

UK
TRADE &
INVESTMENT



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Presentation to Companies in Leicester, East Midlands

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Business Opportunities in China

Advance Engineering and Transport Sector -Areas to be covered:

- Bilateral trade - latest figures
- Top 5 Products exported from UK to China in Jan - Apr 08
- Aerospace - Headline figures
- Automotive - Headline figures
- Engineering - Headline figures
- Airport - Headline figures
- Railways - Headline figures

Bilateral Trade

- UK Exports to China 2007: £ 3.781 billion
- Chinese Exports to the UK: £ 18.79 billion
- UK Exports China Jan - Apr 08: £ 1.614 billion
- Chinese Exports to UK Jan - Apr 08: £ 6.157 billion
- UK Remains China's 3rd largest EU trading partner after the German and Dutch!
- UK remains No. 1 EU investor in China

Top 5 Products Exported From UK to China in Jan - Apr 08

- Metals ores and scrap
- Power generating machinery and Equipment
- Non ferrous metals
- Road Vehicles
- Electrical machinery and appliances

- China's air traffic handled 185 million passengers in 07
- CAAC Estimate an increase to 210 million in 08
- China has 40 aircraft carriers
- 94 foreign carriers from 50 countries operate in China
- China's airline fleet has more than doubled in 7 years from 560 to 1300

- China's own aircraft manufacturing capabilities is in its infancy
- Recently set up the Commercial Aircraft Corporation of China (CACC)
- Market currently dominated by AVIC 1 and 2
- Airbus and Rolls Royce are major players

Automotive Headlines

- 2nd largest vehicle country in the world - both for sales and manufacturing
- 8.8m vehicles manufactured and sold in 2007
- 150+ vehicle plants in 27 Provinces
- 5,800 vehicle manufacturing companies

Automotive Headlines

- Top 9 vehicle manufacturers present in China
- Emissions standards improving: Euro 3 from 1 Jul 07 and Euro 4 from 1 July 2010
- Range of opportunities: vehicle and subsystem design, development and engineering; CAD/CAE engineering etc

Engineering Headlines

- China is a large importer of machinery
- Almost all optical manufacturing equipment
- 85% of semi-conductors manufacturing equipment
- 80% of petrochemical equipment
- 70% machine tool equipment
- 95% medical device manufacturing

Key market Drivers

- Process and packaging
- Machine Tools
- Controls and Instrumentation
- Plastics Processing

Airports Headlines

- 148 airports accommodate flights across Mainland China in 2007
- 47 airports with the passenger capacity 1m (3 x size of 06)
- China will spend £ 44bn on airports in the next 5 years

Opportunities

- Master planning and concept design
- system and equipment supply
- Project/airport management
- Consultancy
- Training and technical co-operation

Railways Headlines

- 78 000 km n operation by end of 2007
- 18,300 locomotives at end of 2007
- 90,000 km in operation by 2010
- 120,000 km in operation by 2020
- RMB177.21bn invested on railway infrastructure in 2007
- Total investment planned for infrastructure by 2010 RMB 1,259bn

- Co-operation in areas such as engineering consultancy and construction supervision
- Advanced technology transfer o high speed passenger and heavy freight transport
- High speed Electrified Multiple Units (EMUs)
- Locomotive and rolling stock