

Media views

The Daily Telegraph

Today, British policy on China is dictated by the Treasury under George Osborne, whose rush to embrace modern China may well define his career and the history of Britain in the early 21st century.

theguardian

It would of course be foolish not to engage with China. Every country in the world does so. Indeed, France and Germany have been ahead of Britain in recent years in seeking "special" relations with China. But the pursuit, particularly by the chancellor, George Osborne, of best friend forever status with China has gone beyond the usual jockeying for advantage between European states in Beijing. The Cameron government appears to have something much more comprehensive and long-term in mind.

INDEPENDENT

In September, Chancellor George Osborne put together a brochure of projects worth \$24 billion (\$37 billion) for Chinese investment. They include a new shopping district in Birmingham, homes and offices in Sheffield, a new Chinatown in Liverpool, and "Science Central" — a "living laboratory" of homes and shops in Newcastle.

EveningStandard

The Government had compiled a packed schedule for the leader of the world's second-largest economy, including a day in Manchester with the Prime Minister.

BBC

Large red flags of China are lining The Mall in central London, along with the Union Jack, in preparation for Xi's official welcome on Horse Guards Parade.

The trip, the first UK state visit by a Chinese leader since 2005, has been hailed by officials from both countries as the start of a "golden era" of relations.

The UK Treasury hopes to make China Britain's second-biggest trading partner within 10 years.

Chinese companies are to be allowed to take a stake in British nuclear power plants, and a trip by Mr Xi and Mr Cameron to Manchester later in the week is expected to see the announcement of further investment into the so-called Northern Powerhouse project.

FT FINANCIAL TIMES

President Xi Jinping's visit is the most important diplomatic visit to Britain in several years.

London has opened a chasm between its foreign policy initiatives and those of the US. Britain's shift towards the Middle Kingdom shows no sign of being a mere temporary expedience.

The New York Times

"Let's stick together to make Britain China's best partner in the West," Mr Osborne, Chancellor of the Exchequer said in effusive language that American officials would be unlikely to use with China.

Chinese companies already own stakes in British infrastructure — including two airports, Heathrow in London and another in Manchester — and in North Sea oil projects. Huawei Technologies, the Chinese telecom company, which is barred from operations in the United States on security grounds, supplies equipment to British telecommunications networks.

COMPILED BY WANG XU



# Record-breaking trade deals to be signed during president's trip

By ZHONG NAN  
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China and the United Kingdom will sign a number of economic and trade deals covering finance, energy, healthcare, automobiles and real estate during President Xi Jinping's ongoing visit to the country, the Ministry of Commerce said on Tuesday.

The size and value of the deals will be the largest in history during Chinese leaders' state visit to the country, said Shen Danyang, the ministry's spokesman.

Shen said the deals will include cooperative projects between Chinese and British companies, banks and research institutes.

The UK's demand for improving infrastructure is expected to become a new highlight for Sino-British cooperation, Shen said.

"As China is promoting the Belt and Road Initiative and the British government has made plans to develop its northern region, these initiatives will offer market growth

opportunities to project contractors," said Shen.

The Belt and Road Initiative, proposed by China in 2013, is a trade and infrastructure network that includes the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The planned network connects Asia, Europe and Africa and passes through more than 60 countries and regions.

Known as High Speed 2, the British high-speed railway is planned to link London with the English Midlands and cities in northern England. Construction for Phase 1 of the projects is set to begin in 2017, with an indicated opening of 2026. The UK government also plans to add nuclear power stations and industrial parks in northern England over the next decade.

Shen said Chinese companies have a good record carrying out infrastructure work such as airport and water treatment projects in the UK, and the Ministry of Commerce will continue to encourage Chinese and British companies to conduct more

cooperative activities in each other's markets.

The UK was the first developed nation to join the China-proposed Asian Infrastructure Investment Bank, to issue renminbi-denominated sovereign bonds and to support the inclusion of the Chinese currency in the International Monetary Fund's Special Drawing Rights currency basket.

Trade volume between China and the UK reached \$58 billion between January and September this year. Bilateral trade in 2014 amounted \$80.9 billion in 2014, up 15.3 percent year-on-year.

Companies from the UK invested a total of \$19.61 billion in 7,992 projects by the end of August in China. As China's top destination for investment in Europe, China's outbound direct investment to the UK surged from \$1.35 billion in 2010 to 12.8 billion in 2014.

Chinese enterprises launched 112 projects in Britain last year, creating nearly 6,000 local jobs.

Stephen Phillips, chief executive officer of China-Britain

Business Council, said that as China is promoting the modern service industry and undergoing an industrial upgrading boom to develop high-end products, British companies are keen to deploy more resources to China to develop energy-saving, modern service and equipment sectors from a long-term perspective.

Founded in 1953, the council is responsible for promoting trade, investment, innovation and technological cooperation between China and the UK. It has 13 regional offices throughout China.

"While China is conducting an all-around reform to improve its export capability, the UK is also undergoing structural reform to cast off its heavy dependence on the financial service sector. The two nations share a common interest and their demand for growth are quite complementary," said Cui Yanxin, a researcher at the Beijing-based Chinese Academy of International Trade and Economic Cooperation.



President Xi Jinping and Britain's Queen Elizabeth II ride together

## Visit: Economic, political ties rising

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After the lunch, they viewed an exhibition in the Picture Gallery of items from the Royal Collection relating to China. The queen and the president also exchanged gifts privately.

Analysts said the high-level reception shows the importance that Britain attaches to China. The UK hopes to establish China as its second-biggest trading partner within 10 years.

Wu Baiyi, an expert on European studies at the Chinese Academy of Social Sciences, said the reception for Xi is based on the premise that the UK has tied its future prosperity to the world's second-largest economy.

"Britain has seen the opportunities brought by China's economic transformation," Wu said.

He said that in the last century, Britain had tied its development to that of the United States. "Now it is still closely linked to the US, but at the same time it is managing ties with China."

"The Cameron government has set the tone for

UK-China relations entering a golden era. The royal family, as the country's top diplomatic family, is following the strategy," he said.

Frequent and high-level meetings with members of the royal family during the visit not only show the importance Britain attaches to Xi's trip, but will also create more opportunities for top-level exchanges of views, he added.

Tian Dewen, a researcher at the Institute of European Studies under the Chinese Academy of Social Sciences, said the high-level reception is an eye-catching feature of the visit. He said this is due to surging economic and political ties between the two nations.

Xi was to deliver a speech to the British Parliament later on Tuesday.

He will have official talks with Prime Minister David Cameron on Wednesday before flying to the northern city of Manchester on Thursday night.

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### Warm welcome

Chinese women wait on The Mall for President Xi Jinping's arrival during his ceremonial welcome in London on Tuesday. Thousands of people lined up around Buckingham Palace and on surrounding routes since early morning to welcome and greet the president, who is the first Chinese head of state to visit Britain in 10 years.

REUTERS

## Ma: Alibaba to step up expansion into Europe

FROM PAGE 1

Zhang Jianping, director of the International Economic Cooperation Institute for International Economic Research under the National Development and Reform Commission, said the appointment of Ma as a business adviser to Cameron is a clear sign that the UK sees e-commerce as a strong engine to further boost bilateral trade.

Unlike Ma, the others on Cameron's business advisory board are chief executives in more traditional industries, including Bob Dudley of BP, Nigel Wilson of Legal & General, Carolyn McCall of easyJet, and Jayne-Anne Ghadia of Virgin Money.

"Alibaba has built its business empire online based on a creative model. It represents an advanced model of the so-called Internet Plus, which is supported by Chi-

na's central government. I think that is what Cameron sees in him," Zhang said.

Michael Evans, president of Alibaba, said in London on Monday that his company, which sees cross-border e-commerce as a top priority, will further expand into Europe by upgrading its London office into a strategic center for the continent.

UK Trade & Investment, a government organization that promotes international

trade, signed a memorandum of understanding with Alibaba at the end of 2013 to encourage more small and medium-sized British firms to reach Chinese buyers via the Alibaba platform.

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Zhang Chunyan and Zheng Xin contributed to this story.

### Highlights, facts and figures from trip

#### BELGIAN SUITE

President Xi Jinping will stay in the Belgian Suite at Buckingham Palace during his visit to London, The Beijing News reported. The suite accommodates visiting heads of state. US President Barack Obama and Russian President Vladimir Putin have stayed there.

According to The Beijing News, Queen Elizabeth II and Prince Philip, her husband, stayed in the suite for several months after she ascended to the throne. Prince Andrew and Prince Edward were also born in the suite, while Prince William and Princess Kate stayed there on their wedding day.

Books, flowers and bathroom items are placed in the Belgian Suite for visiting heads of state, according to The Beijing Times.

#### TRADE DELEGATION

A delegation of 150 entrepreneurs, including Jack Ma, founder of Alibaba Group, and Zhang Jindong, chairman of retailing company Suning Commerce Group, have accompanied President Xi Jinping's visit to the United Kingdom, huanqiu.com reported. The China Council for the Promotion of International Trade organized the delegation, which includes business leaders from finance, infrastructure construction and energy.

About a month before the visit, both countries held the seventh China-UK Economic and Financial Dialogue. This ended in a series of agreements, including economic policies.