



CHINA– UK
TRADE COOPERATION
IN THE CONTEXT OF
BREXIT

- MR XIAOLIN MA



BREXIT



UK COULD BE ABLE TO
RUN ITS OWN TRADE
POLICY



POTENTIAL
NEGOTIATION OF A FREE
TRADE AGREEMENT
BETWEEN UK AND
CHINA

CHINA – UK

IN THE GLOBAL CONTEXT

USA TARIFFS

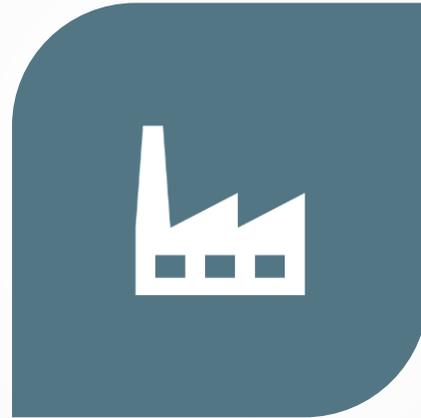
TRADE WAR

OPEN
INTERNATION
AL ECONOMY

CHINA'S ECONOMIC SITUATION



SLOWING ECONOMIC
GROWTH



MATURING
MANUFACTURING
SECTOR



NEED FOR SKILLS
UPGRADING

CHINA



- Vast Trading Partner
- Growing Market
- Value-added Goods & Services



UK

UK



- International Influence
- Developed Economy
- International Financial Centre



CHINA

UK'S ECONOMIC SITUATION



BREXIT



DOMESTIC
ECONOMIC
CONDITIONS



GLOBAL OUTLOOK

UK – CHINA RELATIONSHIP



'GOLDEN ERA'



GLOBAL COMPREHENSIVE
STRATEGIC PARTNERSHIP



CHINA'S BEST PARTNER IN THE
WEST

UK'S COMPETITIVE ADVANTAGES



EDUCATION



FINANCIAL SERVICES
(AIIB, BRI)



OTHER COOPERATION AREAS



UK:

- Export Markets
- Investment Opportunities
- Skills, Innovation and Knowledge
- Window on the West

CHINA:

- Trading Partner
- Growing Market
- Value-added goods & services

CHINA – UK FTA

01

CHINA EXPORTERS
BREAK INTO EU
MARKET
THROUGH THE UK
?

02

UK EXPORTERS
GAIN
COMPETITIVE
ADVANTAGES IN
CHINA ?

03

UK PRODUCERS
BENEFIT BY
IMPORTING
CHINA'S GOODS ?

CHINA – UK FTA PROSPECTS

FIRSTLY

- It will be difficult for the UK to reach an agreement with China without first establishing a new post-Brexit partnership with the EU
- Negotiating tariffs with other WTO members will be a pre-condition if the UK exits the EU customs union
- The whole process will require time and effort

CHINA – UK FTA PROSPECTS

SECONDLY

- Even if the UK reaches an agreement with China, the UK cannot serve as a back door for Chinese products to enter the EU
- The EU is very likely to use rules of origin to close any such loopholes
- Entering the UK via the UK will entail an additional transportation costs for Chinese goods
- That will, at least partly, offset any tariff savings, making use of such a loophole less worthwhile

THIRDLY

- The UK and other EU economies differ in most of their exports to China; there would be very limited substitution between them
- The more the UK reaches an independent favourable trade agreement with China after Brexit, the harder it will be for the UK to strike a good deal with the EU

CHINA – UK FTA PROSPECTS



THANK YOU