



## Key facts about UK-China Relations

### Trade and Economic Ties

- China is the **UK's 3<sup>rd</sup> largest goods trading partner**, after the U.S. and Germany. It was the 6<sup>th</sup> largest buyer of British goods exports in 2020, and our 2<sup>nd</sup> largest source of imports.
- The UK's links to China via goods trade, tourism and education support an estimated 114,000 to 129,000 jobs across the country, according to 2020 research by Cambridge Econometrics.
- The UK's goods exports to China fell by 42.3% year-on-year in 2020, to a total of £17.6 billion. While this was sharp drop, it was still a higher level of exports to China than in 2017.
- The UK's services exports to China fell by 8% year-on-year in 2020, to a total of £5.1 billion. But this was still 22% higher than service exports in the same period in 2016.
- In 2020, the UK shipped 4.5% of its car exports, and nearly 5% of its power-generating machinery exports to China.
- In 2020, exports of essential goods (excl. crude oil and gold) were up 2.3%, compared to a sharp drop in comparable exports to other major trading partners: USA (-18.2%), EU (-13.2%), Japan (-12.3%).
- In July 2021, UK goods exports to China valued £1.4 billion, while goods imports from China were worth £4.9 billion. Goods exports grew 8.3% YoY, whereas imports were up 1.8% YoY. In the first seven months of 2021, China was the UK's 6<sup>th</sup> largest export market for goods and the single largest source of imports. It remained our third largest trade partner for goods after the United States and Germany.

### Investment and Financial Services

- The UK is Europe's most popular destination for Chinese FDI; between 2000 and 2019, Chinese firms invested over £44.5 billion here.
- By the end of 2019, British firms held FDI positions worth £10.7 billion in mainland China. The stock of Chinese FDI in the UK stood at £3.2 billion.
- The London-Shanghai Stock Connect opened in June 2019, the first trading link for a mainland Chinese market outside of Hong Kong.
- London is the world's largest hub for trading in the renminbi outside China.

### Education

- The Chinese Embassy in the UK estimates that there are currently between 200,000 and 216,000 Chinese students currently enrolled at British universities. Chinese students are by far the largest cohort of foreign students in Britain, accounting for a fifth of full-time places.
- Chinese students contribute £2.1 billion (7% of all revenue) to the UK education sector.

### Tourism

- Chinese tourists made a total of over 880,000 visits to Britain in 2019, up nearly sevenfold from a decade ago.
- Those tourists spent some £1.7 billion in the UK, with London, Edinburgh and Oxfordshire among the most popular destinations.

### General

- China is the world's second largest economy with a nominal GDP of £11.5 trillion in 2020; last year it grew by 2.3%, equivalent to the economic size of Iran.
- The IMF estimates China will grow by 8.2% in 2021, adding the equivalent of another Spain.
- China is indispensable when it comes to solving global problems like climate change. It is the world's leader in renewable energy, with more capacity installed than the next three countries -- Brazil, the U.S. and Canada - combined.