
To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 24th July 2019

Subject: Report Back on China Inward Investment Mission - October 2018

1 Purpose of the Note

To provide a detailed report following the Inward Investment Mission Coventry City Council led to China, alongside the Coventry & Warwickshire Growth Hub, Coventry University and the Department for International Trade.

2 Recommendations

The Business, Economy and Enterprise Scrutiny Board (3) is recommended to endorse this report and confirm its continued support of the work being undertaken by the Economic Development Service to enhance Coventry's international profile, secure Foreign Direct Investment (FDI) and support local companies to access new markets.

3 Information/Background

Introduction

- 3.□.1 The Council has played and will continue to play a significant role in attracting Foreign Direct Investment (FDI) to Coventry and its surrounding economy. Working with the Universities, Growth Hubs and local businesses we are able to offer a coherent and attractive investment proposition to potential investors.
- 3.□.2 It has been accepted that FDI often comes as a result of existing trade links and the investment in relationships, particularly with Chinese companies, and is why one of the focuses of this visit was to promote not only the investment opportunities but also the key capabilities of local companies and support organisations to start the dialogue for investment success.
- 3.□.3 In October 2018, Coventry City Council, alongside delivery partners Coventry University and Coventry & Warwickshire Growth Hub, and with support from Coventry & Warwickshire Chamber of Commerce and local businesses led a mission to China to promote Coventry and the wider region as a key investment destination, strengthen links with existing strategic partners and create a platform for b2b activity.

Delegation

- Councillor John Blundell – Lord Mayor of Coventry (LM)
- Mrs Lindsey Blundell – Lady Mayoress of Coventry (LMs)
- Martin Yardley – Deputy Chief Executive (Place), CCC & Chief Executive, CWLEP (MY)
- David Cockroft – Director of City Centre & Major Projects Development, CCC (DC)
- Andy Williams – Head of Economic Development, CCC (AW)
- John Norton – Investment & International Trade Manager, CCC (JN)
- Ben Yorke – Business Development Officer, CCC (BY)
- Craig Humphrey – Managing Director, CW Growth Hub (CH)
- Phil Peak – Strategic Account Manager, CW Growth Hub (PP)

- Patricia Ashman – Associate Head of Mechanical, Aerospace & Automotive Engineering, Coventry University (PA)
- Matthew Beedham – Deputy Director of Confucius Institute, Coventry University (MB)

Itinerary

Date	Activity	Attendees
Saturday 13 th October	Travel	All
Sunday 14 th October	Travel and familiarisation	All
Monday 15 th October	Exhibiting at China International Auto Products Expo	All
	Introduction and discussion with senior representatives from Ministry of Commerce, Peoples Republic of China	All
	Wei Yu Junior School / Finham Park Exchange Visit	LM/LMs/JN
	Networking Dinner with representatives from FCO, British Consul, China Britain Business Council and key businesses	All
Tuesday 16 th October	Exhibiting at China International Auto Products Expo continued	JN/BY
	Visit to Geely HQ in Hangzhou to discuss basis of “Geely Club” agreement and further planned investment in Coventry & Warwickshire	LM/LMs/MY/DC/AW/PA/MB
	Visit to China Red Sun Group in Nanjing – investment in to Cad Cam Automotive in Coventry	CH/PP
Wednesday 17 th October	Travel to Jinan	LM/LMs/JN/MB
	Evening meal with Jinan Foreign Affairs Office	LM/LMs/JN/MB
	Visit to Shanghai Auto City to discuss collaborative opportunities	MY/DC/AW/BY/PA
	Visit to NIO Automotive to discuss UK projects and growth plans	MY/DC/AW/BY/PA
	Travel to Guangzhou	MY/AW/BY/PA
	Visit to EV100 HQ in Beijing to discuss establishment of UK office	CH/PP
	Meeting with Tsinghua University to discuss partnership opportunities	CH/PP
	Meeting with Jaguar Land Rover China	CH/PP
Thursday 18 th October	Visit to Guangdong Wencan Die Casting to discuss UK opportunities	MY/AW/BY/PA
	Visit to Guangzhou Automotive to discuss UK sales and expansion plans	MY/AW/BY/PA
	Jinan business and civic activity, including: <ul style="list-style-type: none"> • Jier Machine Tool Group Co Ltd • Jinan Innovation Zone • Industry Roundtable • Meeting with Mr Whang Zhonglin, Secretary of CPC Jinan Municipal Committee 	LM/LMs/JN/MB
Friday 19 th October	Return travel to Shanghai	LM/LMs/JN/MB
	Visit to Build Your Dreams in Shenzhen to discuss UK expansion plans, electric buses and battery development.	MY/AW/BY
Saturday 20 th October	Return travel to UK	All

4 Cost of Attending

	Costs Approved by Cabinet/Cabinet Member	Total of Actual Costs
Travel	£8,500.00	£11,455.70
Accommodation	£4,900.00	£5,220.90
CIAPE Exhibiting Costs	£3,974.00	£4,318.00
CBBC Support Costs	£6,000.00	£5,000.00
Visit Support Costs	£1,750.00	£750.00
Subsistence	£1,500.00	£636.28
Translators	£700.00	£1,025.00
Insurance	£150.00	£0.00
Visa	£1,500.00	£1,723.19
Coventry University Contribution	-£10,000.00	-£10,000.00
CW Growth Hub Contribution	-£2,000.00	-£5,000.00
Total	£16,974.00	£15,129.07

The above table details the total expenditure incurred by Coventry City Council in delivering this mission, including, for ease of booking, the travel and accommodation for Martin Yardley which upon completion of this project was reimbursed by CW Growth Hub as detailed in the initial Travel Approval document.

The noticeable increase in costs against some of the constituent lines were incurred through additional travel being undertaken to follow up on additional opportunities that presented themselves in country.

Coventry City Council ultimately delivered this mission £1,844.93 under the approved budget.

*All travel costs associated with the Lady Mayoress' attendance were incurred by herself.

5 Key Outcomes

The purpose of this report is to not only detail the direct outcomes of attendance on this outward mission but also the indirect outcomes, alongside key successes and developments across Coventry & Warwickshire which can be attributed to the increased promotion and presence within the international arena. Included below is a list of high-level outcomes during the mission and since returning to the UK:

Direct

- **Companies directly engaged as part of China International Auto Products Expo.** 19 direct company enquiries received. Automotive capabilities and investment opportunities promoted to an additional 200+ exhibitors.
- **Basis for “Geely Club” Agreement in place** with official signing having taken place during Coventry University alumni event on 10th November in Shenzhen, China. Coventry City Council key signatory of agreement and present during event in the form of a video package submitted by Lord Mayor.
- **Coventry City Council engaged with senior figures within Geely & Lotus to continue dialogue as we push to become new home of Geely UK Innovation Centre** which will

result in the creation of 600 jobs. Geely/Lotus inward visit now confirmed for 14th November to view sites with further visit by CCC to China planned for 4th – 7th December.

- **Discussion with EV100 progressed to a point where C&W will now actively bid to become the home of their UK Chapter.** A successful bid would initially create a UK-China engagement office which would ultimately result in further investment by its member companies. NIO would be an ideal target initially with design offices already in UK.
- **Red Sun simultaneously engaged in both UK & China to kickstart decision making for establishment of new manufacturing facility** in partnership with CadCam to develop new MetroCab.
- **BYD now engaged on multiple fronts by Coventry City Council, WMG and JLR.** BYD recognise they need to establish a UK innovation/manufacturing facility to support expanding UK market. Coventry & Warwickshire strategically placed to secure this.
- **35th anniversary of Coventry Jinan twinning relationship recognised.**
- **Coventry SME's ideally placed to benefit from 50 million RMB (approximately £5.5m) fund to support UK technology companies to transfer their technology and connect with Chinese market in Jinan and Shandong province.**
 - The fund is initially supporting a crystalline project at the University of Warwick (led by Dr Jiang) with 500,000 RMB (approx £55,000).
- **Proposed plan with Jinan developed to further economic and higher education collaboration.**
- **Significant new and expansive dialogue opened with selection of previously unknown companies to Coventry & Warwickshire (Shanghai International Automobile City, Wencan Die Casting Co Ltd, Sinotruk and Guangzhou Automotive Co Ltd).** Positive discussions already taken place with direct actions to follow up. The next steps would be creating B2B interactions and further trade visits between businesses.

Subsequent

- **Sino-UK (Dalian) Innovation Park UK Office.** The Dalian Government formally opened a UK office in Coventry on 24th May 2019, attended by Councillor O'Boyle. This office is to act as a conduit for bilateral trade between two regions with a similar outlook, specifically relating to automotive and advanced engineering.
- **Geely further investment announced.** Geely have further cemented their commitment to Coventry & Warwickshire following a string of new announcements; a new Design Centre, UK development under its Polestar brand and a recruitment drive to support Lotus's expansion all announced in recent months with more planned.
- **Coventry University/Geely Scholarship Agreement.** Coventry University continues to expand on the initial basis of the "Geely Club" agreement by signing a Scholarship Agreement during visit to Geely in May 2019 to support the development of future talent and knowledge exchange between Coventry and China in line with growth plans.
- **Coventry University Belt & Road Observatory.** Coventry City Council has been working with Coventry University to develop framework to inform and support local business on the opportunities that exist as part of China's Belt & Road initiative. The aim is to "launch" this in the coming months.

6 Future Activity

The visit was undertaken as an initial market exploration opportunity, to follow up on key discussions with existing contacts and to develop new links with previously unknown organisations.

It is proposed that future activity be more focused on developing specific opportunities that exist around supply chain management, battery development, bilateral trade, infrastructure and capital

investment projects not only with China but also others key markets such as India, UAE, Germany and Sweden.

Work has already begun to develop detailed market engagement propositions across these areas and will be brought through the formal Cabinet approval process in due course.

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Papers open to public inspection

Description of paper: Report Back on Conference/Seminar

Location: CH60

Approved by Cabinet/Cabinet Member:

Authority to attend - report to Cabinet Member for Jobs and Regeneration 3rd October 2018