

**Cross-Party Group on China**  
**Minutes of Meeting**  
**Date: Wednesday 27<sup>th</sup> March 2019**

**Attendance**

**MSP Members**

**Dean Lockhart MSP – Co-Convener**

**Mary Fee MSP – Co-Convener**

**Members**

**Individuals**

Daniel Cairns – Secretary

Colin Mitchell – Secretary

Rosemary Mitchell

Wei Wei - St Ninians High School East Dunbartonshire

Liu Ruiyue – Lassawade High School

Jim McColm

Consul Lyu – Consulate

Consul Wenbin – Consulate

Kevin Timlin

Hamish Allison – Freakworks Media

David Rider – Merchiston Castle School

Fhiona McKay – CISS

Fhiona Mackay - CISS

Yanyan Zhao – CISS

Jessica Guo

Linus Liu

Dr Jiangtao Ma - Executive director of Edinburgh-Shenzhen Creative Exchange Incubator

Jennifer Fan - Director of Edinburgh-Shenzhen Creative Exchange

## Organisations

David Birrell – Asia Scotland Institute

Stuart Hamilton – Scottish Chamber of Commerce

Jennifer Fan – International Co-operation of SCIG

Scott Johnstone – Scottish Life Science Institute

Scott Dalgleish – Scottish Business Network

Kiren Zubairi – Voluntary Health Scotland

Prof Ping Zhang – Herriot Watt University

Ruth Moir - Herriot Watt University

Simon Macauley – SCEN

Sheila Forbes - China Scotland SIPRA

Tariq Durrani - China Scotland SIPRA

Catriona Llanwarne – Burness Paul

Janice Dickson – Scotland China Association

Edward Sloan – Rooney Nimmo

Winnie Zhao – Rooney Nimmo

Neil Francis – SDI

Nathan Woolley – University of Glasgow Confucius Institute

Alan Simpson – Anderson Strathearn

## Apologies

Robert Dalzell – North Lanarkshire Council

James Trolland

Ruth Taylor – Stewart Investors

Jane Grant – Edinburgh College

Sandie Robb – Royal Zoological Society Scotland

Colin Smyth MSP

Nigel Archdale

Ian Baxter – Heriot Watt Confucius Institute

Alan Salonika – Royal Society Edinburgh

Ross Haston

Patricia Johnston - Scottish Churches' China Group (SCCG)

Cllr Clare Maitland, East Ayrshire Council

Cathy Gu - Scottish Chinese Professionals

Peter Kwok - Scottish Chinese Professionals

## **1 Welcome and Apologies**

Dean Lockhart MSP opened the meeting and spoke about his recent participation of a trade mission to China with the Scottish Chamber of Commerce. He is keen to explore further opportunities for trade and investment and discuss any approaches to collaboration. Dean then introduced the invited speakers:

- David Birrell, Asia Scotland Institute
- Scott Johnstone, Scottish Life Sciences Association
- Stuart Hamilton, Scottish Chambers of Commerce
- Professor Natascha Gentz, FRSE, University of Edinburgh, Assistant Principal (China), Chair of Chinese Studies, Director of the Confucius Institute for Scotland

## **2 Minutes of last meeting and matters arising**

Minutes from the previous meeting were agreed to.

## **3 Roundtable Discussion on Trade and Investment**

Dean Lockhart began by introducing the speakers and giving them time to give their thoughts on trade and investment between Scotland and China.

David Birrell – Asia Scotland Institute

David began his contribution by outlining some of the functions of the Asia Scotland Institute (ASI). It is completely apolitical. As an organisation it never forms an opinion or writes a policy paper. This allows the ASI to work with everyone. The organisation focuses on bringing great people who have a great interest and understanding in Scotland and Asia. They share experiences and pass this onto the next generation.

David then went onto to give his thoughts on the current environment which exists between Scotland and China and its opportunities. He spoke of their being a macro level and a micro level.

At a macro level, the messages ASI are hear from their members is the scale of the opportunity. There is a wide a varied market to be tapped into in China. China is the 6<sup>th</sup> largest export market for the UK and the 4<sup>th</sup> largest importer to the UK.

Within that scale of opportunity, there are challenges, such as routes into market and dealing with different localities.

David continued by saying that in a General sense accounting and legal professions are creating scope for providing support. In his personal opinion at the micro level there is a disconnect. Many organisations and individuals speak of the “fear of the unknown.” It is good that there are many institutions such as ASI, the Scottish Chamber of Commerce and the Confucius Institute for Business who are filling that gap of knowledge and quelling that fear. These organisations have a huge amount of knowledge about conducting business in China.

David said that one of the big untapped opportunities is a link between the University sector and business sector in this relationship. The UK is a popular destination for Chinese international students. These students could be utilised by business to help grow this market.

In summing up David said at a macro level there is huge opportunity and plenty of help being offered. At a micro level it is a bit disjointed. On one side the trade and investment opportunities are easy on the other politics, culture and values it is a bit trickier.

Scott Johnstone – Scottish Life Sciences Association

Scott started his contribution by giving some background to the Scottish Life Sciences Association (SLSA). It was formed in 2011 by a small group of industrialist who felt they needed something to engage with Government and help grow their businesses. There were originally 15 members and now there are 130 members.

Scott continued by saying that China is a big opportunity that has recently opened up to the SLSA. One of this issues that has stopped them in the past has been issues with intellectual property. He has seen over his career the same type of relationship unfold with India denying intellectual property before opening up to the UK and USA. China is now going down this path as well and now respect international intellectual property. The SLSA now have patents in China and this is a game changer.

Scott then discussed the healthcare system, saying that the China health system is closer to the NHS than the US system. This makes it easier to do make relationships and do business together. They can find shared paths to help improve healthcare globally. The SLSA want to move products and collaborate with similar Chinese companies.

Scott concluded by saying that One member, Rooney Nimmo has just set up a Chinese law office and is the only Scottish based firm with an office in China.

Stuart Hamilton – Scottish Chambers of Commerce

Stuart began his contribution by outlining some information on the Scottish Chambers of Commerce (SCC). The SCC is the umbrella organisation for the chamber network in Scotland. This network is made up of 26 individual chambers and over 12 thousands members. The SCC has a long relationship with outward investment. It helps to fund outward and inward international trade missions. Stuart informed the group that he was meeting with the Scottish Government to discuss a new £2 million grant to fund inward and outward trade missions. To the SCC this is huge.

Stuart said that 80% of this grant must be spent on countries identified as being a priority for international trade by the Scottish Government. China is on that list. Indeed the SCC conducted a survey

of its members asking where they would want the grant to be focused on. It was overwhelmingly in favour of China.

Stuart continued by saying that we need to be careful. China is a big opportunity and a vast area. We need joined up thinking so that we don't have delegations going to the same place. We need to set definite outcomes and build sustainable relationships.

Stuart concluded by saying that the SCC visited Yantai in November 2018 and hopes to go back in November 2019. The SCC is happy to work with anybody who can help in China. These missions will be open to all businesses in Scotland.

The CPG then opened for questions being lead by Dean Lockhart MSP.

Dean asked: There has been lots of activity and lots of different approached. How can co-ordinate this better and how can it be more strategic?

This questions was posed to Neil Hunter from the Scottish Development International (SDI). Neil said that we need to convene meetings and share our plans as widely as possible. There needs to be a cohesive approach to trade and investment. Other aspects are just as important. Engagement goes hand in glove with cultural, civil and political aspects. A big step has already taken place with the Scottish Government Scottish China Engagement Strategy. We need to follow that on by have a more co-ordinated effort.

Neil continued by saying China is a priority market and there are several other priority markets that are in competition. Another step which the SDI has already taken is have a permanent presence in China. The SDI has three offices in China, who are there to support those who want to access the Chinese market.

These are big steps which need to be publicised and utilised more.

Dean Lockhart then asked Edward Sloan from Rooney Nimmo about their experience in setting up an office in China.

Edward spoke of the fantastic appetite between countries for business opportunities. Rooney Nimmo set up an office to help business grow and develop in China. They found that businesses were hesitant to engage due to legal issues, including issues around Intellectual Property.

Other issues focus on the fear of translating contracts and the culture around negotiations. Rooney Nimmo saw an opportunity to help these businesses by opening up an office in China. They asked contacts in the UK to put them in touch with similar sized firms who focus on similar issues in China. Edward said it was great to meet Rooney Nimmo's equivalents in China. They are immersed in the markets and understand commercial practices more than we ever will. They also put Rooney Nimmo in touch with the Chinese equivalent of the SDI and the SCC.

In summing Edward argued that more education we can receive in Scotland about the Chinese market the better. They are educating themselves and we need to do the same.

Dean Lockhart MSP then asked What best way to track delegations coming to Scotland? Is there a way to try to identify this?

Neil from the SDI stated that information sharing is key but it is a difficult question to answer. If the SDI could have a dedicated person they would.

Stuart from the SCC stated that the Edinburgh chamber received 300 requests for inward trade missions per year. Multiply that across the network and that is a lot of inward delegations to keep track of.

Dean Lockhart then asked about the importance of technology, such as WeChat?

Dr Jiangtao Ma from the Edinburgh-Shenzhen Creative Exchange Incubator stated that Wechat was integral to doing business in China. It is not just a social media app but much more. You can even pay using We Chat.

Janice Dickson said one issues around WeChat payments is that you need to have a Chinese Bank Account. Something many Scottish Businesses and Organisations do not have.

Neil from SDI suggested there needed to be online or in person workshops set up to help people use WeChat.

#### **4 Professor Natascha Gentz Director of the Confucius Institute for Scotland**

Professor Natascha Gentz is the director of the Confucius Institute for Scotland. She said that Edinburgh University began engagement with China in 2006. The university now has a dedicated Dean of China Studies in the International department and a principal for the region. This shows the Universities focus on China.

Natascha continued by saying the pillars of the relationship rests on business, education, culture and science. There over 120 academics from a wide and varied research fields who interact with counterparts in China. They also have an issue of tracking engagements.

The Confucius Institute helps with research and collaborations. They do briefings for public engagement and briefings for staff when they visit China.

The Confucius community has grown year by year. The partnerships are across the country but mainly focuses on the East Coast.

Natascha discuss Chinese students saying that a growing middle class in China and the growing international nature of Chinese Universities is helping to grow the number of Chinese Students in Scotland. She then went onto discuss the difficulty in getting Chinese Students to engage with businesses and language sharing once they are studying in the UK. They don't want to sit in on a Chinese class.

Nathan woolley from the University of Glasgow Confucius institute also contributed saying that much of what Natascha has said is mirrored at Glasgow but mapped slightly differently. He did discuss the use of alumni networks with former Chinese students. This is an untapped network, which universities must cultivate. Nathan also spoke of the challenge of an increase in Chinese students coming to university. With a bigger community comes different levels of engagement. This is something all Universities will need to look at.

#### **5 AOCB**

Fiona Mackay from the University of Strathclyde Confucius Institute discussed the Confucius Classroom Initiative. This initiative focuses on getting Chinese student teachers and graduates over to Scotland to teach in Scottish Secondary Schools. They originally started with 9 teachers and now have more than 60 across Scotland.

Fiona then introduced two Chinese Student teachers who have both been teaching in Scotland. Wei wei, who has been based in East Dunbartonshire and Liu Ruiyue who is based in Midlothian.

Both Wei Wei and Liu Ruiyue spoke of the warm welcome they had received from the Schools. Ru Jie spoke about an interesting initiative where her Confucius class went to Edinburgh Castle to teach staff Chinese language to help with tourists.

**Date of Next Meeting: 29<sup>th</sup> May 2019**