

TheCityUK

 China-Britain
Business Council
英中贸易协会

LONDON AND THE UK

A GREAT OPPORTUNITY FOR
CHINESE COMPANIES AND INVESTORS

LONDON
& PARTNERS

SUPPORTED BY
MAYOR OF LONDON

PROUD TO SUPPORT
**INVEST
IN
GREAT**
BRITAIN & NORTHERN IRELAND



WELCOME TO LONDON AND THE UK

London offers Chinese companies and investors everything in one place: a concentration of financial institutions, a large domestic customer base, easy access to global markets, the preferred legal system of business, business-friendly regulators and government bodies, and world leading universities and talent.

The UK is the top destination for FDI in Europe with a 7% rise in total projects in 2016 - the highest number on record. London has been confirmed as the leading destination for foreign investors¹, with major investments from global firms like Apple, Deutsche Bank and Google since June 2016. Investors continue to demonstrate their confidence in the UK as evidenced by major deals such as SoftBank's purchase of Arm Holdings and BMW's commitment to build the new e-mini in Britain.

Home to 40% of the European Headquarters of the world's top companies, London is one of the world's truly global cities, built on a solid foundation of innovation, entrepreneurship and a world-class financial hub. After the US, companies from China are the most likely to set up a European headquarters in London, with 24% of London & Partners Chinese clients doing so since 2006, as well as 13% using the city for their global headquarters². Major Chinese investments in 2016 include China Merchants Bank London, Cocoon Networks, Huawei Technologies and SunTV.

¹ EY's 2017 European Investment Monitor report

² London & Partners Foreign Direct Investment Report, 2006 - 2016

WHY CHOOSE LONDON AND THE UK FOR YOUR HEADQUARTERS?

A WORLD-CLASS FINANCIAL HUB

ROBUST AND OPEN REGULATORY ENVIRONMENT

WORLD LEADING INFRASTRUCTURE AND CONNECTIVITY

CENTRE FOR INNOVATION

HUB FOR GLOBAL TALENT

A WELCOMING ENVIRONMENT

“It is an innovation hub. The UK is playing a key role in the global digital economy. We are pleased to see that it is also an open market, which welcomes overseas investment”

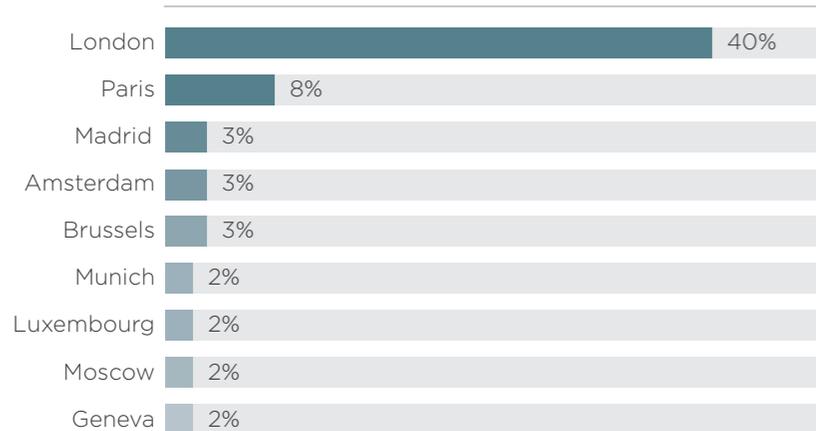
Edward Brewster, Communications Director

Huawei



A WORLD-CLASS FINANCIAL HUB

Location of EU HQs of Top 250 Companies³



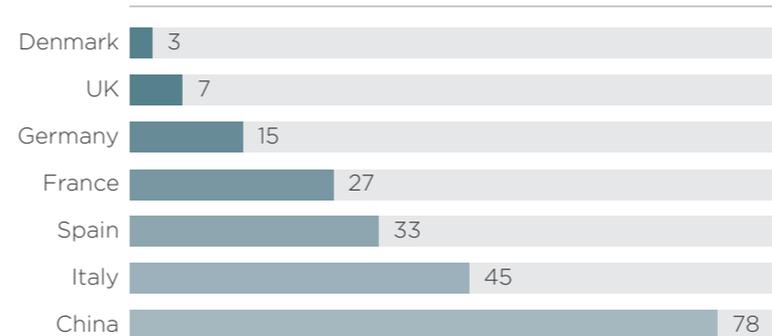
- Outstanding professional services offering a full range of risk management, project financing and pricing solutions
- Unrivalled access to finance, and one of the leading international centres for private equity investment
- The UK is the largest centre for cross-border banking in the world⁴
- Established as the western hub for offshore Renminbi trading

Major companies continue to choose London for their headquarters

³Deloitte, 2014. Chart not exhaustive: Other (51 Cities) = 37% ⁴7% of outstanding value of international bank lending in September 2014 (UKTI)

ROBUST AND OPEN REGULATORY ENVIRONMENT

Ease of doing business index (1 = easiest)⁵



- An independent regulatory environment that is fair, transparent, proportionate and consistent
- International confidence in the integrity of the British legal systems and the rule of law
- Highly competitive tax system, with the lowest tax rate in the G20
- London is the top destination for foreign investment in Europe, offering support via the Department for International Trade, a pro-business tax policy and visa flexibility⁵

The most welcoming and flexible commercial environment in Europe

⁵ UKTI: "Invest in the UK: Your springboard for global growth."

Flight Connectivity from the UK



WORLD LEADING INFRASTRUCTURE AND CONNECTIVITY

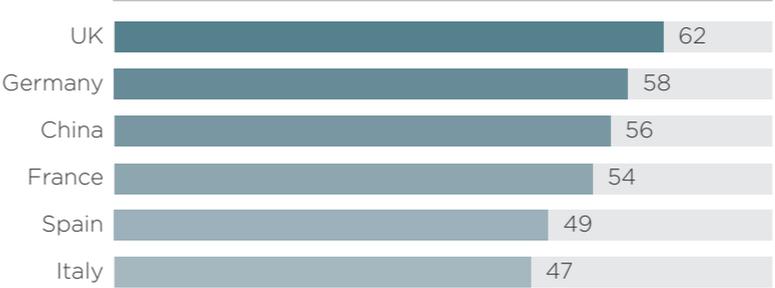
- Excellent connectivity and transport links, including 6 major airports and a high-speed rail service to Europe
- Ideal time zone; office hours overlap with countries accounting for 99% of world's GDP⁶
- World-leading market infrastructure including the London Metal Exchange, the global centre for trading industrial metals
- Largest stock exchange in Europe and third largest in the world; allowing access to one of the deepest pools of international equity assets globally
- Access to major buyers, sellers and decision-makers in the same place, enabling relationships to be built and business opportunities explored

Operate efficiently from one location in the most connected city in Europe



A CENTRE FOR INNOVATION

Global Innovation Index⁷



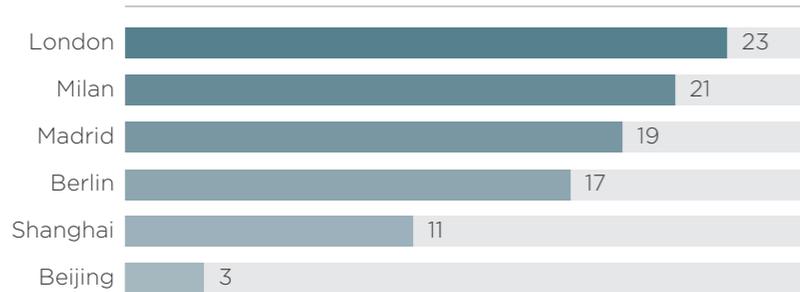
- London is one of the largest start-up clusters in the world, with the best support for digital entrepreneurs in Europe⁸
- Leading fintech centre in the world, worth c.£20bn in revenue per annum and growing⁹
- UK Government offers funding between £25k - £10m to develop innovative products or services¹⁰
- Incentive to develop innovative technology in the UK through a reduction in the headline tax rate to 10% and attractive research and development tax incentives

Innovative businesses are more likely to export and employ more qualified staff⁸

⁷ Cornell University, INSEAD & World Intellectual Property Organisation 2016 ⁸ Nesta 2016, "European Digital City Index" ⁹ EY, "Landscaping UK Fintech" ¹⁰ Gov.uk

A HUB FOR GLOBAL TALENT

Productivity¹¹



- Home to world class universities; four of the world's top ten are in the UK¹²
- Highest proportion of the workforce in professional occupations amongst Europe's major economies¹³
- London is Europe's most diverse and international talent pool
- Nearly 1 million people have qualifications administered by the UK's legal, accounting and related professional bodies¹⁴

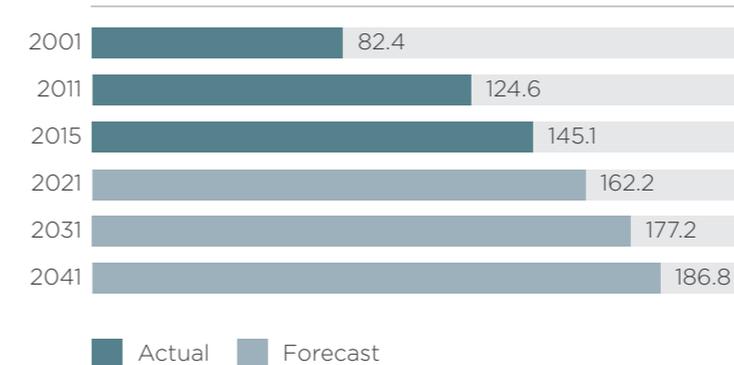
Access to an international, diverse and highly skilled talent pool

¹¹PwC indicator ¹²QS World University Rankings 2018 ¹³International Labour Organisation 2015. Key Indicators of the Labour Market

¹⁴TheCityUK (2016), Key Facts about UK Financial and Related Professional Services

A WELCOMING ENVIRONMENT

Projected Chinese Population in London (k)¹⁵



- A tradition of welcoming foreign firms. Altogether, there are over 1,400 financial services firms in the UK that are majority foreign-owned, from around 80 countries
- Cultural city; more than 200 museums and galleries, over 100 theatres, two opera houses and 143 parks
- There are over 300 languages spoken in London; more than any other city in the world¹⁶
- The UK is the most popular destination for Chinese students overseas¹⁷

Supportive and attractive for international visitors

¹⁵Greater London Authority Intelligence. "2014 Round Ethnic Group Population Projections" ¹⁶Greater London Authority

¹⁷Respective embassy data, 2013. Source: Nanjing Marketing Group

SPOTLIGHT: CHINESE INVESTMENT IN LONDON¹⁸



CHINA
INVESTMENT
IN LONDON
2006-2016

2,813
JOBS

INVESTMENT FROM CHINA HAS GROWN TENFOLD IN THE LAST TEN YEARS - MORE THAN INDIA, JAPAN, SPAIN AND THE UNITED STATES

257 TOTAL PROJECTS
11 JOBS PER INVESTMENT AVERAGE



1,000%

INCREASE IN FOREIGN
DIRECT INVESTMENT



10%

OF ALL FOREIGN DIRECT
INVESTMENT TO LONDON

TOP FIVE SECTORS BY INVESTMENT



45

TECH



38

CREATIVE
INDUSTRIES



34

FINANCIAL
SERVICES



31

BUSINESS
SERVICES



28

INDUSTRIALS

TOP PROPOSED FUNCTIONS BY INVESTMENT



107

SALES & MARKETING



59

EURO HQ



40

HQ



¹⁸Data based upon companies whom London & Partners has assisted to establish operations in London



FROM CHINA TO LONDON - BYD'S STORY

BYD, a leading high-tech multinational company founded in 1995, employs approximately 220,000 people and has 30 industrial parks and production bases worldwide. BYD set up a London office in 2016 and currently supplies electric buses to the city. London & Partners interviewed Isbrand Ho, Managing Director BYD Europe, on their success in London.

Business success in London

London has one of the largest bus fleets in the world, with approximately 9,000 buses in total, offering huge business potential for BYD. In 2015 the company supplied the world's first purpose-built electric double-decker bus to London. Since then, BYD, in collaboration with local company Alexander Dennis has won the single-largest UK order for 51 single-deck buses in London and the vehicles began operation, in the city, from September 2016.

Why have BYD chosen to set up in London?

London is a world-renowned city and to be successful here offers profile for the company and our product, as well as generating a tremendous positive influence on other cities. Teamed with the market opportunity available in London's bus offer and the supportive policies for

the electrification of public transportation from the Greater London Authority, the city was an ideal choice to help further our global footprint.

What role is London playing in the growth of BYD?

London is spearheading BYD's European growth strategy. The city now has one of the largest electric bus fleets in Europe and is poised to become the largest with upcoming orders thanks to our business collaboration with Alexander Dennis. The city runs more buses than any other fleet in the Western world, the equivalent of Paris and New York combined, which is hugely influential. It makes London the benchmarking model for all other European cities in the process of electrification of public transportation and BYD is working to build on this milestone in other European countries.

TALK TO US

TheCityUK

TheCityUK represents the UK-based financial and related professional services industry. We lobby on its behalf, producing evidence of its importance to the wider national economy. In the UK and internationally, we seek to influence policy to drive competitiveness, creating jobs and lasting economic growth.

www.thecityuk.com

LONDON & PARTNERS

London & Partners are the experts on doing business in the capital, helping overseas businesses to set up, grow, and invest in London. Our team can advise you on every aspect of how to start a business in the UK, free of charge.



China-Britain
Business Council
英中貿易協會

The China-Britain Business Council is the leading organisation helping UK companies grow and develop their business with China. We help companies of all sizes and sectors, whether new entrants or established operations.

www.cbbc.org



The Department for International Trade secures UK and global prosperity by promoting and financing international trade and investment, and championing free trade.

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