

**CHINA.ACTION.MONEY.**

**2014 - CHINA'S YEAR**



**PACIFIC TYCOON**

As 2013 drew to an end, December saw the UK's courtship of the Chinese reach its climax. UK Prime Minister David Cameron arrived in Beijing at the helm of Britain's largest overseas trade and ministerial mission with two firm objectives in mind; to champion an EU-China free trade agreement and secure more Chinese investment in the UK.

Trading with China is Cameron's long-term plan for the UK's economic prosperity while China's end game is to shift from being a heavily investment-led economy to one driven jointly by the strength of consumerism. China's manufacturing industries are booming driving up exports by 12.7% in November compared to the same month last year while imports enjoyed a yearly rise of 5.3%. Cameron wants to further boost the flow of imports into Chinese harbours by tearing down trade barriers. Put simply – the Chinese want to consume and Cameron wants to be the one to supply them the goods.

Adding further support to the growing partnership between the UK and China was the sixteenth EU-China summit in Beijing last month. The event saw leaders begin talks to increase trade between the two super powers from \$580bn (£350bn) in 2012 to \$1trn by 2020 - a free trade agreement could be worth £1.8bn a year to the UK economy alone. If Cameron succeeds, trade tariffs in 20 sectors where they are the highest (such as vehicles, pharmaceuticals and electrical goods) will be abolished, delivering a saving of £600m a year for UK exporters.

Cameron, writing in the Chinese magazine Caixin, described China's transformation as "one of the defining facts of our lifetime". He wrote: "Last year China became the world's largest trading nation. Next year China is set to become the world's largest importer of goods and later this century it will become the world's biggest economy."

The aim of this courtship is not to be a one-sided pursuit. By personally visiting the Chinese Premier Li Keqiang on his own turf, Cameron wants to

create a deep-rooted partnership of mutual respect. Consequently, Chinese investors have been told they will receive a "warm welcome" from the British. Cameron's open-armed welcome spreads beyond the investment communities of China through to the nation as a whole, encouraging tourists from the East to visit UK shores. This, partnered with increased accessibility to UK tech' knowledge hubs and research facilities is sure to ensue a significant and mutually beneficial partnership, if not only a prosperous one for both economies.

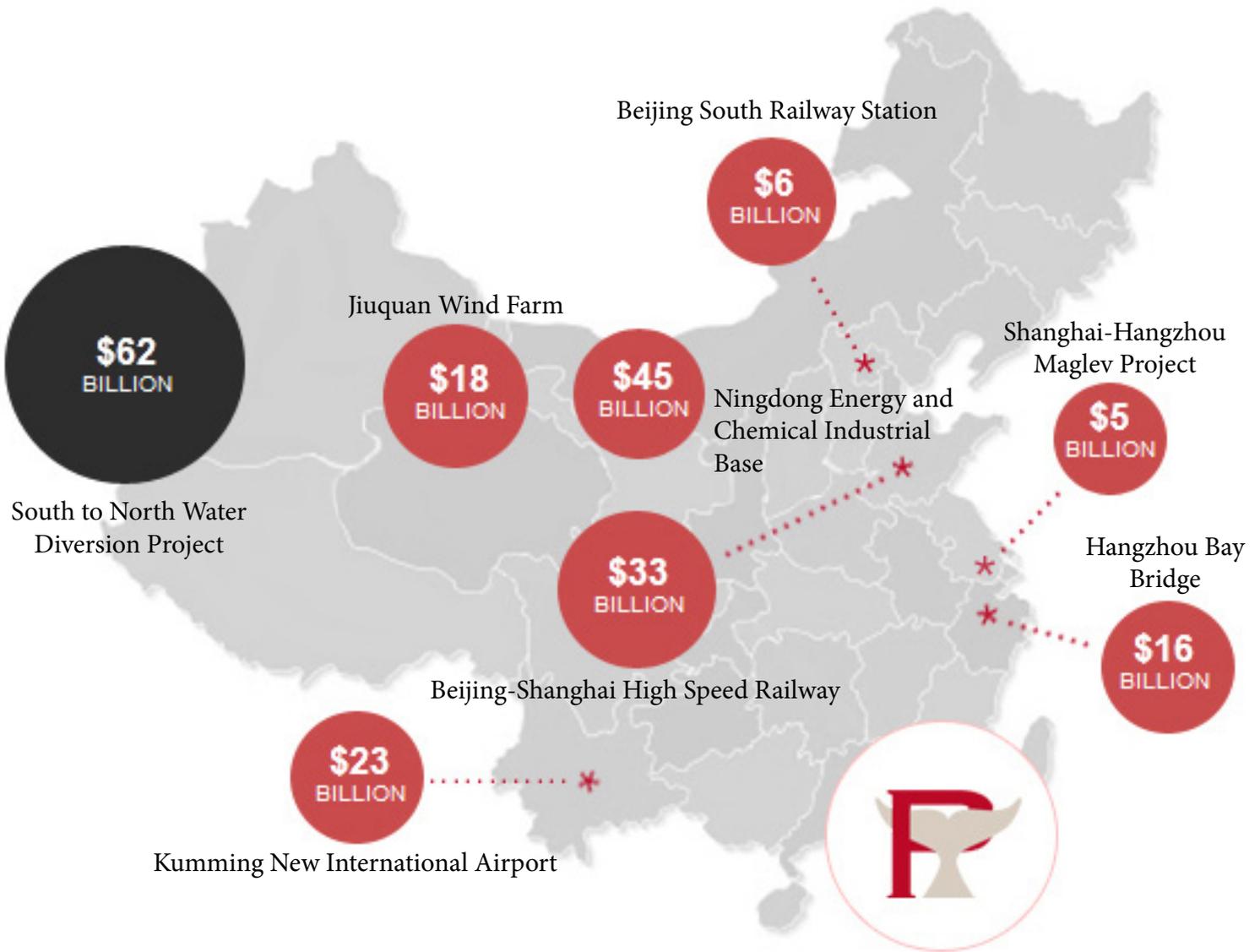
The PM's personal interest in global business development has paved the way for £6bn worth of deals to be brokered by team GB, binding the Chinese to the UK economy for decades of forthcoming infrastructure investment.

The deals include Chinese investment in the UK's controversial High Speed Rail project and a £200m research fund aimed at encouraging the development of scientific collaborations between the two nations.

Mr Li promised to push for breakthroughs in UK nuclear power while also committing to the purchase of equities and stocks in the industry, an idea the British delegation is said to be "open" to. And open they certainly are.

As 2013 drew to a close, the UK has made no secret of its desire to be involved with the rise of the Chinese economy. UK Chancellor George Osborne, Mayor of London Boris Johnson and Prime Minister David Cameron have all arrived on Chinese shores in the closing months of 2013 championed by Cameron's declaration that there is no country in the world more open to Chinese investment than the UK. He also stated that he is as committed in supporting the dragon economy to achieve its economic goals and be part of its reform as he is in tempting the Chinese to be part of the UK's long-term sustainable recovery, a statement that is sure to come into fruition in the coming months of 2014.

Pacific Tycoon's head office is based in Hong Kong, at the heart of the booming East Asian economy. Benefiting from our proximity to the industrial and business-led projects transforming China, we endeavour to monitor and understand each one closely. For further details on the trillion dollar projects shown on this map, visit our website: [www.pacifictycoon.com](http://www.pacifictycoon.com)



To speak to a member of our team, please contact us.

Hong Kong Office Telephone: +852 580 80130

Email: [contact@pacifictycoon.com](mailto:contact@pacifictycoon.com)

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Level 11, Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.