

CONFIDENTIAL FILING

PRIME MINISTERS MEETING MR JING

SHUPING, PRESIDENT OF CHINA INTERNATIONAL

ECONOMIC CONSULTANTS.

PRIME MINISTER

NOVEMBER 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
9.11.84.							
13.11.84							
<p>PREM 19/1349</p>							

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SAHAER

Subject



File

cc Master

10 DOWNING STREET

From the Private Secretary

13 November, 1984

Dear Peter,

PRIME MINISTER'S MEETING WITH MR. JING SHUPING,
13 NOVEMBER

The Prime Minister saw Mr. Jing Shuping, President of China International Economic Consultants (CIEC), briefly this morning.

Mr. Jing Shuping said that he was attending the 1984 China Update Conference where he would be making a speech and would also be meeting a number of industrialists. He presented the Prime Minister with CIEC's investment guide. Her visit to Peking was eagerly awaited.

The Prime Minister said that there was scope for Britain do much better in its commercial relations with China. She attached particular importance to the Guangdong Project. She understood that negotiations on this were going well. GEC were a very reliable company. She knew that Pilkingtons already had a joint venture in China. What were the prospects for other collaborative projects? Mr. Jing Shuping said that negotiations were in progress with Shell on a coalmining project which would produce 3 to 4 million tons of coal a year. There was also scope for cooperation on oil exploration and production in the South China Sea. BP were well qualified for this. Discussions were also underway with Lord Weinstock about a joint venture for the manufacture of turbines in China. The Prime Minister said that she would be seeing Lord Weinstock shortly and would follow this up.

Mr. Jing Shuping said that the Chinese Government attached great importance to commercial cooperation with Western Europe. Chancellor Kohl had recently paid a very successful visit to China. Expectations of the Prime Minister's visit were high. The Prime Minister said that the main purpose of her visit would be to sign the Hong Kong agreements. Once that was done, we would, of course, wish to develop our commercial relations further. How could we

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best do this? Mr. Jing Shuping commented that Hong Kong would have a major role to play in China's modernisation. It was essential that it should remain a vigorous financial centre. As to future prospects for trade between Britain and China, he wished to mention in particular counter-trade and licensing trade.

At the end of the discussion, the Prime Minister briefly met other members of Mr. Jing Shuping's delegation.

I am copying this letter to Callum McCarthy (Department of Trade and Industry) and to David Peretz (H.M. Treasury).

Yours sincerely,
C. D. Powell
C. D. POWELL

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

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PRIME MINISTER

CALL BY MR. JING SHUPING

You have agreed to see him for 15 minutes at Woodrow Wyatt's request.

He is President of China International Economic Consultants. His main task is to attract foreign investment to China. He is said to have considerable influence on China's international economic policy and on the Guangdong Nuclear Project.

Briefs and a card attached.

CD?

12 November 1984

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CALL BY JING SHUPING

1. Welcome him as regular visitor to UK.
2. Ask about success rate in attracting foreign investment to China. Encourage early conclusion of bilateral Investment and Protection Agreement as incentive to British investors. China should also consider more favourable terms for repatriation of profits.
3. British technology has a major contribution to make to China's modernisation.
4. Guangdong. Every confidence in GEC (he will be seeing Arnold Weinstock). Understand negotiations over purchase of electricity by China Light and Power (Hong Kong) are close to resolution.

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GR
CDX



Foreign and Commonwealth Office

London SW1A 2AH

9 November 1984

Dear Charles,

Call on the Prime Minister by Mr Jing Shuping: 13 November

/ Thank you for your letter of 24 October. I enclose briefing for the Prime Minister in the form of Points to Make, Essential Facts and a revised biographical note on Jing Shuping.

We had a number of amendments to make to the biography enclosed with your letter. Mr Jing's mentor, Mr Rong Yiren, is not "Vice-Chairman of the Party and the country". Nor has Mr Jing accompanied the Chinese Prime Minister, Zhao Ziyang "on all his tours of Western countries", although he did take part in Zhao's visit last year to Australia and New Zealand.

But there is no doubt that Mr Jing is well connected both within and outside China. He probably has considerable influence on China's international economic policy. And there have been rumours that he has an important role in the Guangdong nuclear project.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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CALL ON THE PRIME MINISTER BY JING SHUPING, 13 NOVEMBER

POINTS TO MAKE

1. Attach great importance to relations with China. Joint Declaration on Hong Kong a unique achievement: common interest in prosperity and stability of Hong Kong. But also common interest in strong and prosperous Britain and China: good for world peace.

2. British technology and expertise can make major contribution to Chinese modernisation. Much experience in fields of high Chinese priorities, eg energy (coal, offshore oil); transport; communications. Hope for rapid expansion in economic relations.

3. Welcome recent Chinese measures to encourage foreign investment. Much scope for investment from Britain. But companies must make commercial decisions. Will pay careful attention to Chinese legislation, eg on taxation, foreign exchange and patents. Recent UK-China Double Taxation Agreement and early conclusion of bilateral Investment Protection and Promotion Agreement (being negotiated) will help.

4. Guangdong Nuclear Project. Every confidence in GEC. Hope negotiations can be concluded quickly in a manner satisfactory to all parties.



ESSENTIAL FACTS

1. Jing Shuping's job, as President of China International Economic Consultants, is to attract foreign investment to China. He has visited Britain several times and has established close contact with several leading British industrialists. This is a private visit (10-19 November). He will be a special guest speaker (as will the Secretary of State for Energy) at a commercially organised "1984 China Update Conference" in London on 14 and 15 November. Apart from the Prime Minister, he will also be seeing Mr Edward Heath MP, the Chief Executive of the British Overseas Trade Board (Dr Roberts) and GEC (Mr James Prior; Lords Nelson and Weinstock).

2. The Chinese have for several years been attempting to attract foreign capital to stimulate Chinese modernisation. In 1979, Special Economic Zones were established in four southern coastal towns offering favourable treatment for foreign investors (eg tax and foreign exchange concessions; access to Chinese markets; relaxed labour controls). It was announced this year that similar areas would be designated in a further 14 coastal cities; in some cases wholly foreign-owned enterprises would be permitted. Foreign investors have nevertheless been cautious: Chinese terms (eg over repatriation of profits) have tended to be ungenerous and concern remains about the unsophisticated and potentially ambiguous Chinese legislative framework for investors. The Chinese are aware of these problems; further measures to increase confidence can be expected. British direct investment is very low so far with only a handful of joint ventures, of which the largest is an equity investment of some £7 million by Pilkingtons in a plant in Shanghai for the manufacture of float glass (a Pilkington invention).

/ 3. Mr Jing



3. Mr Jing may raise the Guangdong Nuclear Project. There have been rumours through commercial channels that he plays an important coordinating role. The Prime Minister is aware of the background to this project to build a nuclear power station in Guangdong Province with potential business for GEC up to £360m. Commercial negotiations with the Chinese are moving towards a conclusion and difficulties over purchase of electricity by China Light and Power (Hong Kong) appear close to resolution. However, DTI officials will shortly be submitting to EX a paper on recent problems involving export credits for the project.

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JING SHUPING

President of the China International Economic Consultants.
Vice President of the China International Trust and Investment
Cooperation.

Jing Shuping was born in 1918, and educated at an English-run School in Shanghai and later at Massachusetts Institute of Technology in the United States. On his return to China he worked in his father's Huaming Tobacco Company and became its General Manager. He stayed on in Shanghai after 1949 and continued for some time to manage the Huaming Company, as well as holding a number of posts in the Shanghai municipal government and in the All China Federation of Industry and Commerce of which he became a Deputy Secretary-General.

Because of his background, he had a hard time in the Cultural Revolution, and he did not again participate in public activities until 1976. By 1979, he was once more named in his old post of Deputy Secretary-General of the All China Federation of Industry and Commerce. When the China International Trust and Investment Corporation (CITIC) was set up in 1979, he was appointed a Director and later a Vice-President. In CITIC he has worked closely with the Chairman of the Corporation, Rong Yiren, who like him was a former capitalist entrepreneur from Shanghai. When the CITIC established its wholly-owned subsidiary, China International Economic Consultants Corporation in 1981, Jing was made its President.

He has visited Britain three times since 1980.



9/11
bapc JP

10 DOWNING STREET

From the Private Secretary

24 October 1984

The Prime Minister has agreed to see a Mr. Jing Shuping, President of China International Economic Consultants (biography attached) who has been commended to her by a personal friend. She will see him for fifteen minutes on 13 November. Could you please let me have a brief note of any points which you think the Prime Minister should make or be aware of.

(C.D. POWELL)

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

BAC

MR POWELL

You will see that the Prime Minister wishes to see Mr Jing. I spoke to Woodrow this morning and offered Mr Jing 15 minutes at 1030 hours on 13 November.

Could you please get a brief from the FCO. I assume you will be present at the meeting.

CP.

24 October 1984

PRIME MINISTER

I attach a note from Woodrow (flag A) asking you to see a Mr Jing. Charles Powell and I sought Percy Cradock's advice which I also attach (flag B).

Agree not to see Mr Jing? I haven't actually got a suitable slot.

CR.

*I think we
have to do it
for W.W. 15 mins*

23 October 1984

MRS RYDER

23 October 1984

MR JING SHUPING

I do not think Mr Jing is important enough to merit 15 minutes of the Prime Minister's time. He is adequately covered by the arrangements in his present programme.


PERCY CRADOCK

Caroline

22.10.84

Woodrow Wyatt's secretary
Valerie came through to
me about a letter saying
a Mr Jing would be here
from 10-18 November.
Could you deal with.

Valerie - 874 6411 x 201

Woodrow - 286 9020 (out all tomorrow
Tuesday)

Jy



10 DOWNING STREET

SIR PERCY CRADOCK

W. Woodrow Wyatt
W. Woodrow Wyatt

Could you please give us your advice on the attached. The request comes from Sir Woodrow Wyatt.

CR

15 October 1984

PERSONAL

MEMORANDUM

11th October 1984

Between 10-18 November Mr. Jing from Peking, who speaks perfect English, will be in England.

A note of what he does in China is attached. I gather that he has great influence on how Chinese foreign exchange is invested overseas and is closely connected with the Prime Minister of China. I think it would do some good if you were able to see him for, say 15 minutes, while he is here. I have a nephew, Robert Lyle, who goes in and out of China a lot on business and he tells me that Mr. Jing really matters. I have met him myself last time he was here, when he was at a dinner for people important commercially.

I also enclose his itinerary in England which shows that he gets around a bit with people who might secure biggish export orders for Britain. (a hint from Tea!)

If you did feel you had 15 minutes to spare for him, if somebody would let me know I would make sure he was there.

He will doubtless be at reception when you go to Peking

W. Wyke

WARRROW WYKE

Enc.

H. E. MR. JING SHUPING

PRESIDENT OF CHINA INTERNATIONAL ECONOMIC CONSULTANTS

Mr. Jing was brought up in Shanghai where he was educated at an English Public School, as was his father, he continued his education in America achieving a degree at M.I.T. before returning to Shanghai to work for his father's tobacco company where he became General Manager before 1949. After the founding of the People's Republic of China Mr. Jing entered public service in the Ministry of Foreign Trade - meanwhile many of his family left to live in the U.S.A. During the Cultural Revolution he had a spell of two years as a worker on a vegetable commune farm under the labour programme organised by the Gang of Four. In 1978 he was teamed up with Mr. Rong Yiren, also from Shanghai, and organised the founding of C.I.T.I.C., China International Trust and Investment Corporation, as its Executive Director.

C.I.T.I.C. was created as a direct result of the Four Modernisation Programme instituted by Deng Xiaoping. This body was set up as a channel to absorb foreign investment into China with direct access to foreign exchange. As Mr. Rong Yiren's role has grown in stature, he is now Vice-Chairman of the party and the country, so also has that of Mr. Jing. He is one of the Prime Minister's five advisors on Economic and Trade related matters. He has accompanied Zhao Ziyang on all his tours of Western Countries, not least because of his knowledge of English and of Foreign Exchange. In the last two years C.I.E.C. has been set up by Mr. Jing himself as president - a rank that is justified by his role within the government of the People's Republic of China.

China International Economic Consultants has several roles - to advise provinces and regions on projects, and likewise foreign investors on the most appropriate means of trading with China, this economic unit also analyses the means and ways forward for improvising China's world economic performance within the modernisation programme.

Mr. Jing Shuping who is 67 years old has visited Britain three times since 1980.

Robert Lyle
24.9.84

ITINERARY FOR H.E. MR. JING SHUPING'S VISIT TO LONDON - NOVEMBER 1984

	<u>MORNING</u>	<u>LUNCH</u>	<u>AFTERNOON</u>	<u>DINNER</u>
SATURDAY 10 NOVEMBER	Arrival in U.K.			
SUNDAY 11 NOVEMBER		Wilton Street - Private - Rt. Hon. Edward Heath		
MONDAY 12 NOVEMBER	Book Launch	Savoy - Lord Blakenham (Lazards)		Savoy - Lord Jellicoe (BOTB) Sir John Nott (Lazards)
TUESDAY 13 NOVEMBER		G.E.C. - Rt. Hon. James Prior Lord Nelson Lord Weinstock Lord Richardson	4.00 Christopher Roberts (Chief Executive, BOTB)	Lloyd's Bank - Sir Jeremy Morse Sir Lindsay Alexander
WEDNESDAY 14 NOVEMBER	Conference - opened by Rt. Hon. Peter Walker	Financial Times - Editor & Board	Conference	Conference Dinner - David Newbigging
THURSDAY 15 NOVEMBER	Conference	Conference Lunch	Conference	Kowin Investments
FRIDAY 16 NOVEMBER	G.E.C. Factory Visit with Lord Nelson and John Lippitt - Gas Turbines for Offshore Exploration/Nuclear Generators			
SATURDAY 17 NOVEMBER	Bank of China with Ambassador of P.R.C. and Commercial Counsellor			
SUNDAY 18 NOVEMBER				
MONDAY 19 NOVEMBER	Leave for Washington or Beijing			

