

"Dear CBI members,

I have just returned from a very productive visit to China and wanted to share some of my observations and insights with you. We have a well-established presence in China led by Guy Dru Drury – a fluent Mandarin speaker with a strong network of both business and political contacts.

My trip began in Hong Kong and first member call was to Tesco's International Sourcing HQ in Quarry Bay.

The CEO and his team took me around their fully fitted show rooms where some of their 50,000 products that are shipped globally were on display. It was a hugely impressive set up and useful to see at first hand just how successful UK retail has been at developing new overseas markets.

The new British Consul to Hong Kong, Caroline Wilson, took up her post in October after a stint as UKTI Trade Director in Moscow.

She was very commercially focused and keen to get the message out that the UK is very much open for business. The week after my visit saw the opening of a week-long celebration of the UK's Creative Industry in Hong Kong.

Throughout my day in Hong Kong I was impressed by the 'can do' attitude of business and the fact that Mainland growth rates remain around 7.25%. Despite its recent dip below 8% the Chinese economy still offers huge opportunities to our mid-cap companies.

Of course our trading relations with Europe are extremely important however UK PLC still needs to seek more opportunities overseas – and what better place to start than China?

During my visit the news broke that China Investment Corporation (CIC) had taken a stake in the British Airports Authority (BAA). This is a clear and positive sign that the UK remains very much open for business and welcomes overseas investment.

My visit to Beijing saw me pass through the magnificent Foster & Partners designed Airport Terminal Three for the first time. What better way to showcase British architectural and design expertise than via this shining example?

I had good engagement with the British Ambassador, Sebastian Wood, and his colleagues at the Embassy during my short day-long visit.

Both the CBI luncheon and dinner ensured that I met up with a range of members including Standard Chartered, BT, Rolls Royce and new member company UBM.

It was good to see a strong complement of manufacturers at dinner with the likes of Thales, Airbus, BAE, in attendance.

I spoke at a Low Carbon Conference in Shanghai and it was clear that the local government was firmly committed to finding alternative renewable energy sources.

Clearly there is a huge opportunity here for UK companies to provide their products and consulting expertise direct to the domestic market.

I gave several interviews through the day and was again struck by the internationalism of many of the journalists. Not only was their command of English excellent but they had also spent several years studying or training overseas.

Are we doing enough to nurture this kind of homegrown British talent? More than 90,000 Chinese students were studying in the UK in 2011 – surely we can do more to leverage this talent pool?

My final day passed at speed with calls on a series of some of our most successful member companies.

And what better place to learn about the Diageo success story in China than at its iconic 'Johnnie Walker House' located in the heart of the old French district of Shanghai?

Not only was I given an impeccable tour of their premises by Diageo's superb team but I also had a chance to learn more about Diageo's latest acquisition of Shuijingfang, the Chengdu based vodka brand.

A new Johnnie Walker House will be opening close to Tiananmen Square in the heart of Beijing in December.

Tesco talked to me about the challenges and opportunities for them in market whilst highlighting some exciting new initiatives for 2013.

IHG will be creating some 110,000 additional jobs in China over the next 2-3 years to meet demand for their ambitious hotel build programme and Jaguar Land Rover's incredible China success is truly impressive.

It would not be an exaggeration to say that JLR's turnaround and growth in China has had a major impact on the growth of Sino-UK trade over the last two years.

And success was very much on display from all quarters at the 2012 British Business Awards Gala Dinner on my last night in China.

I was delighted to see several CBI member companies win awards. These included Standard Chartered (Best UK Financial Services Company in China) and Unilever for its Sustainability programme.

And the Best UK Company of the Year award went to GKN - another great British success in China that has already been in a joint venture with its Chinese partner for more than twenty years.

This was a fitting conclusion to a fascinating visit and I look forward to supporting and encouraging more UK companies to go East sooner rather than later."