



SIR SEBASTIAN WOOD'S SPEECH AT THE CHINA DEVELOPMENT FORUM

It is an honour to be speaking at today's event as Chair of the China Britain Business Council. CBBC has been the independent voice of British business in China for over 70 years, dating back to 1954, tirelessly promoting trade and investment relations between the two countries.

This meeting takes place against a troubling and turbulent international backdrop. When economic nationalism and geopolitical turbulence are on the rise across the globe, those who believe in open and rules-based trade should have the courage of their convictions. They should stick together and increase their mutual openness. In that context, the theme of this session - the opening up of China's services market to foreign participation - should encourage us all. And it is a message which resonates particularly strongly in the UK - one of the world's most open economies, and a services superpower.

Services account for about 80% of our economy in Britain. We have globally leading providers of financial and professional services, an outstanding education sector, world-leading creative and cultural companies and organisations, outstanding healthcare capabilities and more. We are the world's second-largest exporter of services.

So the CBBC's member companies have watched with great anticipation as the structure of China's economy has evolved. We have seen how services in China are playing a steadily greater role in consumption, employment, investment and innovation. We noted that last year services consumption was a bright spot in China, growing 5.5% and contributing importantly to GDP growth.

And we have, of course, noted that the big themes in the recently published 5-year plan offer a historic opportunity to boost services partnership between us to new and unprecedented levels

- As China opens up its domestic services, UK companies are uniquely well placed to bring their globally competitive capabilities into this market, to boost growth, living standards and employment in both China and the UK
- As Chinese companies increasingly look to internationalise their operations and supply chains, they can go global hand in hand with UK financial and professional services, with their uniquely broad international networks and global outlook
- As China redoubles its efforts to decarbonise, UK expertise in green finance can help to engineer the financial structures in China necessary to transition to a carbon-neutral economy.
- And as China seeks to connect its capital markets more deeply with global counterparts, nowhere is better placed than London, with its deep capital markets and concentration of global talent, to act as China's primary east-west connection point



This is a time of special promise for UK-China economic relations. Let me offer a few thoughts on how the process of opening up might best be taken forward, from the perspective of CBBC member companies

First, UK firms would welcome some regulatory liberalisation in pensions and wealth management, to strengthen China's pensions ecosystem and help China manage its ageing demographic structure. To be specific, NFRA could include more Sino-foreign WMC JVs on the white list of authorised providers of pension products, to help the development of the pillar three pension system. UK firms would also like to see their pension funds, which are registered and approved with the pensions regulator in Hong Kong, also approved by CSRC for sale in the mainland under the MRF scheme. We would welcome seeing more foreign financial institutions authorised to participate in China's pillar 2 pensions market. Furthermore, UK firms would be delighted if Chinese pension products were able to invest a proportion of their assets globally, as they are confident this would allow them to deliver a better return to their Chinese clients.

Second, we see great potential in deeper cooperation on insurance and reinsurance, given London's huge global importance as an insurance centre

Third, we'd like to see continued efforts towards mutual recognition of standards - particularly in professional services - as this would help to reduce transaction costs and support higher-quality growth;

Fourth, while we greatly welcome the UK's addition to the visa-free travel list in February following the Prime Minister's visit, there remain many barriers to foreign specialists working in China, whether due to work permits or restrictions on their operating space.

Fifth, we'd like to see a strengthening of exchange platforms for business-to-government feedback, like the industry associations and mechanisms for consultations.

Finally, we'd welcome new market access in areas where this would meet a strong local demand. For example, the UK has vibrant creative industries, with a great depth of products and industry expertise to share, but due to entry issues, the Chinese market isn't benefiting, and often we see UK creative products being consumed illegally.

Before finishing, I'll say a few words about the UK-China relationship. The recent visit of Prime Minister Kier Starmer was a milestone, signalling renewed engagement at the highest political level. During the Prime Minister's visit, the two governments agreed to conduct a feasibility study on a potential UK-China Trade in Services Agreement. This is exciting. Such an agreement—if realised—would be groundbreaking and support new forms of cooperation, from financial and legal services to education, digital trade, and cultural and creative sectors.



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And across all of this, the China-Britain Business Council stands ready to support as a bridge between our two countries and between business and government. Together, we can unlock new opportunities for businesses, drive innovation, and deliver jobs and growth in both our countries.



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