I am the Convener of the Scotland China Education Network and not in a position to comment with expertise and experience on the economic objectives and the implementation of the previous China Plan. However, I have worked with a number of those engaged with China in the business and financial services world, and I am very much aware that the previous China Plan, *Scotland’s Plan for a Stronger Engagement with China*, included the objectives of encouraging greater internationalisation of Scottish companies in China (5) and of expanding connections between businesses in Scotland and China (6).

There have been marked successes in these areas, such as those by the Wood Group, Clyde Blowers and the Scotch Whisky Association, encouraged by the First Minister and his Cabinet colleagues. However, the business and financial services world would agree that there is still a long way to go in encouraging a full response to the challenges and opportunities of trade and investment with China, honestly admitting that ignorance of Chinese culture, business methods and language holds companies back in understanding and managing the risks.

Stephen Perry, Chairman of the 48 Group Club [http://www.48groupclub.org/](http://www.48groupclub.org/) and Managing Director of the London Export Corporation [www.londonexportcorporation.com/](http://www.londonexportcorporation.com/) argues that China is a competitive, transitional market, with a tight hold on the forms and styles of demand; it is very open to the modern world and change, but careful to use its resources for its priority needs. He believes that the Western effort to do business is fragmented and diffuse: *doing business with China successfully depends on identifying Chinese policy, its future trends and finding ways to work with that. It is not China the market any more – it is China the global partner.*


Those in financial services in Scotland, especially its most successful fund managers, are cautious about investment in China and speak of problems with the state of corporate governance and the local stock market, among other issues. However, there is no doubt from the public statements of President Xi Jinping and from our own Consul General, Li Ruiyou, that China intends to continue an open policy and is interested in foreign direct investment, as well as in the development of Scottish businesses in China and in Chinese investment here. China is the home of 1.3 billion people in the world’s most ancient surviving civilisation, now in the process of becoming a super power and already a top performing economy; there can be no doubt that Scotland, a historic but tiny nation, must continue its collaborative strategy. This is inevitably long-term and fraught with difficulties; there is no alternative to learning continuously and sharing experiences. In looking at the past and the current China Plan, stakeholders have to realise that it depends on them: see Annex A of the current Plan: *It will be for stakeholders across Scotland to work in partnership to achieve these objectives and to drive forward our engagement. This is an important Annex on Implementation and Delivery.*

There can be no doubt that Scottish efforts to understand the core drivers of China’s policy and business methods need to be underpinned by a workforce with a better education in China, some of whom have specialist knowledge and understanding of the country and skills in the language. This is another area for the collaboration of universities, colleges,
schools, businesses, and the financial sector, evidenced for instance by the *Scotland in Conversation with China* programme in Autumn 2012, led by the University of Strathclyde and SCEN. We should look also at what the Chinese are telling us: through Confucius Institutes and Confucius Hubs, through the Giant Panda conservation project with Edinburgh Zoo and the long-term links with the Royal Botanic Garden Edinburgh, they are seeing partnerships and collaborative research. Cultural links, such as those forged by Scottish Opera and the Scottish Fiddle Orchestra, enhance our mutual understanding and connections. We ought to know about all of them and pursue cross-sectoral collaboration, aided by the Cross Party Group on China at home and by the First Secretary for Scottish Affairs’s ambitious plan for a China Hub. The linking of Business, Education and Culture in the past and current China Plans has been of the greatest importance and underpins the achievement of their long-term economic objectives. We must work together, in Scotland and with China, and the China Plan is of great assistance in clarifying our view.