

BRIEFING FOR CABINET SECRETARY FOR ECONOMY, JOBS AND FAIR WORK – KEITH BROWN

MEETING AND DINNER WITH HU CHUNHUA, PARTY SECRETARY OF GUANGDONG PROVINCE, PEOPLE’S REPUBLIC OF CHINA

SUNDAY 11 JUNE 2017

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| <p>Key message</p> | <ul style="list-style-type: none"> • Warm welcome to Scotland – delighted that you have chosen Edinburgh as the first stop on your UK visit – bringing with you such as distinguished delegation. • FM apologises for not being able to attend. • The Scottish Government values its relationship with Guangdong Province and looks forward to further collaboration, building upon existing partnerships in life sciences, renewables, finance and higher education. • Understand you have busy programme ahead of you – including a visit to Edinburgh University’s FloWave Research Facility and Centre of Robotics. • I myself will be a part of the visit, and MoU signing, at Edinburgh BioQuarter. • We’re grateful for opportunity to showcase our assets and investment prospects. • We are aware that uncertainty around the UK’s withdrawal from the EU, may have an impact on investor confidence - however I can offer reassurance that Scotland remains open for business. |
| <p>What</p> | <ul style="list-style-type: none"> • A courtesy meeting with the Party Secretary, to welcome him to Scotland. • The meeting will be followed by a business networking dinner with potential Chinese investors |
| <p>Why</p> | <ul style="list-style-type: none"> • The Party Secretary is leading a delegation of 45 high level business investors and influential Guangdong Political leaders (including the Mayor of Guangzhou City and the Vice Mayor of Shenzhen) • The delegation is particularly interested in Scotland’s expertise in life sciences, renewables, finance and higher education. • A welcome meeting and dinner will reaffirm the Scottish Government’s commitment to a strong relationship with Guangdong Province – encouraging future trade and investment. |
| <p>Who</p> | <p>Mr. Hu Chunhua, Party Secretary, Guangdong Province Mr. Wen Guohui, Mayor of Guangzhou City</p> |

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| | <p>Mr. Chen Biao, Vice Mayor of Shenzhen H.E. Ambassador, Mr. Liu Xiaoming Consul General, Mr. Pan Xinchun Mr. Zhong Weiyun, Director General of International Department of CPC Central Committee</p> <p>Also in attendance will be several Guangdong Director Generals, including Foreign Affairs, Education and Commerce (total – 13) A list of key dinner attendees is provided at ANNEX B</p> |
| Where | <p>Meeting: Laigh Hall, Edinburgh Castle Dinner: Great Hall, Edinburgh Castle.</p> |
| When | <p>Sunday, 11 June (Cab Sec to arrive for 18:30 hours, ahead of delegation).</p> <p>Meeting: 18:45 - 19:15</p> <p>Dinner:</p> <p>19:30 Top Table piped into Great Hall 19:40 Speeches from Cab Sec and PS 20:00 Dinner served 21:30 Dinner concludes - Guests offered opportunity to view 'Honours of Scotland'</p> |
| Likely themes | <p><i>Brexit</i> <i>Trade and Investment opportunities in Scotland</i> <i>China's 'One Belt, One Road' policy</i></p> |
| Media | <p>No Scottish media in attendance, however the dinner will be attended two Chinese journalists – from Nanfang Daily and Guangdong Television. There will also be an official photographer.</p> <p>Photo opportunity and gift exchange at the end of the meeting.</p> |
| Supporting official(s) | [REDACTED] |
| Attached documents | <p>ANNEX A: Summary Page ANNEX B: Biographies ANNEX C: Key investors attending the dinner ANNEX D: Party Secretary's programme ANNEX E: Current trade and investment links ANNEX F: China's Belt and Road Initiative ANNEX G: Key messages – Scotland's key sector capabilities</p> |

SUMMARY PAGE

Purpose of engagement:***Diplomatic***

[REDACTED]

- Scotland already has a good relationship with the city of Shenzhen – good opportunity to build on this and to develop closer ties with the wider Province (including the capital city Guangzhou).

Trade and investment

- **Raise the profile of Scotland's strengths and assets** and subsequently **create opportunities for all Scottish companies** in market, not limited to the any one sector.
- Provide reassurance in light of Brexit, that Scotland's **enduring natural resources** and **high quality products** will continue to support strong sectors.
- To seek views on how Brexit might alter Chinese investors' future strategies and understand potential implications for Scotland.
- To ensure that Guangdong continues to invest in Scotland – both building on current partnerships and identifying new projects.

Key Facts:***Guangdong***

- Guangdong (capital city: Guangzhou) is China's richest Province, population of over 108,500,000.
- Guangdong is the **world's 15th largest economy**. (To note: The UK is the region's **2nd** largest European trading partner, after Germany).
- Guangdong is among the most active provinces in implementing ***Made in China 2025 strategy*** - which seeks to put innovation at its core.
- SDI have an office in Shenzhen – one Guangdong's major cities.
- Edinburgh City Council and Shenzhen Municipal Government signed a partnership agreement on Creative Industries in 2013.

China

- China is Scotland's **14th** largest export market and has been for the last **3** financial years – representing **2.1%** of all international exports in 2015.
- China has very recently become a **top 5 source** of inward investment to Scotland.
- Exports of salmon to China were worth **£58m** in 2016.
- Scotch whisky exports to China were valued at **£41.4m** in 2016.

- Majority of other exports to China are from engineering services companies such as **Aggreko** and the **Weir Group**.
- There are currently **10** major Chinese investors with a presence in Scotland.
- SDI has **5** offices in China (Beijing, Shanghai, Shenzhen, Hong Kong, Taipei (Taiwan))

Lines to take:

- Warm welcome to Scotland – delighted that you have chosen Edinburgh as the first stop on your UK visit – bringing with you such as distinguished delegation.
- The Scottish Government values its relationship with Guangdong Province and looks forward to further collaboration, building upon existing partnerships in ***life sciences, renewables, finance and higher education***.
- We have been pleased to welcome a range of high level delegations from Guangdong to Scotland – including the Mayor of Shenzhen, Xu Qin, who visited Edinburgh in September 2016, to celebrate the one year anniversary of the Edinburgh/Shenzhen Creative Incubator.
- Understand you have busy programme ahead of you – including a visit to Edinburgh University’s FloWave Research Facility and Centre of Robotics (Full programme at **Annex D**)
- We’re grateful for opportunity to ***showcase our assets and investment prospects***.
- We are aware that uncertainty around the UK’s withdrawal from the EU, may have an impact on investor confidence - however I can offer reassurance that ***Scotland remains open for business***.
- **Life Sciences** - is a key sector of the Scottish economy and we have a thriving life sciences community. I understand that you will visit the Edinburgh BioQuarter tomorrow - I hope that might stimulate some ideas for collaboration.
- **Renewables** - Scottish renewable electricity output has ***almost trebled*** since 2006 and is now equivalent to over half of the electricity consumed in Scotland. I hope you enjoy your visit to the innovative FloWave tank tomorrow (wave and tidal research centre and Edinburgh University).
- **Finance** - Scotland is an attractive and competitive location for a wide range of financial services activity and has a global reputation for Asset Management expertise, as well as more modern areas such as FinTech.
- **Higher education** - Scotland is reputed internationally for its education system. We are proud that 18 out of 19 of our higher education institutes have links to Chinese institutions. There are around 8,000 Chinese Students currently studying in Scotland and they are very welcome indeed.

Issues to note:

- **MoU signings** – During the Party Secretary’s visit, the following MoUs will be signed:
 - 1) the Big Data Diabetes Research Institute project between the University of Edinburgh (UoE) and Shenzhen People’s Hospital; and the Programme of Executive Hospital Management Training project between the UoE and Shenzhen Municipality Public Hospital Administration;
 - 2) Merchiston Castle School International project between Merchiston Castle School and Shenzhen Manchesidun International Education Co Ltd.

- The MoUs will be signed during an event that Keith Brown will attend with Chinese Investors, at the BioQuarter on 12 June.

- **FM visit to China** – You may be invited to visit Guangdong. Although the timings of your next visit to China have not yet been agreed, ***we very much welcome the invitation.***