocates. We should be putting on things that allow them to celebrate and feel welcomed in the city, becoming our city ambassadors and take that kind of energy back to China."

**Jo Midgley, Registrar & Pro Vice-Chancellor
(Student Experience), UWE**

"We need to clearly articulate what the messages are about the availability of projects or investment opportunities in the region."

**Dianne Francombe OBE, Chief Executive,
Bristol & West of England China Bureau**

"We would love to have sufficient resources to deliver our ambition in terms of the China market. The payback to the region in attracting what is a very large market to spend money in our region simply has huge, huge potential."

Kathryn Davis, Director of Tourism, Visit West

"The secret to success in China, and in Asia, for that matter, I think are the three P's – presence, persistence and patience."

Paul Lowndes, Programme Director, Gravity

"I do think that there's certain sectors that will tend to flourish in more harmony with China than others."

**Richard Lowe, Managing Director, Hewlett Rand
& China Bureau's Director of Business Initiatives**

"Chinese have a positive view of doing UK business especially around luxury goods where heritage is a big thing."

Nancy Myers, Managing Director, IMEX China Trade Ltd

"I believe a virtual China centre could be a one stop shop that shows all the business connectivity and everything else that is happening culturally and educationally across the region."

**Dianne Francombe OBE, Chief Executive,
Bristol & West of England China Bureau**

"As a Chinese entrepreneur, we naturally just want to talk to more people and contribute to learning and the local communities particularly those Chinese who would like to set up their own tech start-up."

Dr ChengHuan (Bamboo) Zhong, CTO, Inductosense

"UWE is the chair of the children's University in this region. Now, that's such a brilliant opportunity to get kids in Bristol and the West of England excited about China culture and business."

**Jo Midgley, Registrar & Pro Vice-Chancellor
(Student Experience), UWE**

"The point is that it takes time to build trust with partners and clients from six thousand miles away, but when you've demonstrated you can be trusted, you can provide an excellent service and deliver on your promises, you can expect a longer and stronger affinity."

**Richard Lowe, Managing Director, Hewlett Rand
& China Bureau's Director of Business Initiatives**

Bringing it all together

There is a great desire to do more with China.

Connecting the currently disparate threads of activity will potentially reap great rewards.

Focusing on the region's matching strengths with China is important.

Building on a longer term strategy around students as ambassadors represents great potential.

A China Bureau led "virtual China centre" could lead the way.

The existing relationship with Guangzhou is a great platform to build on yet interviewees have pointed out that they do not think that relationship is being exploited sufficiently to provide them with commercial opportunities. We have also seen that connecting with Chinese regions with matching strengths and needs is deemed the best focus – the region already has that "platform" with Guangzhou.

What does exist in the South West is a significant amount of Chinese experience, nationals, students and businesses with connections. Many, perhaps most, however are not connected in any meaningful manner nor operating collectively. This provides the opportunity for an organisation, most specifically the Bristol & West of England China Bureau (WoECB), to act as a focal point to enable joining up at a regional level, enhancing opportunities and advising on forward policy.

One of the suggested routes forward is to develop the concept of a virtual China centre for the region. This could act as a core "place to go" for all things to do with China in the region – also enabling the bringing together of business, education and tourism/culture which are too distant from each other currently. And not just a local version in English, but a Chinese hosted version in Chinese.

As highlighted in the Education section, we already have thousands of future businesses leaders and influencers from China, most of whom will return to China, passing through every year. If we could really connect with them and excite them about the possibilities of continuing their relationship with the region over the years that undoubtedly will reap significant rewards. It's a long term strategy but we are all building

for the future and to quote Lao Tzo, "the journey of a thousand miles* begins with one step". (*Note was "li" rather than miles of course).

Naturally to support WoECB to achieve this will take resources and money but it need not be prohibitive, particularly if the cost can be supported through industry involvement.

Additional and some shorter term steps that could be made for the benefit of the region and its connectivity that have been outlined are:

- **Be Proactive** - identify businesses that match areas of need with Guangzhou
- **Connect** businesses with those opportunities
- **Communicate** by starting to tell the stories and case studies for the region to build profile
- **Build on the prestige** given to UK universities, perhaps universities could "certify" certain organisations that have been spin-outs or partners to enable those organisations to both promote that certification on behalf of the university and their businesses within China.
- **Build bridges and connect** the disparate threads of Chinese activity we have in the region
- **Develop a longer term strategy** for building on the significant base of students and retaining their skills and connections for regional economic benefit.
- **Create a resource and digital hub** through the Virtual China Centre

The region has a large student base to "build on" and many matching areas of technology and innovation which represent potentially significant areas of opportunity. It may not happen overnight but setting the region on the right path over a longer term strategy bringing together the community and developing the China relationship collectively could reap medium to long term rewards. The WECA "priority markets" list as outlined in their "International Priorities 2020" listed the top 5 markets as the US, Germany, France, Spain and Netherlands – yet Guangdong province's GDP alone is bigger than Spain and dwarves the Netherlands.

Contributors

We would like to thank all the contributing organisations below who have given their time, knowledge and experience to this report. Without them, this report would not have been possible.

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China UK

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Visit West

Wyden Education Studio

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[linkedin.com/company/bristol-and-west-of-england-china-bureau](https://www.linkedin.com/company/bristol-and-west-of-england-china-bureau)

[facebook.com/ChinaBureau](https://www.facebook.com/ChinaBureau)

[instagram.com/bristolchina_](https://www.instagram.com/bristolchina_)

twitter.com/BristolChina/media

The information contained in this report is of a general nature in relation to the Chinese business, education and tourism sectors in the West of England region and is not intended to address the circumstances of any particular individual or entity. Appropriate professional advice should be sought before taking action relating to the contents of the report. Bristol China Bureau has endeavoured to provide accurate and timely information but cannot guarantee the accuracy of such information at the date of publishing or in future."