

FTSE chiefs hold rare talks with Chinese Premier Li

Some of Britain's top business leaders held talks on Tuesday with Li Keqiang, the Chinese premier, as part of efforts to thaw an increasingly frosty bilateral trading relationship.

Sky News has learnt that the virtual meeting, which was convened by the China-Britain Business Council (CBBC), was attended by the chairmen of BP, HSBC, Schrodgers and Standard Chartered and chief executives from Diageo, Prudential, Reckitt Benckiser and Smith & Nephew.

The talks provided a rare opportunity for major British companies to engage directly with Mr Li, who last week presided over a series of events to mark the centenary of the birth of China's Communist Party.

Sources familiar with the meeting said it had covered areas including bilateral trade and investment relations, the international response to the COVID-19 crisis and efforts to combat climate change.



Image:

Chinese Premier Li Keqiang

Mr Li told the British business leaders that Beijing was committed to opening up access to China to overseas companies and levelling the playing field for British firms, the sources added.

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The virtual summit took place after a period in which the UK-China relationship has become increasingly strained as a consequence of diplomatic tensions over the treatment of Hong Kong.

The British government's decision to exclude Huawei, the Chinese telecoms equipment manufacturer, from any role in the UK's 5G network also provoked threats of economic retaliation from Beijing.

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On Tuesday, Ed Miliband, Labour's shadow business secretary, called on ministers to probe the Chinese-backed takeover of Newport Wafer Fab, a British semiconductor manufacturer.

"The government must use its powers under the National Security and Investment Act to urgently scrutinise this takeover," Mr Miliband said.

“Inward investment is welcome, but ministers must ensure the UK’s largest semiconductor manufacturer, a vital national economic and technology asset, is protected.”

In recent months, however, there has been evidence of a desire on UK ministers’ part to rebuild an economic dialogue.

Last week, the chancellor, Rishi Sunak, said in his annual Mansion House speech that the government should prioritise trading ties with China.

“Too often, the debate on China lacks nuance,” he said.

“We need a mature and balanced relationship.”

Data compiled by the CBBC shows that during the first quarter of this year, China was the UK’s biggest bilateral partner with trade worth £24bn.

More than 800 companies headquartered in mainland China now employ more than 75,000 people in the UK.

Tensions between the two countries have been exacerbated by hawkish views expressed by the China Research Group, which was launched last year by MPs concerned at the influence and intentions of the world’s second-largest economy.

Among the other FTSE-100 companies represented at Tuesday’s talks were Aardn, the fund manager, AstraZeneca, Rio Tinto and WPP Group.

The CBBC said it would issue a statement about the meeting later on Tuesday.