

## Key facts about UK-China Relations

### Trade and Economic Ties

- China is now the **UK's 4th largest goods trading partner**, after the U.S. and Germany. In 2021, China was the UK's 6<sup>th</sup> largest export market for goods and the single 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 rose 0.8% year-on-year in 2021, to a total of £18.1 billion. Imports from China increased 16.2% year-on-year to £63.5 billion.
- In 2021, exports of essential goods (excl. crude oil and gold) were up 11.4%, compared to a much weaker recovery of comparable exports to other major trading partners: USA (1.7%), EU (2.0%), Japan (1.7%).
- In 2021, the UK shipped 12.6% of its road vehicle exports, and 6.6% of its machinery and transport equipment exports to China.
- The UK's services exports to China increased 1.1% 2021, to a total of £8.2 billion. Service imports from China rose 15.4% to 2.5 £billion
- In June 2022, UK goods exports were worth £1.1 billion, down -5.0% year-on-year. Chinese imports into the UK were worth £5.3 billion, an increase of 4.2% compared to the same month in 2021. In June, China was the UK's second largest source of imports and the seventh largest export destination. It was the UK's fourth largest trading partner behind Germany, the United States, and the Netherlands.

### Investment and Financial Services

- The UK is Europe's most popular destination for Chinese FDI; between 2000 and 2020, Chinese firms invested €51.9 billion (~£44 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 £13.6 trillion in 2021; last year it grew by 8.1%, equivalent to the economic size of the UK.
- The IMF estimates China will grow by 4.8% in 2022, adding the equivalent of another Switzerland.
- 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.