



China-Britain  
Business Council  
英中贸易协会

MEMBER SURVEY 2024

# WHY CHINA MATTERS

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# Peter Burnett - CEO of the China-Britain Business Council



When I joined CBBC in July 2024, I made clear in my first message to members that we would be prioritising a response to the new government's commitment to undertake an "audit" of the UK's relationship with China. We decided, as part of that response, that we would undertake a member survey to focus particularly on the commercial aspects of that relationship. I am very pleased that we are able to present our findings today which we have submitted to the UK government for their consideration.

For decades, UK businesses have been attracted to China for its key advantages: a vast and scalable market, cost efficiency, mature supply chains, and a commercial mindset. More recently, they have also benefited from the country's technical talent, capable business partners, and growing base of discerning middle-class consumers. These advantages bring tangible, often overlooked benefits to the UK, from helping to fund public services and supporting wages to providing consumers with a wide range of affordable, high-quality goods.

On the eve of 2025, as the UK's new government completes its audit, the world's second-largest economy remains a vital market for many British companies, as our survey shows. Rhetoric about China's economic and commercial decline and its slowing attractiveness for UK businesses is misplaced.

Our survey shows that firms operating in both countries are unapologetically optimistic about China's medium- to long-term economic prospects, viewing it as a lucrative opportunity, a source of inward investment and offering resilience during a time of global turbulence.

This 2024 survey of the China-Britain Business Council's (CBBC) membership includes the strongest representation of FTSE 100 multinational corporations among China-UK business surveys and highlights the ongoing significance of China to UK business. These enterprises are significant contributors to our national economy, and their focus on the Chinese market highlights its crucial role in their success.

China has never been an easy market to navigate, with challenges such as subdued domestic demand and regulatory hurdles proving stubbornly persistent. However, even in the face of these difficulties, British businesses are not retreating. Instead, they are urging the UK government to provide clearer guidelines and better support, positioning itself as a champion for constructive and consistent dialogue with their Chinese counterparts.

*Peter Burnett*

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## INTRODUCTION

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**This survey, conducted as part of CBBC's submission to the UK Government's China Audit, aims to provide a snapshot of the perspectives of representatives from leading British businesses and institutions on UK-China relations and engagement, their China-related operations, and their priorities and challenges in the current geopolitical and economic climate.**

Conducted in October 2024 via an online platform, the survey gathered over 130 responses from company representatives based both in the UK and China. This sample included over 100 individual UK companies, some of whom contributed from representatives based both in the UK and in China, and whose answers form the basis of this report. A smaller sample of Chinese companies also contributed. Their responses are analysed separately.

What distinguishes this survey from others is the calibre of its respondents. Most hail from large UK-headquartered multinationals that have operated in China for several decades. This includes 40 multinationals, of which 21 are listed in the FTSE 350 and nine are part of the Fortune Global 500.

We have split the report into three key themes:

### OPPORTUNITY (PAGE 6)

The ongoing benefits companies identify in doing business with China

### CHALLENGES (PAGE 12)

The ever-evolving difficulties of operating in and engaging with China

### ENGAGEMENT (PAGE 15)

The hopes of business towards the government, including how they can better engage with China, and their collective feedback

As the UK government rethinks its relationship with China, this survey serves as a timely reminder that our bilateral ties go beyond the political. They are economic, multifaceted, and human, painting a rich and diverse picture of business activity across the nation. This critical pillar of UK prosperity requires careful management and thoughtful stewardship.

Report Findings

The core findings of the survey, processed by CBBC analysts, are as follows:

OPPORTUNITY	CHALLENGES	ENGAGEMENT
<p><b>CBBC member companies are feeling the effects of China’s current economic slowdown, but in the medium to long term, they remain overwhelmingly optimistic about the country and their prospects within it.</b></p> <p>Companies are united in their belief that China’s economy will not only recover but will also continue to attract their investment. For a significant proportion of UK multinationals surveyed, China is a critical component of their operations and a key source of income. Meanwhile, many companies that import from China rely on it as a reliable, efficient, and cost-effective supplier of goods.</p>	<p><b>China has recently become a more challenging environment for businesses, driven by economic, environmental, and regulatory pressures.</b></p> <p>In spite of their long-term optimism, companies acknowledge that the country’s economic conditions are currently difficult. Key business challenges that have intensified recently include heightened competition, difficulties in attracting talent both locally and internationally, and navigating increasingly complex compliance requirements.</p>	<p><b>Businesses desire stronger government-to-government engagement and increased state support to enhance their success in China.</b></p> <p>CBBC members want the UK government to take on a facilitative role, helping to secure market access, stabilise relations through consistent engagement and constructive rhetoric, and providing clear guidance on permissible activities within the framework of national security. Businesses also call on China to improve its business environment by streamlining regulations, enhancing incentives, and fostering greater openness.</p>

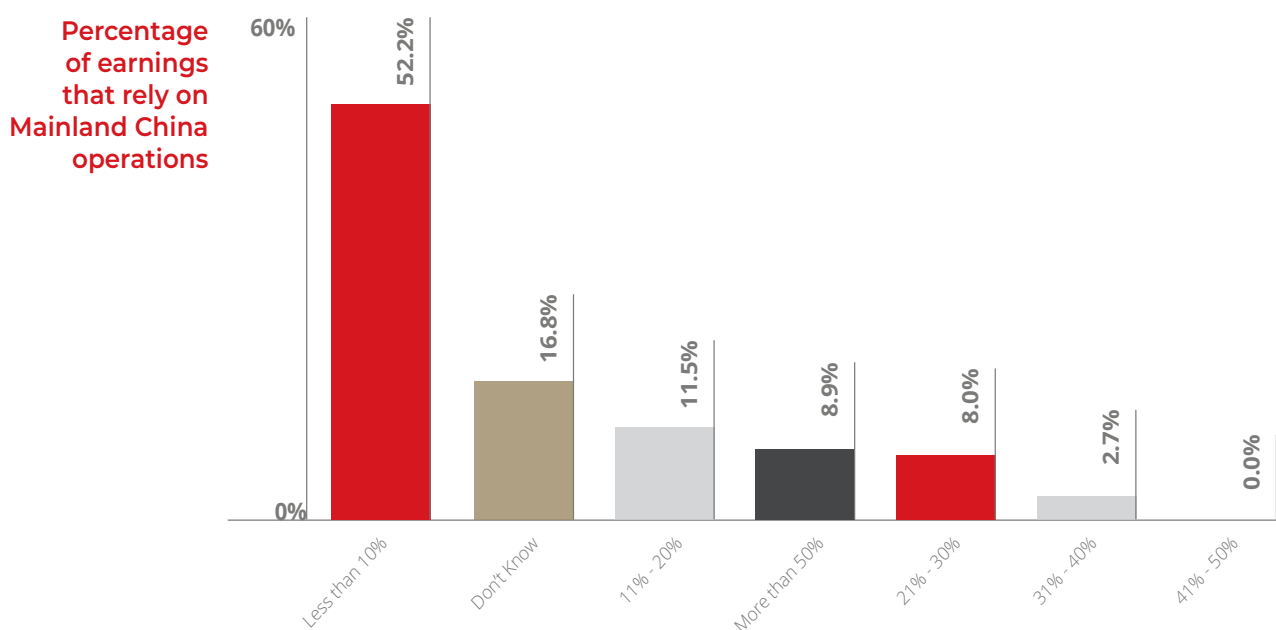
Audit-Based UK Government Recommendations

<p><b>ENGAGE</b></p> <p>Increase government-to-government dialogue with China, including high-level visits, inter-departmental communication, and mechanisms such as the Joint Economic &amp; Trade Commission (JETCO), to create a stable and improved environment for businesses, and to stimulate bilateral trade and investment.</p>	<p><b>STABILISE</b></p> <p>Nurture an improved relationship with China through a more positive tone and fresh narratives about the importance and benefits of UK-China ties, in order to help UK businesses succeed in the world’s largest market, attract Chinese FDI and talent to the UK, and better position the UK to thrive alongside, and influence, the enduring global power that is China.</p>	<p><b>CLARIFY</b></p> <p>Provide clear and specific guidance on all China-facing government policies and regulations, including permissible business activities within the framework of national security, to reduce business uncertainty in both directions. A full consultation with businesses on the implementation of the Foreign Influence Registration Scheme is essential as part of this clarification process.</p>
<p><b>ADVOCATE</b></p> <p>Lobby for regulatory reforms, alignment with international standards, increased market access, and fair arbitration in China, helping UK businesses to face fewer barriers and operate on a more level playing field.</p>	<p><b>SUPPORT</b></p> <p>Maintain and expand the provision of China-facing services for UK businesses, such as matchmaking, grants, and trade missions, which are strongly appreciated by the community. Facilitate inward Chinese business, education, and tourism links through regulatory easing and the resumption of beneficial policies such as the VAT Retail Export Scheme.</p>	<p><b>EDUCATE</b></p> <p>Improve the China-savviness of UK government and business through cultural education and greater expertise. Unify and strengthen China-facing messaging to better communicate Britain’s unique advantages and identity, its openness to Chinese FDI, and the eagerness of UK business to operate and invest in China.</p>

### China is a Crucial Income Source for Britain's Business Champions

Businesses are drawn to China for its expansive consumer market, growing middle class with increasing purchasing power, and strong demand for high-quality, innovative products. China's rapid urbanisation, digitalisation, and emphasis on premium goods further create opportunities for foreign companies to tap into a diverse and evolving market.

Close to a third of UK businesses surveyed by the CBBC report earning 11–40% of their annual income from China, a group that included 11 multinationals; six of which are also FTSE 350 companies. Additionally, 8.9% of respondents, including one Fortune Global 500 firm, state that over 50% of their income comes from China. For the 52.2% of respondents who derive less than 10% of their annual income from China, the market remains a valuable diversification in their international portfolio.



### Positive Outlooks Persist Despite Challenges

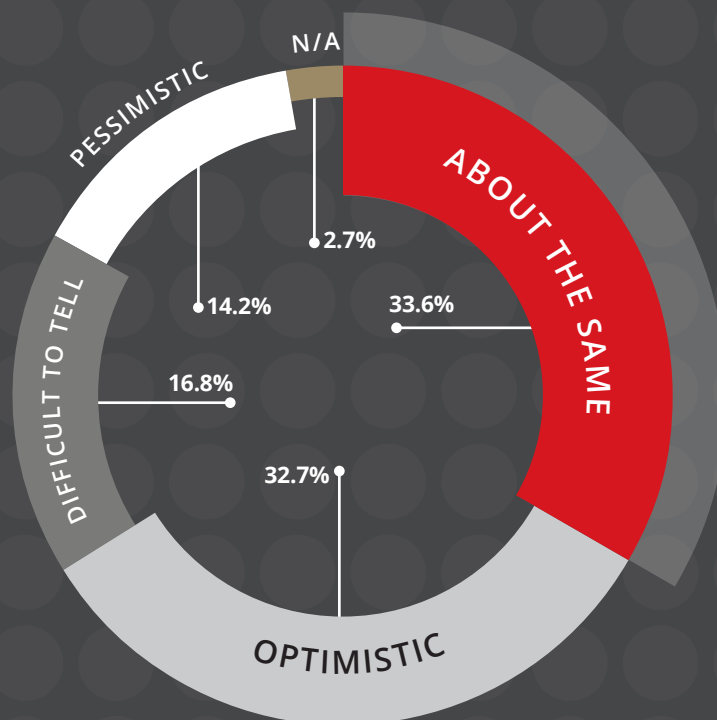
China faces several well-documented challenges as it emerges from the pandemic, creating a difficult economic environment for businesses. Yet, despite these significant headwinds, CBBC member businesses are showing a notable degree of resilience.

Over 66% of surveyed companies report either optimism or a neutral stance regarding their

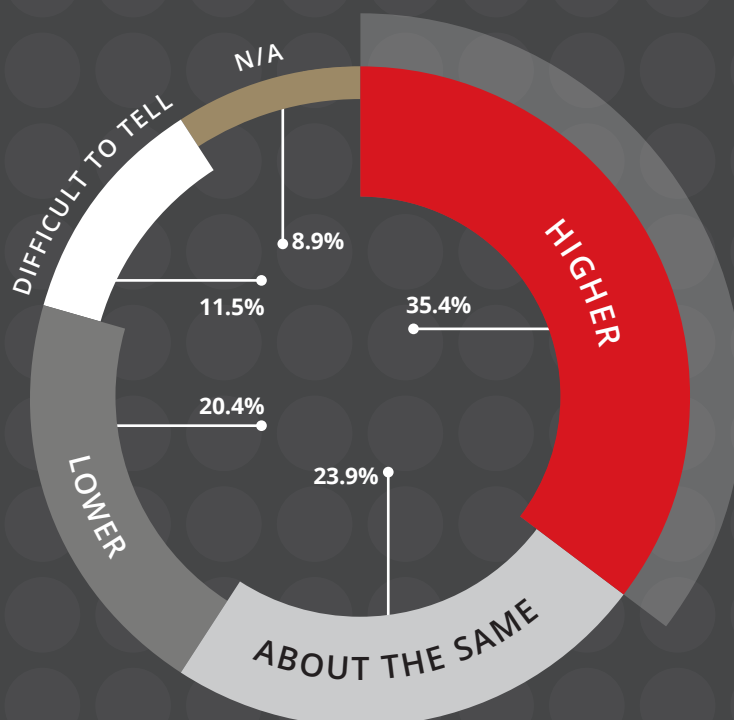
business outlook for the current year, with only 14.2% expressing a pessimistic view. The outlook for earnings is similarly encouraging, with more than one-third of businesses expecting improved earnings in the coming year compared to the previous one. This optimism underscores the adaptability of Chinese demand and the continued opportunities for expansion that member companies see in the Chinese market.

## OPPORTUNITY

Business  
outlook in  
Mainland  
China for the  
current year



Expectations  
of current  
year earnings  
in Mainland  
China  
compared to  
previous year



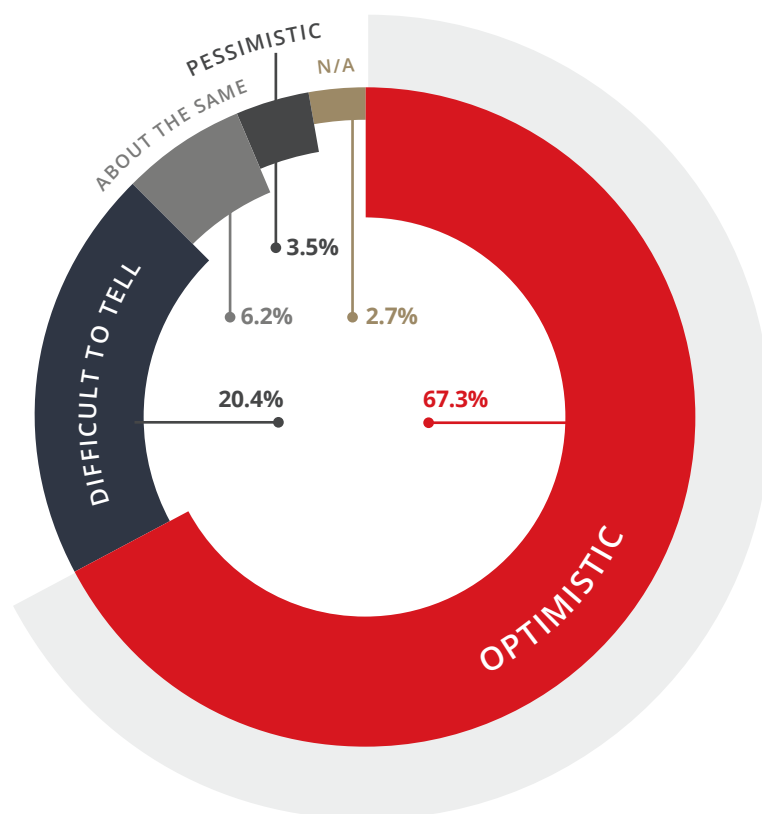


### Long-Term China Forecasts are Overwhelmingly Bullish

Perspectives on business outlooks in China improve significantly with a longer-term view, with nearly 70% of respondents expressing optimism about their business prospects over the next 5 to 10 years. Additionally, over half believe that China's economy will grow strongly in the next 5-10 years.

This indicates a belief that the current economic challenges are transitory, and that China remains a lucrative market with strong long-term potential. It also aligns with IMF projections<sup>[1]</sup>, which anticipate that China's economy will continue to grow steadily in the years ahead, with an estimated annual growth rate of 3.29% by 2029, despite current headwinds. To put this into perspective, such growth would currently be equivalent to adding an economy the size of Poland to the global market.

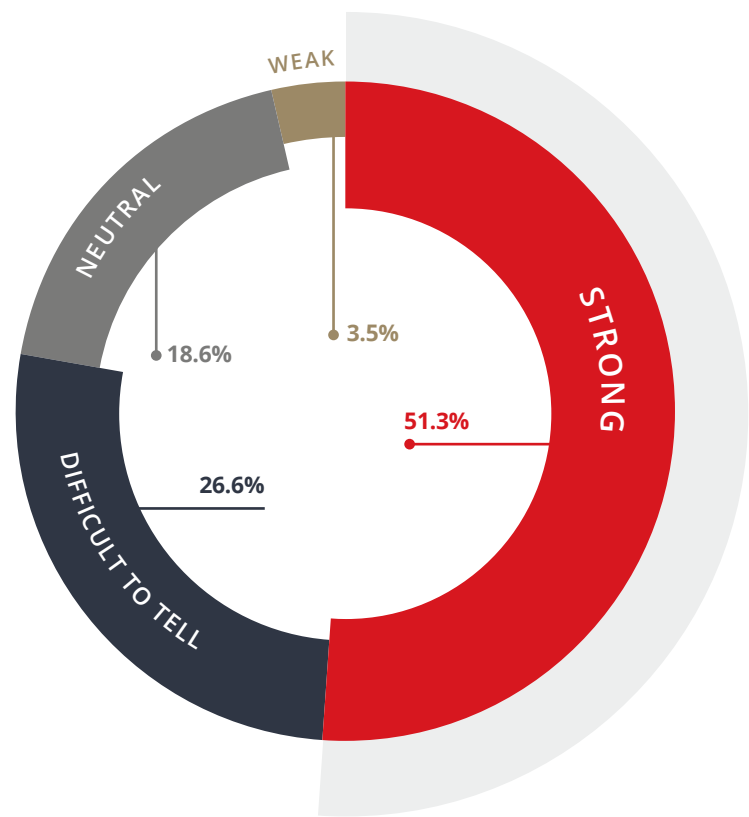
**Business  
outlook in  
Mainland  
China in the  
next 5 to 10  
years**



<sup>[1]</sup> IMF, & National Bureau of Statistics of China. (October 22, 2024). Growth rate of real gross domestic product (GDP) in China from 2013 to 2023 with forecasts until 2029

OPPORTUNITY

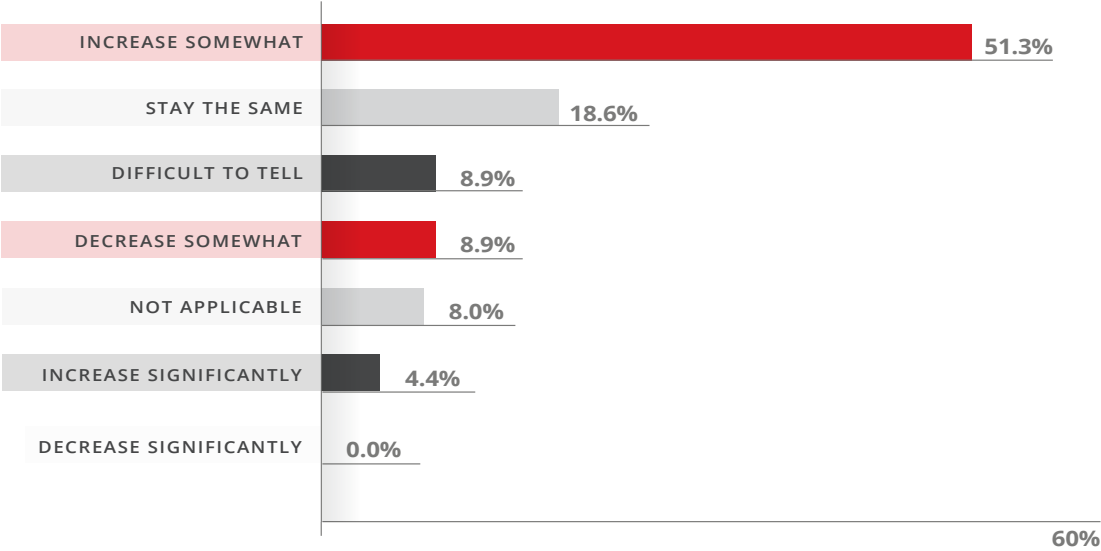
Expectation of Mainland China economic growth over the next 5 to 10 years



China: A Market Worth Investing In

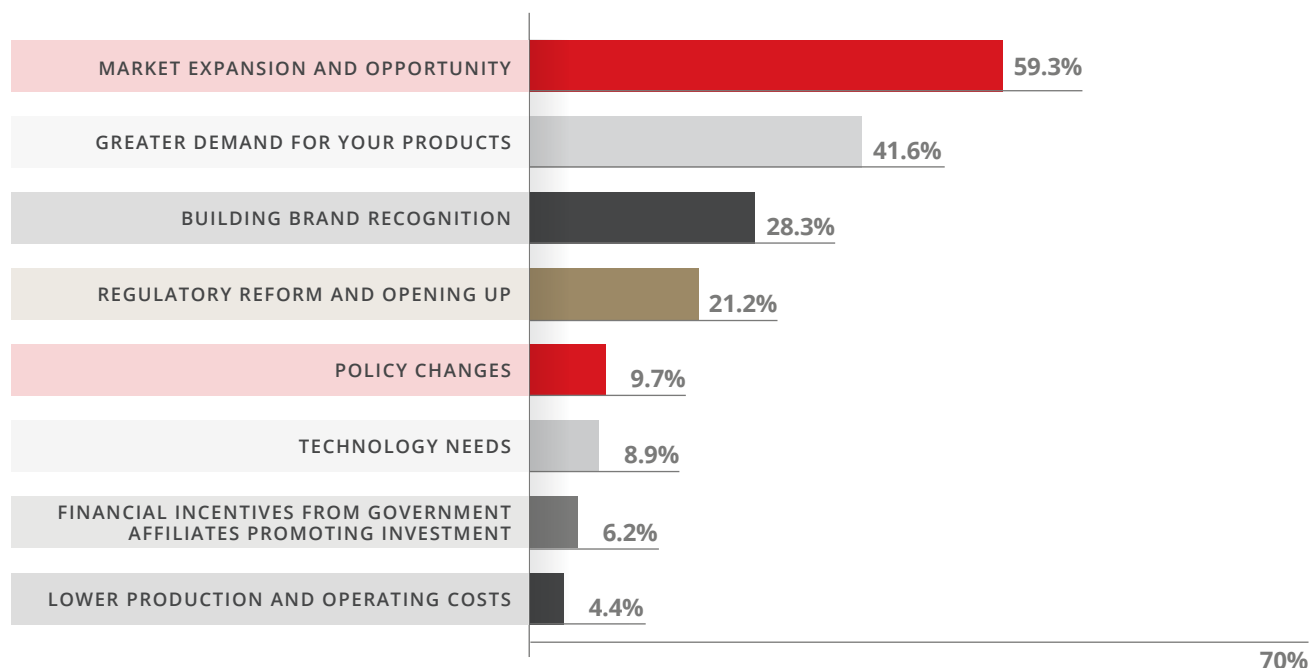
Bullish and optimistic about their growth prospects in China, companies report that they plan to invest further, confident of achieving future returns. More than half (51.3%) of survey respondents plan to increase capital investment in China over the next 5–10 years, driven by expectations of greater demand for their products (41.6%) and opportunities for market expansion (59.3%).

Expectation of change in capital investment in Mainland China over the next 5 to 10 years



## OPPORTUNITY

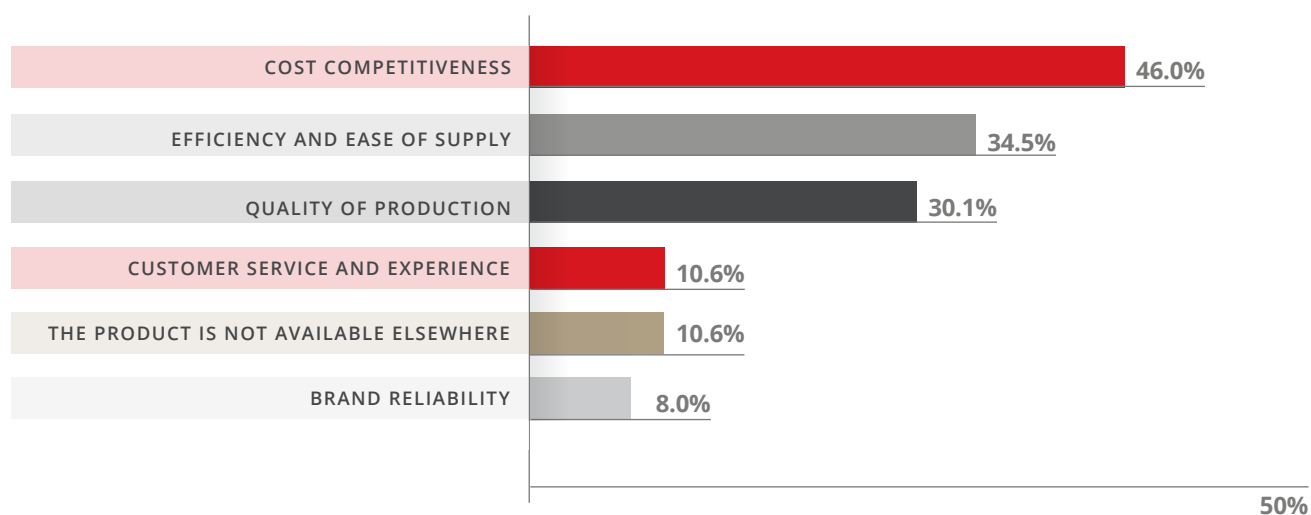
### Key reasons for increasing investment in Mainland China operations



## China Remains a Critical Sourcing Destination

Among UK companies sourcing products from China, nearly half value the market for its cost competitiveness, which helps keep operating costs low and provides better value for consumers. Other key advantages include China's efficiency and ease of supply — qualities that global businesses pursuing a "China+1" strategy have noted when entering other markets — as well as its world-class quality of production.

### Key reasons for purchasing products from Mainland China as a source of supply

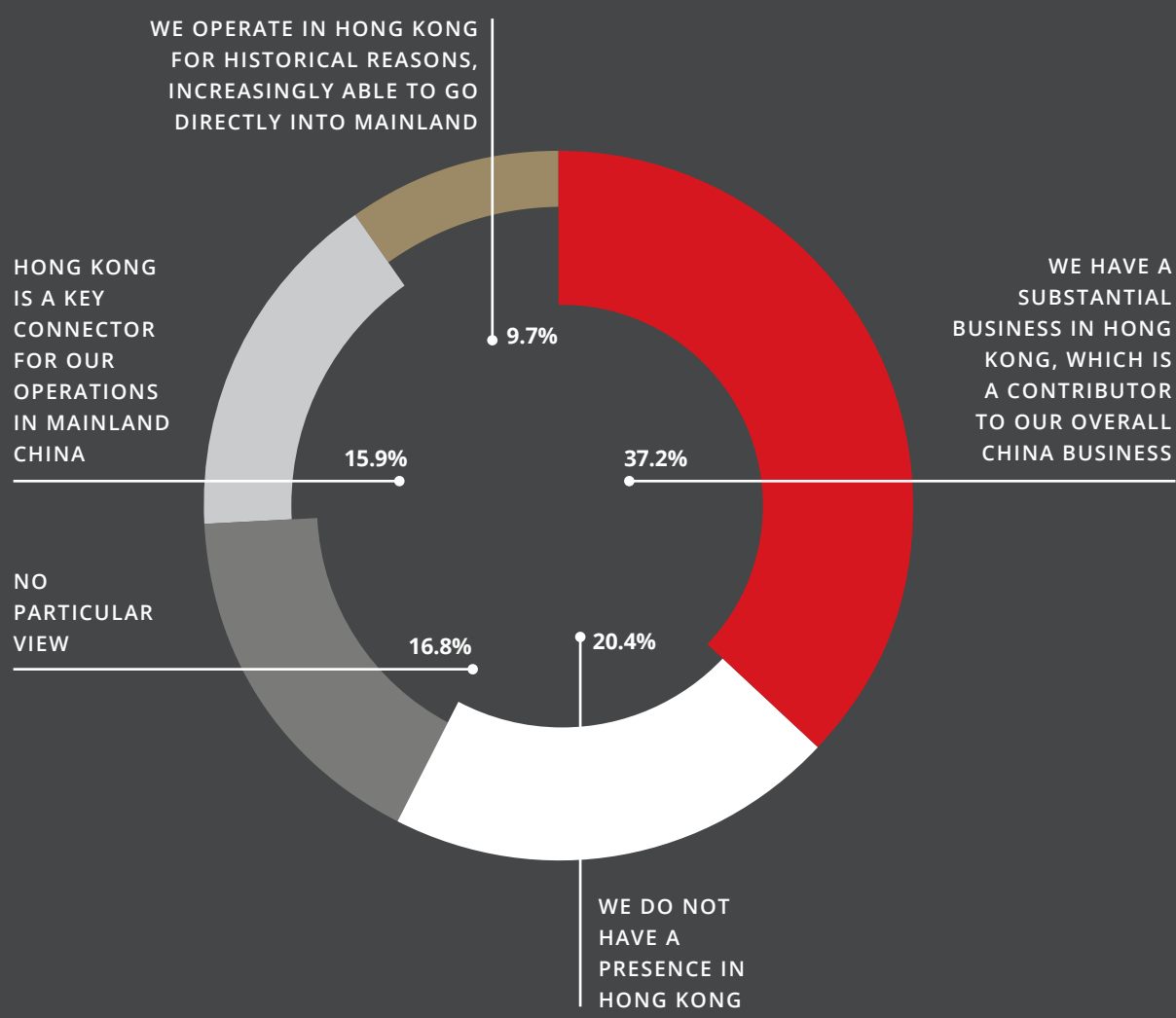


UK Businesses Depend on Hong Kong as a Hub and Revenue Source

Hong Kong remains a vital hub and a significant source of income for CBBC member companies, as well as an important trade partner for the UK. According to the latest DBT trade and investment factsheet, UK investment in Hong Kong stands at £97.5 billion, accounting for over 5% of the UK's total outward investment stock. Furthermore, Hong Kong is one of the few Asian economies with which the UK enjoys a trade surplus. This underscores the city's importance to Britain's growth agenda.

Half of the respondents maintain strong connections with Hong Kong, and over a third derive a substantial proportion of their business from it, including two British Fortune Global 500 companies. This underscores the importance of the UK fostering positive relations and maintaining open dialogue with Hong Kong, a Chinese territory the UK shares a lasting historical bond with.

Importance of Hong Kong SAR in Mainland China operations

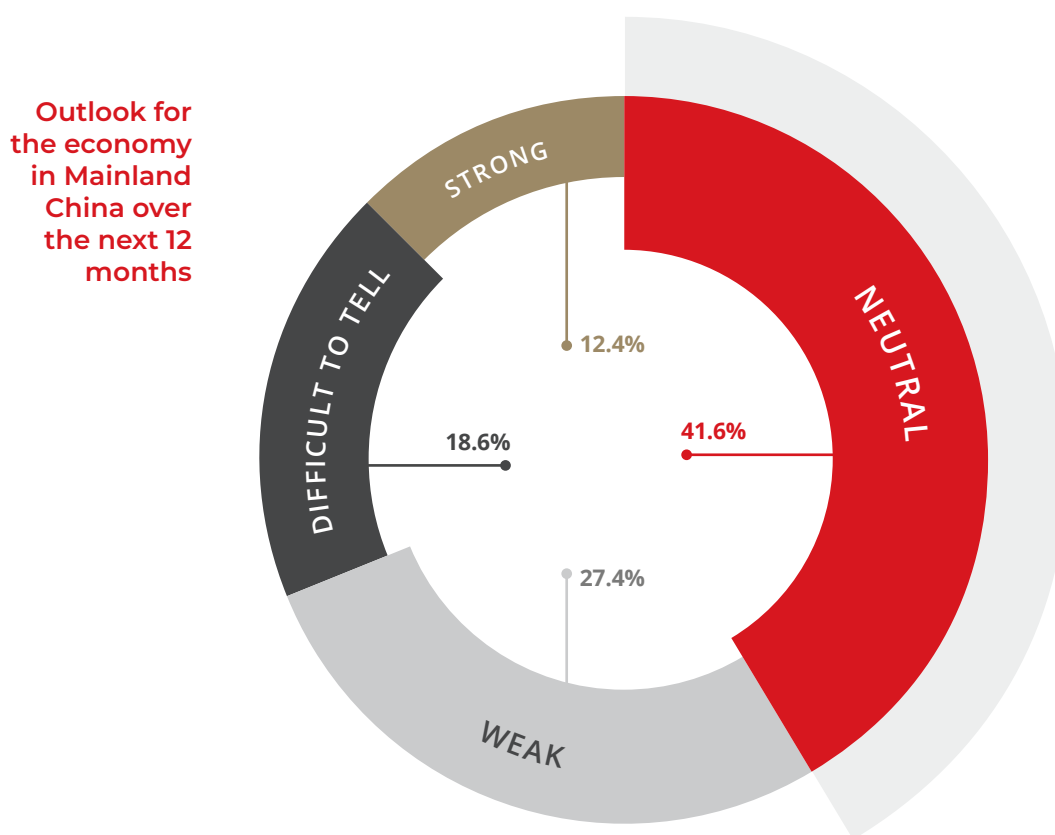


## CHALLENGES

### China's Short-Term Economic Outlook Remains Tepid

CBBC member businesses are clear-eyed about the challenges of operating in China, a market known for its reputation as a difficult environment due to the significant differences in language, business culture, and its legal frameworks. Recent economic challenges have only added to these difficulties.

Looking ahead to the next 12 months into 2025, over two-thirds of respondents expect China's economy to either perform weakly or maintain a flat trajectory. Only 12.4% of respondents anticipate a strong economic performance.



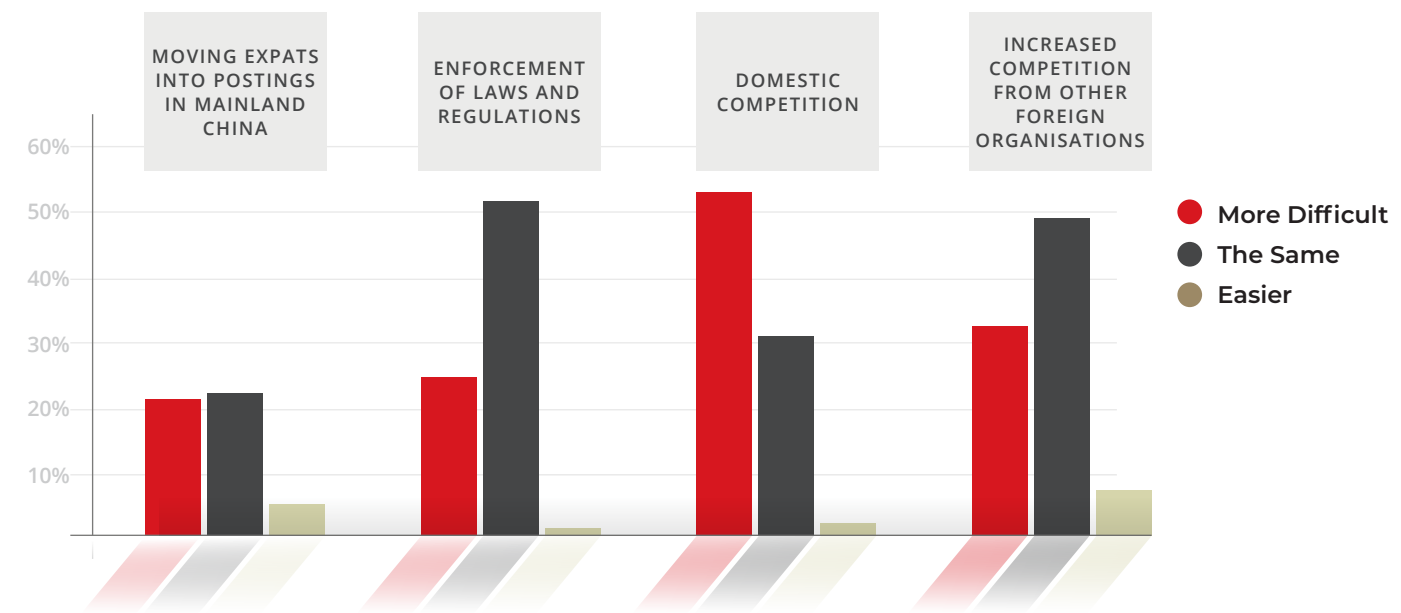
### Geopolitics and Growing Domestic Competition are Top Business Concerns

Beyond the overall performance of the market, several aspects of doing business in China have recently become more challenging. The issue most frequently cited by respondents as having worsened over the past 12 months is the rise in domestic competition, followed by challenges related to cybersecurity and IT management, increased competition from other markets, and difficulties in relocating expatriates to postings in Mainland China.



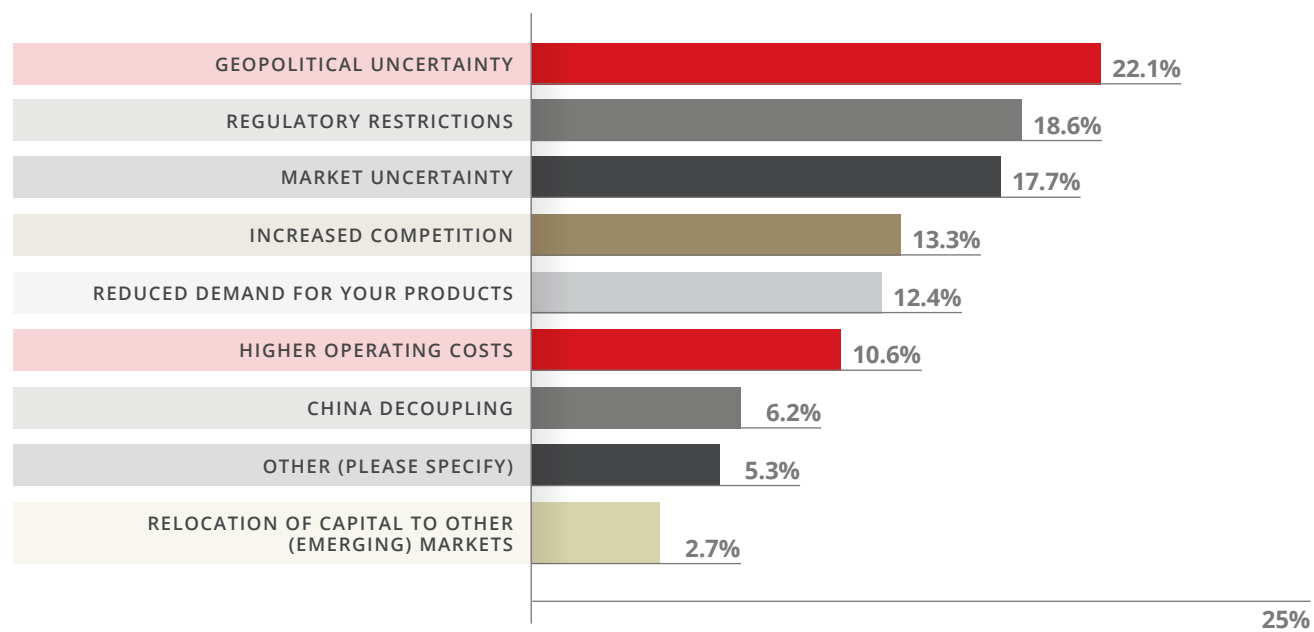
# CHALLENGES

## Business challenges in the last 12 months



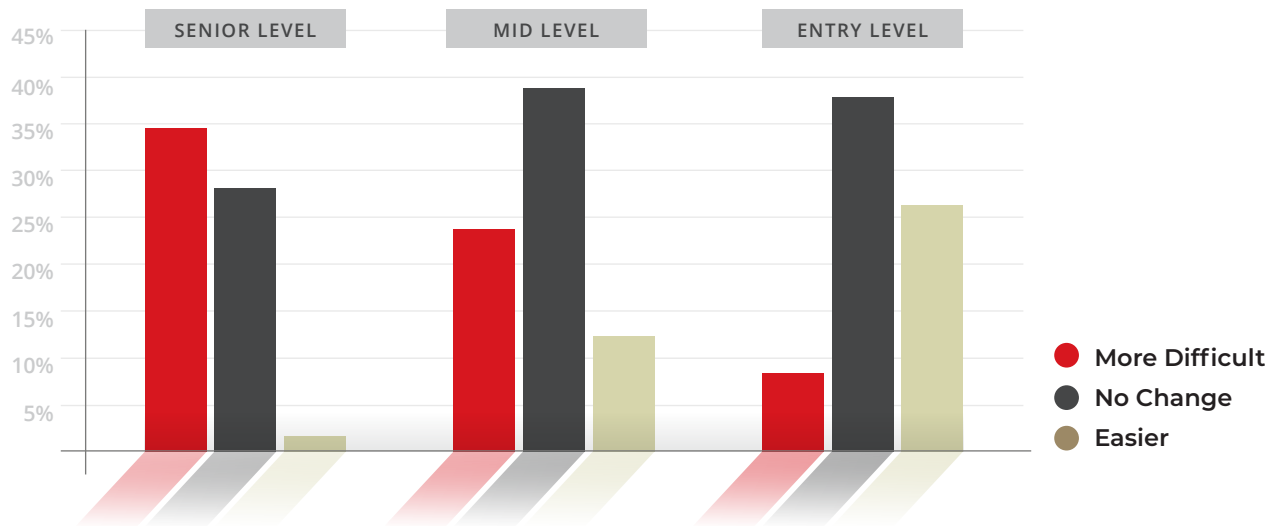
A challenging environment is leading some companies to reduce investment in their China operations as a precautionary measure to mitigate risk. A multiple-choice question identifies “geopolitical uncertainty” as the largest factor for decreased investment, highlighting the significant impact of international affairs on day-to-day business operations. Other key concerns include regulatory restrictions — an issue the CBBC is actively addressing with authorities on both sides — and market uncertainty, likely reflecting persistently weak consumer demand in China.

## Key reasons for decreasing investment in Mainland China



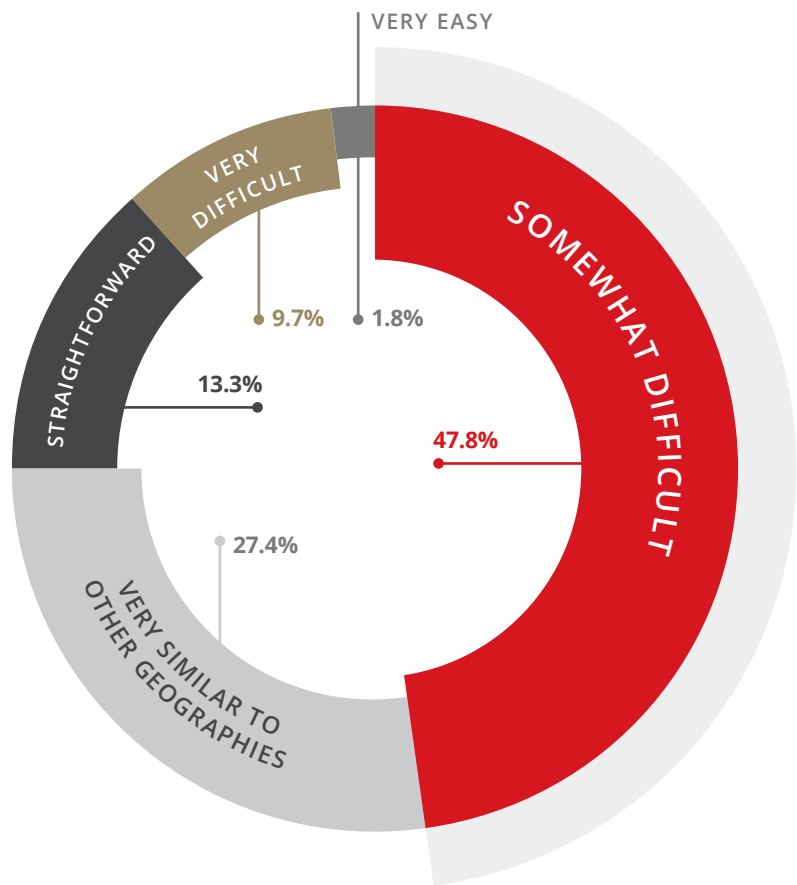
# CHALLENGES

## Ease in finding and recruiting the right talent in Mainland China



Companies report that aligning with China’s data regulations is “somewhat difficult”, although nearly a third note that it is comparable to other regions. While still presenting difficulties, China has introduced numerous policies in recent years to refine its data and cross-border data management framework. These changes have eased compliance and clarified aspects such as definitions, reducing compliance risk and costs.

Ease in managing data needed for sucess of operations in Mainland China



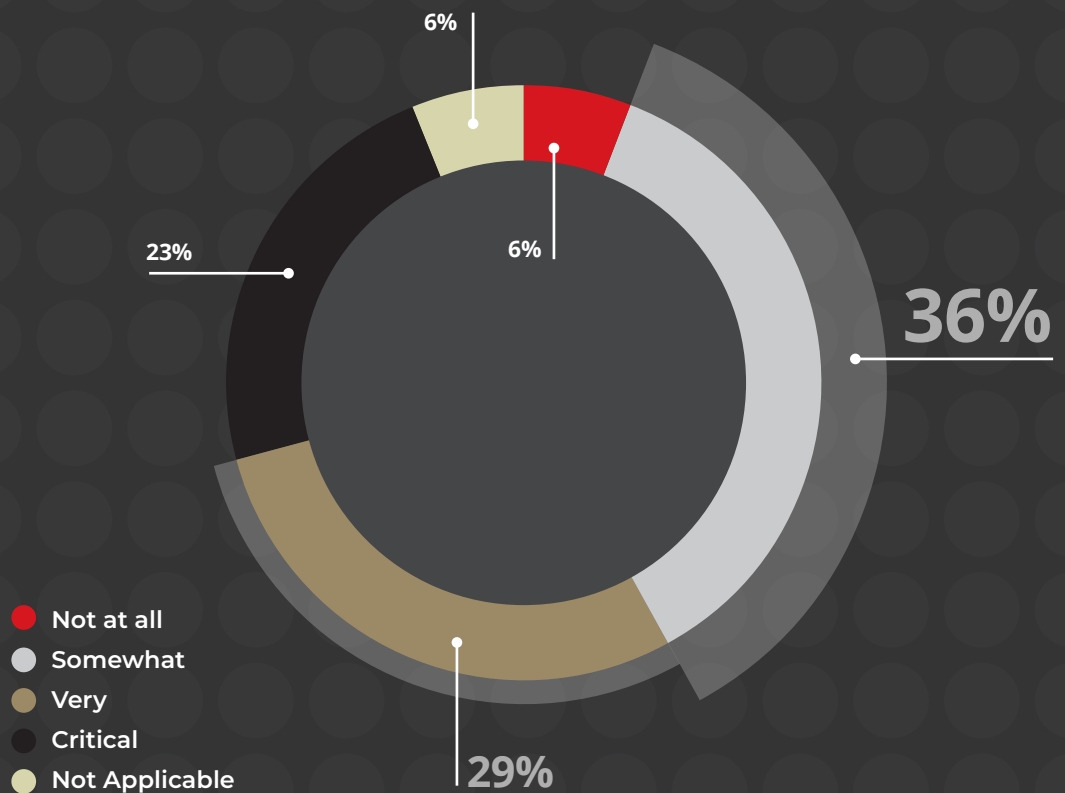
## ENGAGEMENT

### CBBC's Membership Seeks Greater Dialogue and Support from the UK Government

The overwhelming message CBBC is hearing from its members — both through this survey and recent round table discussions held as part of an audit-related consultation with the Department for Business and Trade (DBT) — is that businesses seek greater government-to-government engagement, as it facilitates and legitimises their operations.

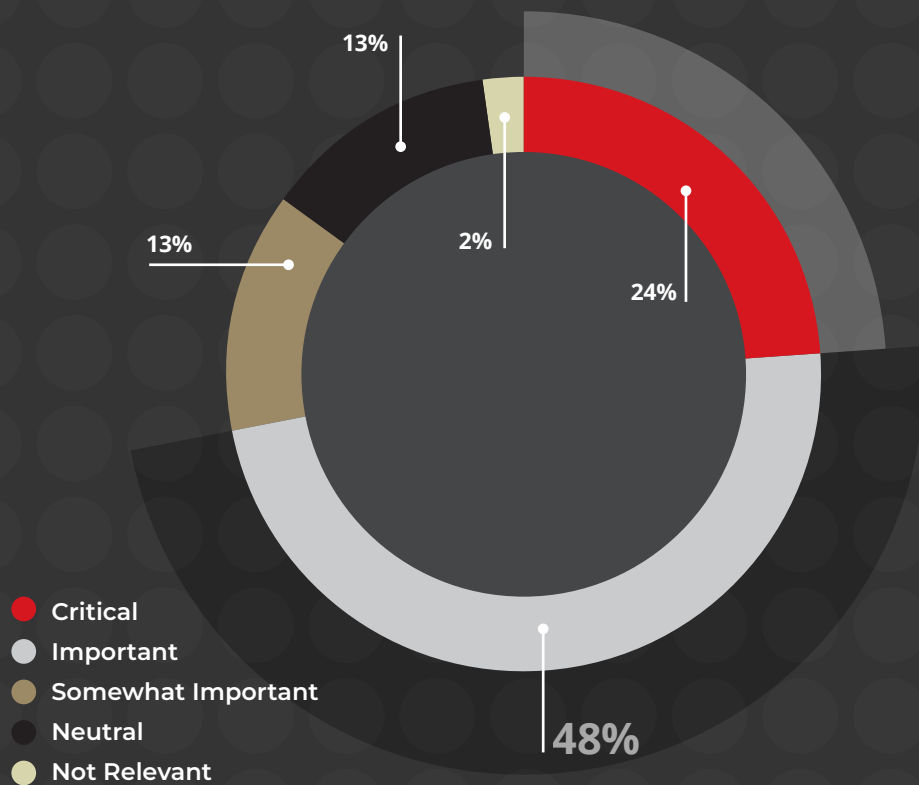
Nearly all respondents (88%) consider government-to-government dialogue to be important for the success of their organisation in China. Similarly, the vast majority (85%) of CBBC respondents state that UK government support is important to their success in China, with 23% describing it as critical. Among those who consider it critical, 51% are UK multinational corporations. A small proportion (6%) consider support to not be relevant.

Importance of government-to-government dialogue at ministerial level for success in Mainland China



## ENGAGEMENT

Importance of  
UK Government  
support in  
securing success  
in Mainland China



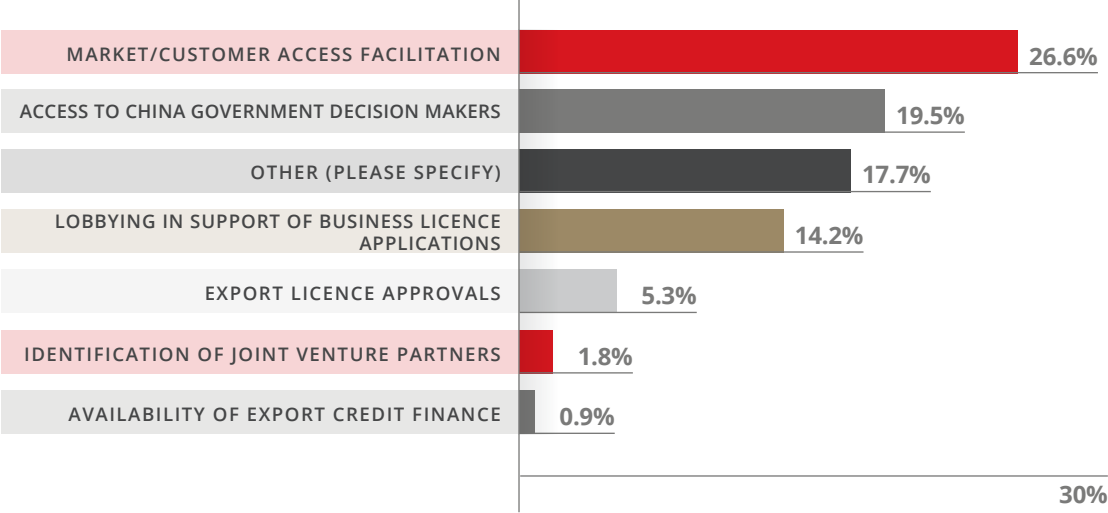
### Companies Hope the UK Government Will Act as a Facilitator and Stabilise Relations

Companies report that what they value most from the government is its role as a key player in opening doors and serving as a facilitator. A quarter of respondents indicate that the most important contribution the government could make is to support access to markets and customers. This is closely followed by facilitating access to government decision-makers, a crucial factor in navigating and achieving success within China's unique ecosystem.

Of the respondents who selected 'Other,' 59.1% indicated that the most helpful action the government could take would be to improve relations with China — specifically by adopting friendlier and more positive rhetoric. The current negative tone is adversely affecting both outbound business and inward investment into the UK. Other suggestions included improved visa support (21.7%) for Chinese nationals entering the UK, which significantly benefits a subset of businesses operating across China and the UK, particularly those in education.

# ENGAGEMENT

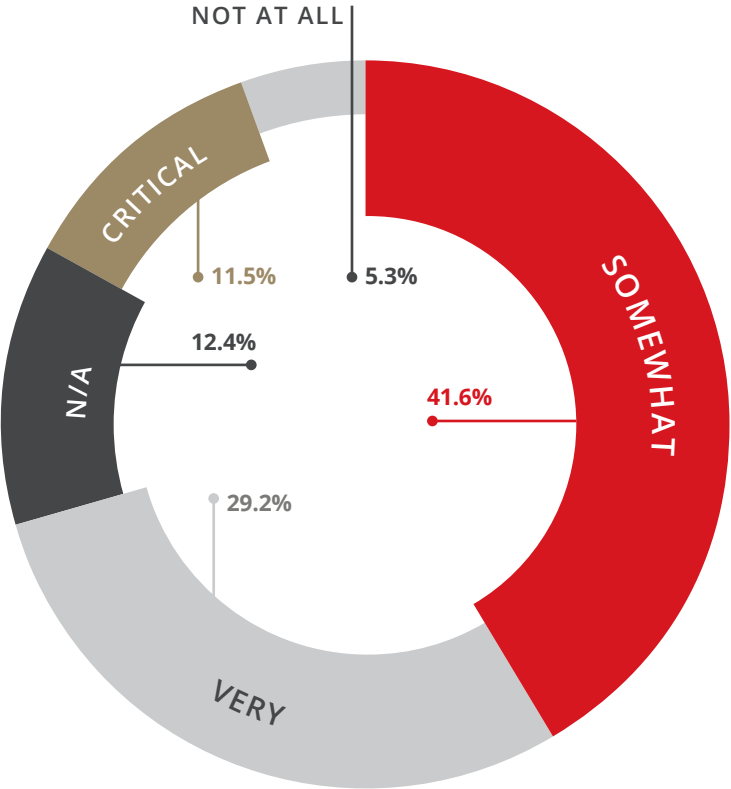
## Importance of UK Government support initiatives for success in Mainland China



## The Resumption of High-Level Dialogues Would be Beneficial for Business

Ongoing government-level dialogues, such as the Economic & Financial Dialogue (EFD) and the Joint Economic & Trade Commission (JETCO), were initiated during periods of stronger relations but stalled prior to the outbreak of COVID-19 and have not been resumed due to ongoing tensions. Over 80% of respondents believe that resuming these dialogues would benefit their business, while 11.5% consider it critical.

Importance in resuming G2G initiatives like EFD and JETCO to advancing operations in Mainland China

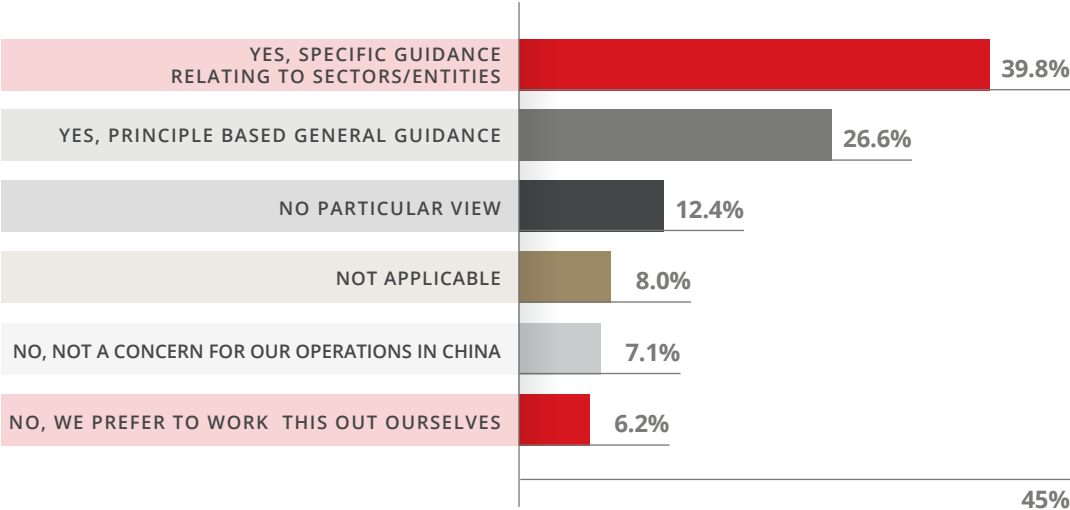




Businesses Would Appreciate Clear and Specific Guidelines from the UK Government

Businesses expressed a desire for greater clarity on the boundaries and limits of what is permitted within the context of national security. Among respondents, 66.4% indicated they would welcome guidance, with 39.8% seeking sector- and entity-specific advice, and 26.6% preferring principles-based, general guidance. Just 6.2% of respondents reported that they prefer to work out their own approach to business risks.

Would it be helpful for strategic planning in Mainland China if the UK government provided further guidance on business risks, particularly UK national security?



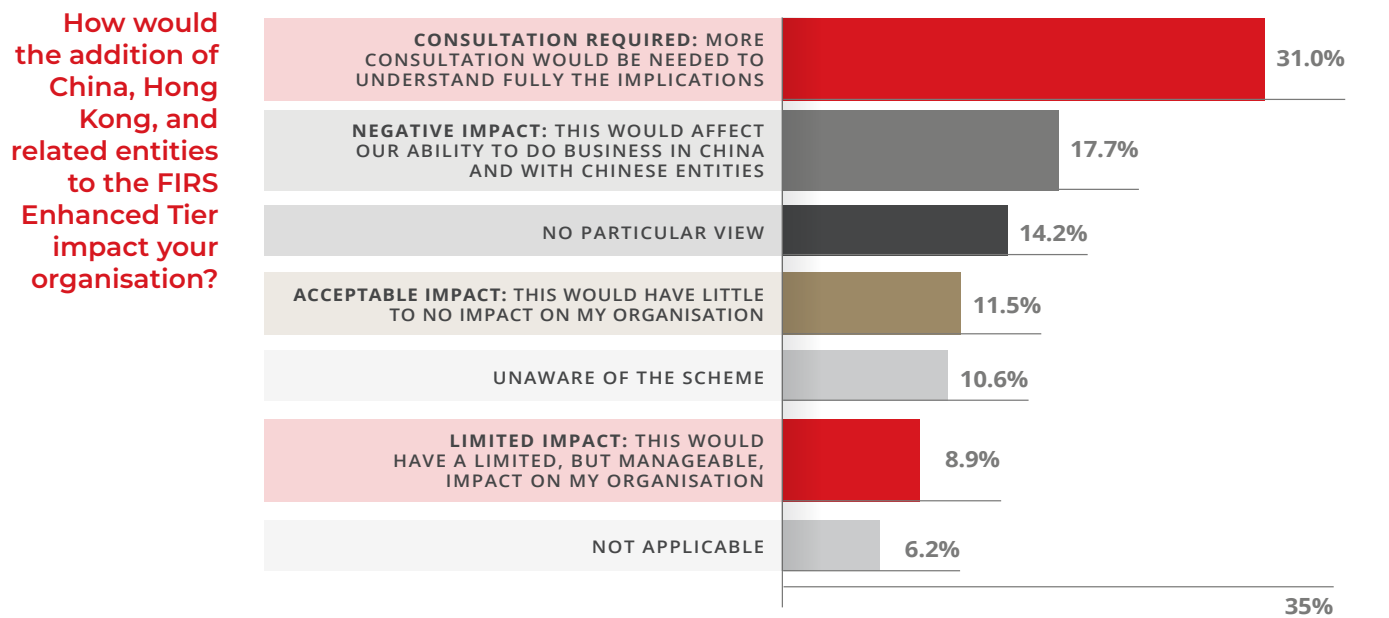
UK Businesses Fear FIRS Scheme Will Damage China Business Relations and Increase Compliance Risks

The potential inclusion of China in the enhanced, stricter tier of the government's two-tier Foreign Influence Registration Scheme (FIRS), which mandates that any activities conducted by individuals or entities under the direction of a foreign power must be registered and made public, has raised concerns among UK businesses in the past year. These concerns stem from the policy's vague wording, lack of detail, and the unique nature of the Chinese system – where state and business often operate in partnership – which would mean that even ordinary business activities such as dinners could require registration and be publicly shared.

The inclusion of China in the enhanced tier of FIRS was an active concern, potentially hindering the ability of a significant subset of UK businesses (17.7%) to operate in China and with Chinese partners. This group consisted of 70% multinational corporations, including six FTSE 100 firms and two Fortune Global 500 companies worth over £200 billion together. Nearly a third (31%) reported that they required further consultation to fully grasp the implications of the policy.

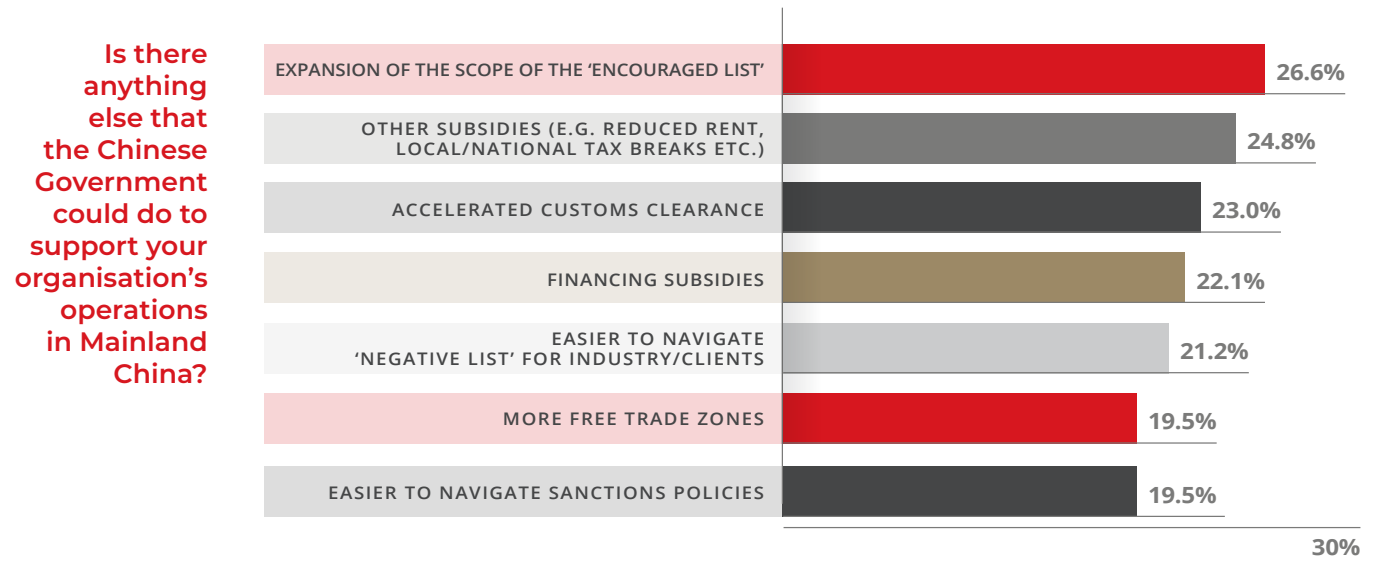
# ENGAGEMENT

UK companies reported that the addition of China to the enhanced tier of FIRS would increase the administrative burdens on UK companies, potentially deter Chinese FDI from entering the UK, and have the side effect of reducing business for UK service providers who facilitate cross-border trade.



## Businesses Hope China can Improve its Business Environment through Streamlined Regulation, Opening Up, and Rewards

Companies seek various forms of support from the Chinese government to enhance their business operations. The most popular request was an expanded “encouraged list” – a catalogue of industries eligible for benefits such as expedited approvals. Other desired measures included subsidies, an increase in the number of free trade zones (China currently has 21), and improvements in customs clearance processes.



# Written Feedback from UK Companies

The final section of CBBC's member audit questionnaire provided space for respondents to offer feedback, including recommendations for actions the UK Government could take to support their operations in China, measures to encourage Chinese companies to invest in the UK, and steps the Chinese Government could take to assist UK businesses in the region. The key themes emerging from this feedback are summarised on the following page.

It is worth noting that companies widely expressed appreciation for the services provided by the UK Government, particularly the Department for Business and Trade (DBT). However, while the current level of service delivery is highly valued, there is scope for further improvement.

Here are some prominent quotes that emerged from respondents in the survey:

**(On FIRS)**

**"This is the sort of red tape that damages headquarters engaging with China. The people who know how to manage risk are in China. The UK approaches China from an ideological risk perspective but if we want to have an impact in the field of human rights we have to make friends first through business."**

*A leading law firm*

**"Continued ministerial engagement is important, both to pursue wider market access for UK firms, and to reduce the reputational risks involved in doing business in China."**

*Multinational Asset Manager*

**"More positive words from the government about China is very important in allowing our organisation to build partnerships with organisations in China."**

*A leading tech institute*

**"Maintaining a steady level of diplomatic engagement with fewer peaks and troughs (is important for us)."**

*A multinational services organisation*

**"We look forward to increasing capabilities and resources from DBT to support our business and stakeholders engagement."**

*A risk management company*

**"Promoting cultural understanding and providing resources for navigating cultural differences can enhance business relationships and operations in China."**

*A leading law firm*

**"Continue to uphold the principle of bilateral free trade and refrain from imposing additional tariffs on imports from China."**

*A global mobility company*

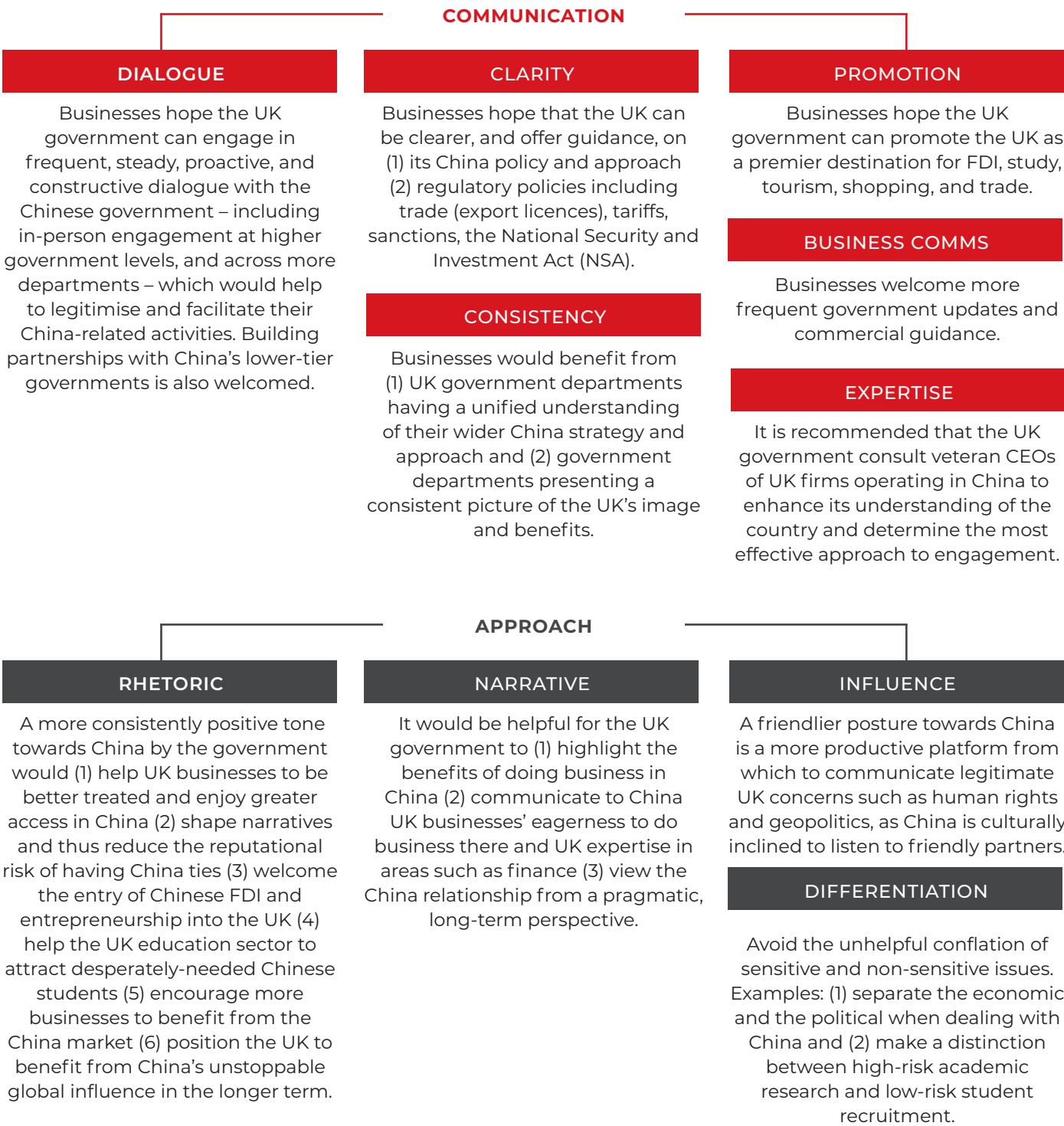
**"Raise the profile of the UK as a great study destination. Currently, the UK lacks a united image upfront. The UK needs unity as one nation, showcasing its strength and glory. There is a lack of synergy and unity in the UK compared to our competitors, such as Australia, Canada, Singapore, Northern Ireland, or Malaysia, as a study destination."**

*A leading UK university*

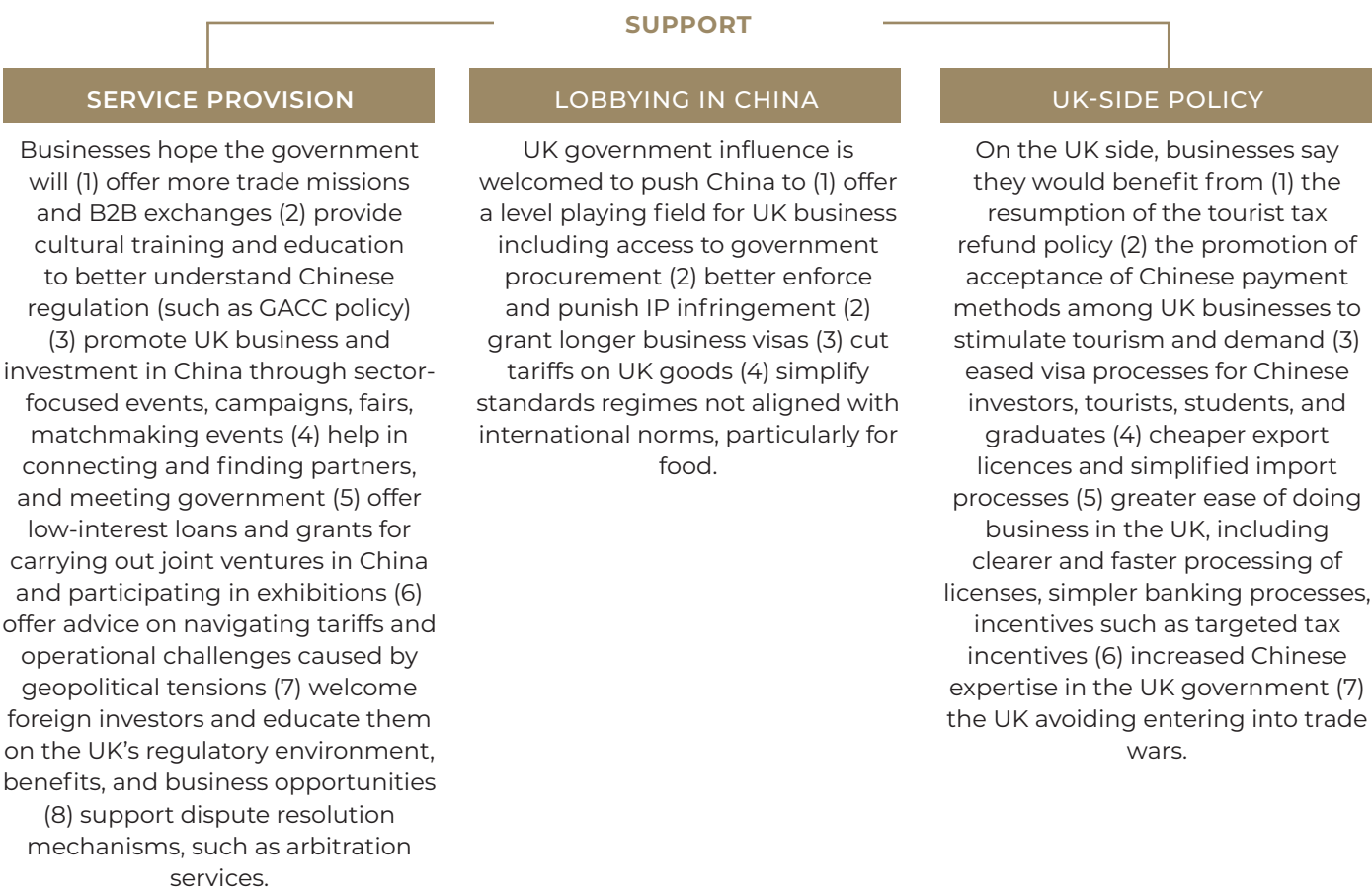
**"The economies of China and the UK are inherently complementary not competitive. You want to grow together not apart at this critical juncture."**

*A leading law firm*

Summarised UK Business Feedback



# BUSINESS FEEDBACK





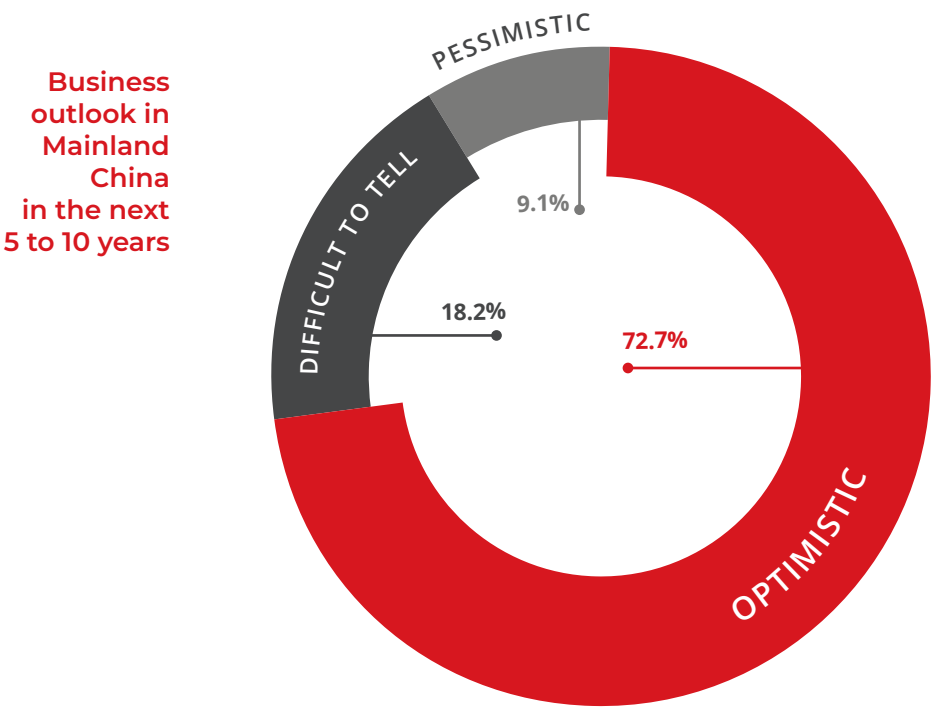
# CHINESE BUSINESS VOICES

Our online survey also received responses from a modest but diverse group of 11 Chinese businesses with operations in both the UK and China, including six multinational corporations. These businesses represent industries ranging from Financial and Professional Services to Education, Retail, Food and Beverage, Healthcare, Advanced Manufacturing, and Technology.

While the sample size is limited and not statistically significant, this feedback nonetheless offers valuable insights into the perspectives of some Chinese businesses with UK operations. This

provides insights into how the government might attract more investors to drive economic growth and stimulate innovation in the UK.

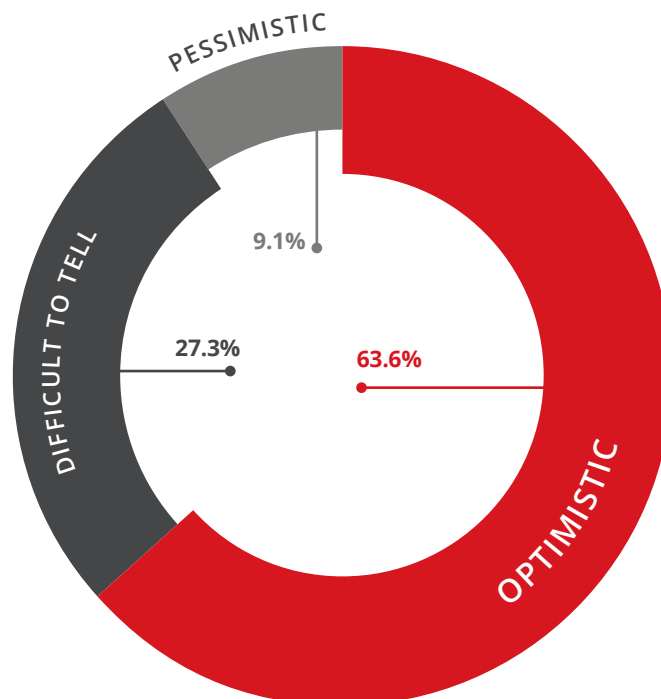
When asked about their company's long-term prospects in China, Chinese businesses echoed the optimism of UK firms, with a strong majority (72.7%) expressing confidence in their future. This may indicate that UK perceptions of China's eventual recovery and turnaround are well-founded.



Interestingly, Chinese businesses were more likely to highlight the importance of UK government support in aiding their success in Mainland China. All respondents acknowledged that such support is helpful to some extent, with 63.6% stating that it is particularly important.

## CHINESE BUSINESS VOICES

Importance of  
UK Government  
support in helping  
secure more  
success in  
Mainland China



In the open-response section, Chinese businesses shared several key recommendations for the UK Government:

- They emphasised the importance of fostering broader acceptance of Chinese suppliers.
- They expressed a desire for greater access to UK government bodies and institutions to support their operations.
- They recommended encouraging more Chinese business investors to visit the UK as an initial step, ensuring the process does not inadvertently deter entirely innocent and non-sensitive businesses, with robust but fair vetting implemented at a later stage.
- They welcomed the idea of clearer, more specific guidance, along with the creation of a one-stop service to streamline the process of understanding UK investment requirements.

One respondent noted that the UK currently provides a friendly environment for Chinese businesses – an encouraging reflection of the government's ongoing efforts to strengthen these economic ties.

# METHODOLOGY

In October 2024, the China-Britain Business Council (CBBC) conducted a survey of its members. The online questionnaire comprised 25 multiple-choice questions and six open-text prompts designed to capture rich qualitative insights.






A total of 132 members from CBBC's Member network responded, with the responses from 101 British businesses forming the basis of most of this report, and the responses from 11 Chinese companies informing the section on Chinese feedback.

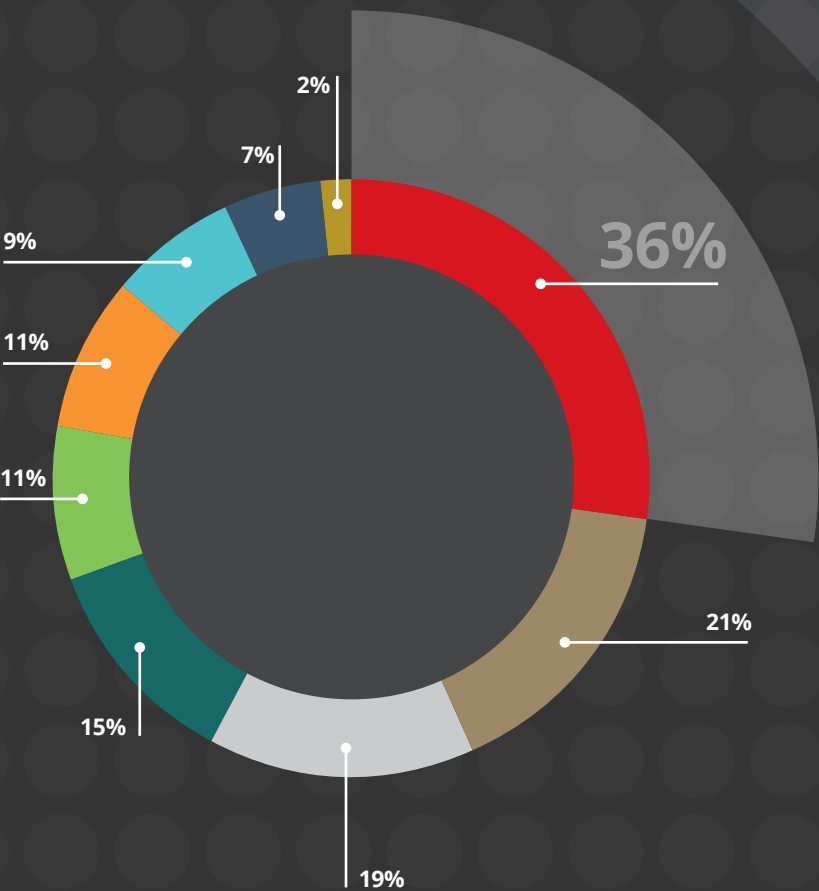
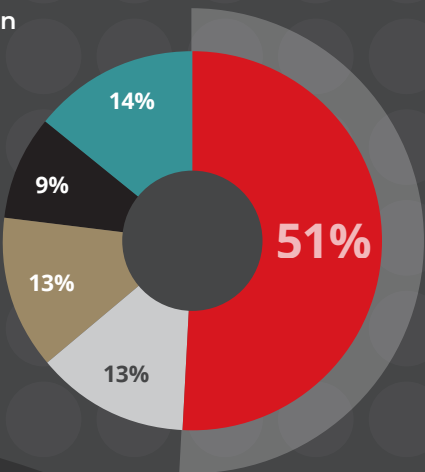
UK company respondents spanned across numerous industries, showing the breadth of China-UK business engagement:

## RESPONSES BY SECTOR

-  Financial & Professional Services
-  Food, Beverage and Agriculture
-  Education
-  Retail and Consumer
-  Healthcare
-  Advanced Manufacturing
-  Technology and Innovation
-  Hospitality, Tourism and Leisure
-  Creative

## RESPONSES BY ORGANISATION SIZE

-  A multinational
-  A mid-size corporation
-  A small company
-  A not-for-profit
-  Other



# Helping our Members grow, trade and invest between the UK and China since 1954

The China-Britain Business Council (CBBC) is the UK's national business network promoting trade and investment with China. Since 1954 we have acted as the independent voice of business, located at the heart of the action, engaging across both countries in every sector and region. We support our Members and partners by delivering the advice, analysis, and access which they need to seize the China opportunity.

Through our presence across the UK and our network of nine offices in China, we are uniquely positioned to serve our Members' interests in the UK and China. Our team of experienced in-market specialists are dedicated to guiding and advising our Members through our wide range of professional services.

Our diverse Membership includes some of the UK's leading companies and universities, many of the most dynamic UK SMEs, and an ever increasing number of Chinese companies exporting to and investing in the UK. We also work closely with cities, local enterprise partnerships and universities to help them forge the links needed to drive local economic development. We understand that our Members' businesses have different needs and may be at different stages of their entry into, or growth within, China. Our Members gain value from different CBBC services and access depending on their size and level of experience, and this is reflected in our Membership tiers and services.

In addition to assisting thousands of companies of all sizes and from all sectors with their China journey; CBBC plays an important role in helping shape bilateral relations between the UK and China through our close links to the UK Government and the Devolved Administrations; the Chinese Government at national, provincial, and municipal levels; and the British and Chinese Embassies.

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