

WIRRAL COUNCIL

CABINET

13 JANUARY 2011

SUBJECT:	<i>REPORT ON VISIT TO CHINA – OCTOBER 2010</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>INTERIM DIRECTOR OF CORPORATE SERVICES</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>CLLR JEFF GREEN</i>
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report outlines the activities undertaken during the visit to China in October 2010 and outlines subsequent activities that have taken place, including return visits to Wirral. It also identifies further actions to be taken to build upon the contacts made and the opportunities that exist now and in the future.

2.0 SUMMARY

2.1 Cabinet may recall that the visit was agreed at the request of Peel Holdings, to both demonstrate to Chinese Governments and businesses local Government support for Peel's proposals and to support the marketing of Wirral Waters to potential investors and suppliers and also to meet with companies who may be interested in locating operations within the UK. The visit also allowed the opportunity to maintain, and indeed further develop, relationships with Taicang and Suzhou.

2.2 The Chairman of The Peel Group, John Whittaker, was due to be part of the delegation, however, at the last moment, he had to withdraw as he was invited to join the Prime Minister's delegation of high level British business people that was visiting China a couple of weeks later.

2.3 The delegation arrived in China on October 16th and departed on October 26th and the following activities were undertaken.

Saturday 16 October

2.4 Attended World Expo to represent Wirral at EXPO Liverpool Day. Met the Deputy Director of EXPO and met with Mr Earl Carr, HSBC Vice President for International Investment.

Monday 18 October

2.5 Attended meeting at HSBC Shanghai HQ, with Ms Jean Lu, Head of Banking for PRC Companies, Earl Carr, Vice President for International Investment and other HSBC colleagues to both outline Wirral Waters and Wirral as a place to invest. The Leader of the Council gave an overview presentation on both

subjects. Discussions revolved around how PRC companies could potentially invest in Wirral Waters and the potential for PRC companies to locate in Wirral. A very fruitful meeting where it was agreed that introductions would be made for Peel Holdings to attend a further meeting when they next return to China.

Tuesday 19 October

- 2.6 Attended World Expo for Peel Day at Liverpool Pavilion. There was excellent attendance at the Pavilion, including the British Consul General, with many Chinese Companies present. Presentations on the day included the potential Wind Power opportunities within the City Region and Cammell Laird was promoted by Wirral delegates. The opportunities for port trade was also discussed and again, opportunities in Wirral were promoted. A presentation on Wirral Waters and the opportunities for investment was given by Peel. The Leader of the Council gave a presentation to the packed Pavilion about Wirral and its opportunities and signalled the Council's support for the Wirral Waters scheme.

Wednesday 20 October

- 2.7 Travelled to Taicang and Suzhou to further develop economic and friendly sister city relationships. Met with Chair of Consultative Committee and Committee Members in Taicang and discussed how we could further build on the agreed areas of co-operation. Visited the port to discuss how port links with the port of Liverpool (including Wirral) could be developed. Agreed details for a return visit to Wirral.
- 2.8 Met with the Director for International Relations in Suzhou and discussed how we could work together to work on agreed priorities and the potential for a return visit to Wirral.

Thursday 21 October

- 2.9 Travelled to Jiang Yin to accompany Peel. Jiang Yin City has a population of approximately 1.2 million and a GVA of approximately £17 Billion (2009) per annum and has seen a 200% increase in that figure since 2005. It has the highest GVA per head of any City in China and has been in that position for over four years. It has numerous publically traded companies on the Shanghai stock exchange and other foreign exchanges. It also contains literally thousands of smaller companies, focusing on textiles, electronics, metals and chemicals, maximising its port location in the export market.
- 2.10 We were met by Stella Shiu and accompanied by her throughout our time in Jiang Yin. Stella Shiu is the owner of Sam Wa industries, a company that has a turnover of approximately 5 billion US dollars per year. We visited the Jiang Yin International Trade Mission before having dinner with the Local Party President and Vice Mayor and the President of the Chamber of Commerce.

Friday 22 October

- 2.11 Attended meeting with Local Party Secretary and Local Government officials. Peel gave presentation on Wirral Waters and the Leader of the Council gave presentation on Wirral, again outlining the Councils support for the Wirral Waters scheme. Discussions took place about opportunities for investment in Wirral Waters, supply opportunities and general opportunities for investment in

Wirral. Visited steel production facility and had meetings with local businesses considering the potential of overseas investment. Press and TV interviews took place after the meeting with the Party Secretary.

2.12 The Chamber of Commerce organised a lunch where general discussions around investment took place. In the afternoon, we visited other local facilities and met with additional government representatives.

2.13 Dinner was organised by the local Government, with local businessmen also in attendance. Discussions built upon those of earlier in the day.

Saturday 23 October

2.14 Travelled to Zhangjiagang city and met with Mayor, Deputy Party Secretary and government officials. Presentation given by Leader of the Council about Wirral. Visited local businesses interested in export and discussed the possibility of the businesses undertaking the final assembly of their products in the UK. Lunch arranged by local government and further discussions held about mutually beneficial trading opportunities. Visited potential suppliers of products and materials for Wirral Waters development.

2.15 Evening dinner arranged with top Central Government officials who flew from Beijing to meet with the delegation.

Sunday 24 October

2.16 Travel back to Shanghai.

2.17 The visit was agreed to support Peel in their attempts to secure investors and suppliers for the Wirral Waters scheme and to meet with companies considering locating in the UK. It was also very important that Wirral Council demonstrated its highest level support for what Peel were attempting to deliver within the Wirral area.

2.18 The Leader of the Council gave numerous presentations and met with many senior political figures where that commitment and support was very well received by local Chinese government officials and indeed, by regional and national political officials who travelled from Beijing to meet with the delegation at very short notice

2.19 Peel have informed the Council that they believe the visit to Shanghai and JiangYin province was very successful. Peel had invited the Leader of the Council and appropriate officers to attend as it was vital to demonstrate to all parties in China the strong support and role the local authority has in Wirral Waters. Government support needs to be demonstrated to make any progress with Chinese partners.

2.20 Following on from the visit, Peel have requested that the Council appoints a champion for international investment in order that the momentum and importance of this issue can be maintained and maximised within the Council and amongst the City Region.

FOLLOW ON

- 2.21 Members may be aware that Madame Gao, the Chair of Taicang Consultative Committee, subsequently led a delegation to Wirral at the end of October. That delegation visited the port, Cammell Laird, Mersey Maritime, Royal Liverpool Golf Club and New Brighton. Discussions continued around developing sister City relationships and the development of the co-operation agreement signed in 2008. An invitation to return to Taicang was also made by Madame Gao.
- 2.22 Officials from Suzhou will visit Wirral in March 2011 to further develop economic and cultural relations between the areas.
- 2.23 Representatives from Jiang Yin, including Stella Shiu, visited Wirral in December 2010 as a follow up and toured the Wirral Waters site. Discussions continued regarding possible investment in the Wirral Waters development and the potential for businesses to locate in Wirral. The Leader of the Council gave a letter to Jiang Yin officials welcoming further economic and cultural collaboration between the areas. An Invitation to re-visit Jiang Yin was given by the delegation and both Peel and the Leader of the Council were invited to meet with Stella Shiu and National Government officials and leaders of various enterprises in Beijing over the coming months.
- 2.24 The Prime Minister visited the Wirral Waters site on January 6th giving the project his personal endorsement. Amongst the issues discussed with the Leader of the Council and Peel, were the relationships that were being developed with China and other fast growing international economies. The PM was very interested in the actions to date and supportive of the developments discussed. He advised of how important he saw economic relations between China and the UK and offered both advice and contacts in Government who could offer support to help bring some of the potential opportunities to fruition.
- 2.25 The contacts and opportunities developed are particularly exciting in terms of relationships for investment in Wirral Waters and Wirral in general. These relationships focus on those previously developed with Taicang and Suzhou, built upon during this visit, and that created with Jiang Yin through this visit. Equally, the opportunity to benefit from relationships within the National Government in Beijing cannot be understated. As outlined in previous reports, local government support for Private Sector businesses is expected to be extremely visible within China and indeed, we saw much further evidence of such during this visit.
- 2.26 The Council has acknowledged that the Wirral Waters scheme is a once in a lifetime opportunity which will make a dramatic contribution to transforming the area's economy and the lives of the people of Wirral and the wider city region
- 2.27 The Leader of the Council committed to the Prime Minister to work even harder with Peel to market the site and realise the benefits and opportunities of the scheme and has instituted a series of regular meetings with officials from Peel Holdings to discuss opportunities and monitor progress.

3.0 RECOMMENDATION/S

3.1 Cabinet agrees to:

- 1 Maintain and enhance the relationships the Council has developed with regional and city Governments to date in the Peoples Republic of China
- 2 Endorse the Leader of the Council's commitment to the Prime Minister to offer increased support to Peel and other businesses serving Wirral's travel to work area in activities they believe will have a positive impact with potential international investors
- 3 Designate the Leader of the Council, as its 'international investment champion' to work with Peel and 'City Region' partners to maximise the chances of bringing international investment into Wirral and its travel to work area.
- 4 Authorise the Leader of the Council, supported by appropriate officers, to respond to invitations and conduct international visits, subject to full reports to Cabinet and Council on their return, to further promote opportunities for investment.

4.0 REASON/S FOR RECOMMENDATION/S

- 4.1 To continue the development of Sister City relationships and mutual economic and cultural relationships between Wirral and city and regional governments in China
- 4.2 To continue the efforts to work with Peel and others to maximise the possibility of Investment
- 4.3 To ensure that a Council priority remains on international investment and that Wirral Council has a senior Councillor championing that cause.
- 4.4 To be able to react quickly to the need to accept and organise international visits as required

5.0 BACKGROUND AND KEY ISSUES

- 5.1 Cabinet approved the development of International links with cities in China in 2008. Subsequent reports to Cabinet, listed below, and this report, identify opportunities and actions to develop those links further.
- 5.2 Investment into Wirral, both through assisting Private Sector partners such as Peel in attracting investment into the key Wirral Waters development and in securing new employment into the borough are key priorities for the Council

6.0 RELEVANT RISKS

- 6.1 None identified in this report

7.0 OTHER OPTIONS CONSIDERED

7.1 None identified in this report

8.0 CONSULTATION

8.1 The recent consultation exercise – “Wirrals Future- Be Part of It”, confirmed that the community, including businesses, saw the development of international links important

9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

9.1 None identified in this report

10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSET

10.1 The Cost of the visit in October 2010 was within the £7,000 reported to Cabinet at its meeting of 23.9.2010

11.0 LEGAL IMPLICATIONS

11.1 None identified in this report

12.0 EQUALITIES IMPLICATIONS

12.1 *None identified in this report*

12.2 Equality Impact Assessment (EIA)

(a) Is an EIA required?

No (*delete as applicable*)

(b) If 'yes', has one been completed?

Yes (specify date) / No (*delete as applicable*)

13.0 CARBON REDUCTION IMPLICATIONS

13.1 *None identified*

14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

14.1 *None identified*

REPORT AUTHOR: *Kevin Adderley*
Interim Director of Corporate Services
Telephone: (0151 691 8187
Email: kevinadderley@wirral.gov.uk

APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet- International Links	22.5.08
Cabinet- International Links	9.7.08
Cabinet- International Links	27.11.08
Cabinet- World EXPO	5.11.09
Cabinet- International Investment meeting	23.9.10