

**Scottish Parliament**  
**Cross Party Group on China**  
***Draft Minutes of the Meeting of 29 January 2014***  
**Scottish Parliament**

**PRESENT**

**Convener**

Graeme Pearson MSP

**Other MSPs**

Gil Paterson MSP

**Speakers**

Eric Balish, Director, Barclays Trade and Working Capital; Convener of CSBF

Farai Magodo, University of Aberdeen, accompanied by his fellow research team

members from the University of Aberdeen:

- Jonas Banionis
- Lin Han
- Chenjing Gao
- Xiang Chen

**Secretary**

Judith McClure, Convener of the Scotland China Education Network

**Members**

Margaret Alcorn, Convener of SELMAS (Scottish Educational Leadership, Management  
and Administration Society)

Peter Budd, Chairman Arup, Scotland, CBBC Vice-Chairman

Sharon Cheung, Investment Director, Clyde Blowers Capital

Frances Christensen, General Manager, Confucius Institute for Scotland

Dr Roger Collins, Honorary Fellow, University of Edinburgh

Carole Couper, China + International Business PhD Researcher, Glasgow University

Robert Dalzell, Quality Improvement Officer, North Lanarkshire Council

Jane Davidson, Education Manager, Scottish Opera

Councillor Jim Dixon, West Lothian Council and Cultural Interchange Scotland

Professor Tariq Durrani OBE FRSE FREng, Vice President (International) Royal Society  
of Edinburgh, Research Professor Department of Electronic and  
Electrical Engineering, University of Strathclyde

Robin Dyet, Office of Graeme Pearson MSP, Scottish Parliament

Professor Barbara Fennell, Director, Confucius Institute, University of Aberdeen

Sheila Forbes, Administrator China-Scotland Signal and Image Processing Research  
Academy, University of Strathclyde

Helen Ford, former teacher in China

Matthew Heap, University of Glasgow Careers Service (International)

Douglas Ledingham, First State Investments

Catriona Llanwarne, Senior Solicitor, Burness Paull LLP

Li Xiang, Glasgow Caledonian University, with two post-graduate students:

- Liu Yisheng
- Wang Yanzhi

Ye Liu (Orchid), Contributing Correspondent, Scottish affairs, UK Chinese Times  
 Lindesay M. Low, Legal Adviser, Legal Affairs Department, Scotch Whisky Association  
 Simon Macaulay, Teaching Fellow, University of Aberdeen; SCEN  
 Julia Macbeth, Administrator, Ricefield Chinese Arts & Cultural Centre  
 Susie McCosh, Willowbrae Consulting  
 Judith McKerrecher, Curriculum Leader, Languages, Craigmount HS, Edinburgh  
 Andrew McKinlay, China Team, Scottish Government  
 Brian McLeish, Business Networks and Communications, Scottish Enterprise  
 Dr David McMurry, School of Education, University of Aberdeen  
 Dr Samantha May, School of Social Science, University of Aberdeen  
 Dr. Martin A. Mills, Head of Anthropology, School of Social Science, Director, Scottish  
 Centre for Himalayan Research, University of Aberdeen  
 Ruairidh Nicolson, East Lothian Council  
 Jack Nissan, Founder/Director, Tinderbox Project  
 Ed Payne, Director, Strategy, Scottish Development International  
 Neil Phillips, Positive Solutions (Glasgow)  
 Lindsay Rinning, placement at Scottish Government China and Americas Team  
 Douglas Scott, Scottish Borders Council  
 Jim Scott, University of Dundee and ELLC Consulting; SCEN  
 Graham Thompson, Chairman, The Blackford Trust  
 James Trolland, Ridrum International  
 Kate Walker, Head of Education, British Council Scotland  
 Jean J. Ye, J.J.Y. International  
 Deborah Yeo, First State Investments  
 Mark Yeomans, Researcher for John Lamont MSP

## **1 Welcome from the Convener, Graeme Pearson MSP**

The Convener, Graeme Pearson MSP, thanked Members for attending the meeting. He said that the strong numbers always surprised him; it was encouraging to see that people were committed and willing to give up their time. He gave a special welcome to Gil Paterson MSP, who was always interested in the work of the Cross Party Group on China.

The Convener suggested that anyone who wanted to be on the distribution list of the Cross Party Group should contact the Secretary:

**judithmclure12a@aol.com**

The Convener then informed the Cross Party Group of the sudden announcement of the imminent departure of the Consul General for the People's Republic of China in Scotland and Northern Ireland, based in Edinburgh, Mr Li Ruiyou. Mr Li had served the normal term of three years, but his move to his next post had been announced unexpectedly quickly. The Convener said that he would be meeting Mr Li the next day and he

would thank him and give the gratitude of the Cross Party Group on China for Mr Li's contribution to China Scotland links: he had always been friendly and approachable on any issue.

**Members agreed strongly with the Convener's view of the contribution of Mr Li Ruiyou and expressed their gratitude, which they were glad would be conveyed to Mr Li.**

## **2 Apologies**

The Secretary said that all apologies had been noted:

James Anderson, Baillie Gifford  
Martin Bell, Deputy Director Asia Pacific, Scotch Whisky Association  
James Brodie, CBBC Scotland, Manager and Business Adviser; Vice-Convener CSBF  
Richard Clason, Operations Manager, g7 Consultants  
Barry Cooper, Academic Registrar, Loretto School  
Professor Jane Duckett, University of Glasgow  
Professor Natascha Gentz, University of Edinburgh  
Cathy Gu, KPMG, Co-Director, Young Chinese Professionals  
Ewan Hastings, Fundraising Manager, Eric Liddell Centre  
Dr Meryl James, CISS, University of Strathclyde  
Owen Kelly, Chief Executive, Scottish Financial Enterprise  
Janette Kelso, SCILT, University of Strathclyde  
Peter Kwok, Co-Director, Young Chinese Professionals  
Eoghann MacColl, East Ayrshire Council  
Ailsa Mackie, Trainee Accountant, EY  
Christine Moinard, Scotland's Rural College  
Fiona Pate HMI, Education Scotland  
Alan Simpson, HBJ Gateley  
Tim Simons, Head of Curriculum Division, Learning Directorate, Scottish Government  
Miss Anna Tomlinson, St George's School; Head Designate, St Margaret's School  
Aberdeen  
Rory Swinson Reid, Transition Unit  
Angus Tulloch, Joint Managing Partner, Asia Pacific and Global Emerging Markets Equity  
Team, First State Investments  
Jennifer Young, Principal Teacher Curriculum - Social Studies, Armadale Academy

## **3 Minutes of the Meeting of 28 November 2013**

The Minutes of the Meeting of 28 November 2013 were agreed.

## **4 Matters arising**

There were no matters arising that would not be addressed later in the Agenda.

**5 Presentation by Eric Balish, Director, Barclays Trade and Working Capital, on the China Scotland Business Forum, of which he is Convener, and which will be launched in the Scottish Parliament on 3 February 2014 at an event sponsored by Barclays.**

The Convener welcomed the first speaker, Eric Balish. Members had received his paper on the establishment of the China Scotland Business Forum; the Convener said he was glad that the Cross Party Group would have this opportunity of acquiring an insight into its values and objectives, before its launch in the Scottish Parliament on 3 February.

Eric Balish said that he believed that the China Scotland Business Forum (CSBF) was a necessity. He was keen to get the views and feedback of members: so far, he had received very positive responses. Forty representatives of major companies and organisations spanning multiple businesses had been invited. He asked himself the question why he should be the Convener. He had worked for Barclays for seven years and before that at RBS for twenty-eight years. His remit was international business: trade management, international cash management, exports, and new markets. He had worked with major organisations, such as SDI, CBBC and others. He believed that Scotland needed new markets, not just in the US and Europe (though they remained important), but in China, and Africa and South America too. Ed Payne, Director, Strategy, SDI, said that Scotland's export figures, released that day, were up 6% overall; those to China by 30%, reaching £0.5bn. Eric Balish thanked him for this timely information and returned to the subject of his professional interest, as one of less than a dozen people working in trade finance across Scotland's banks. They needed to be as accessible as possible to as many businesses as possible. Now, of course, a sale is a gift until you get paid! So the management of risk was a vital component of his work.

The CSBF had been devised by a gang of four: as Convener, he was being advised and supported by Peter Budd, Chairman of Arup Scotland and Vice Chairman of CBBC, James Brodie, Manager of CBBC Scotland, and Judith McClure, Convener of SCEN and the Secretary of the CPG on China. The strongly held belief was that more synergies would appear among the different groups involved in China business links with:

- **More communication**
- **More collaboration**

It was vital to bring together the energy that existed in these areas all around Scotland and to share, in order to focus our efforts to gain maximum benefit and to get better results more quickly. He reminded members of the presentations made at a previous meeting by James Anderson of Baillie Gifford and Angus Tulloch of First State Investments. In the longer term, with direct flights a necessity, he believed that Scotland could become the European Hub for China-related business.

Eric Balish reassured members that the CSBF was intended to reflect everyone's agenda and not to exclude any other organisation. Unlocking potential would be achieved only through working with partners. He believed that there was much more latent export potential and he pointed to the central role of education: the size and scale of Scotland's Universities and Colleges were remarkable and should be included firmly within the wider business environment. The learning of Chinese was vital for the future. A key output would be a clearer idea of what everyone else is doing! Clashing events of great significance continued. The Scottish Government, thanks to good work by Lindsay Rinning, now back with the China and Americas Team, had created a China Hub, but it did not work effectively for businesses, as it was not private sector oriented. Certainly a forward Calendar was essential.

The Convener thanked Eric Balish for his overview and invited questions. James Trolland (Ridrum International) asked about those invited to the launch of CSBF; on being told by Eric Balish that the audience had been chosen as representatives of many interested companies and organisations, he took the view that the same players would be present, whereas fresh thinking was needed. Eric Balish assured him that CSBF would not be an exclusive club, information would be shared and all contributions would be welcome.

Sharon Cheung (Clyde Blowers Capital) asked what would be done differently by CSBF and what would be unique. Eric Balish responded that the key questions were what was our focus and what were our goals. We have a China Plan with objectives aimed to help business and to help links, but currently our activities were disjointed and not sufficiently shared. We need to be able to find out where information is to be found and how we can help businesses accelerate and stay relevant.

Neil Phillips (Positive Solutions) said that most job opportunities would be found in small businesses, but CSBF was about the big players. Eric Balish assured him that the Forum for Small Businesses had been invited to the launch; ultimately, he said SMEs were integral and indeed fundamental to CSBF, as he hoped his position paper made clear. He would be glad to hear of other relevant organisations.

Ed Payne (Scottish Development International) said that 90% of the work of SDI was with SMEs. He was glad to say that the trade figures released that day showed growth in small businesses and that more wanted to be active in China. He believed that it was important to get people together to help focus our efforts. Neil Phillips expressed his disappointment with CBBC and SDI to the extent that he was considering changing the focus of his business with China; the Convener suggested that it would be helpful if discussed these issues in detail outside the meeting. The Convener asked for information on the general rise in trade and Ed Payne responded that it was in chemicals, manufacturing, food and drink, and engineering: it was quite broadly based, which was encouraging

Carole Couper (University of Glasgow) said that she had been involved in her PhD research on Scotland, China and International Business for three years. She agreed with Neil Phillips that FSB did not really represent small businesses, many of which did not have the necessary competences or the right product to enter the China market. She believed that CSBF was a very good idea, because of the fragmentation of activities. But it would be necessary to think out of the box in terms of engaging and supporting SMEs, whose business model was very different from that of large companies. Her second observation was that it took 5-7 years to see if a firm entering the China market would be successful. Thirdly, she thought that University research was not sufficiently usable by the private sector; it was written for an academic audience and it needed to be *translated* to become practical.

The Convener asked about Carole Couper's own research project: when it would be published, would she circulate an executive summary and would it be *translated* to make it useful? Carole Couper said that she was in the last nine months of her doctorate and she would be glad to share her findings with the Cross Party Group.

***Action: Carole Couper to inform the Secretary when she is ready to share her research findings.***

The Convener invited Gil Paterson MSP for his views. Gil Paterson said that he had been a member of FSB for 30 years: he had been a pioneer of entering the China market with his own business. He referred members to his entry in the Register of Interests of MSPs for the details of his company. With 50 employees, his company was too small for the big players. However, he had found that China was willing to engage, over time. He had needed to employ an interpreter, who was now like a family member. He emphasised the importance of building relationships and learning the language of business in China. For his company, success had come, but not overnight. He believed that CSBF was an important new initiative and that FSB may be persuaded to take part. He and his wife had advised other businesses, often much larger, concerning China links. The CSBF model, involving large and small companies engaging with each other, could well work. He supported CSBF.

Sharon Cheung said that Clydeblowers had once been small, but now it was large. She stressed the importance of not trying to enter China blind and of first finding out whether there was a market for the product concerned. If so, the market must be captured, and local partners were essential. The calibre of local people must be judged and they must be willing to grow with you. In her personal view, working with a Scottish company made her feel respected, whereas a US company made one feel an employee. She had been delighted to hear the observation by Gil Paterson MSP that his interpreter had become a family member.

Helen Ford wondered whether there was an organisation with which the CPG could link in China: the Convener said that he would find out. The Convener thanked Eric Balish for his presentation on CSBF and said that the discussion had been most useful. He looked forward to hearing more and he would approach FSB.

*Action: Convener*

**6 Short presentation by Farai Magodo, undergraduate at the University of Aberdeen, on his team's China project research concerning Chinese university students in Beijing and Shanghai and their aspirations for further study abroad, particularly in Scotland.**

The Convener welcomed Farai Magodo, who would present the key findings of the team from the University of Aberdeen who had collaborated on their first-year undergraduate research project. He was accompanied by fellow undergraduates, including some from China, all of whom were welcomed by the Convener.

*See the document 'A study of the perception of national versus international education as a means to achieve aspirational values for Chinese students in Beijing and Shanghai,' by Emanuel Flury, David Conard, Jonas Banionis Edita Alabi and Farai Magodo, and the accompanying summary of statistics.*

Farai Magodo said that his fellow students and he had considered various research topics; a lecturer at Beijing Normal University had stressed the need for focus. So the enquiry, conducted in China in June 2013, had explored the perceived aspirational values that mainland Chinese students in Beijing and Shanghai had for continuing further education abroad, specifically in Scotland UK, compared with studying at home. By circulating questionnaires and conducting interviews at universities in both Beijing and Shanghai, the team was able to acquire information both qualitatively and quantitatively. The team also used empirical methods, by studying data from the Higher Education Statistics Agency (HESA) Student records and the UK Council for International Student Affairs. This data helped to consolidate its findings.

The Chinese students who responded in interviews and by completing questionnaires were all studying in top tier Universities in Beijing and Shanghai. They had been very honest and forthcoming. In their view:

- More and more Chinese students were seeking foreign education as a means of **differentiation**, given the great competition for jobs in China.
- Chinese students were interested in acquiring **Western language and culture**, especially in English-speaking countries such as the USA, Canada, UK, Australia and New Zealand. They were interested too in learning methods, especially the encouragement of critical thinking.

- Chinese students were interested in a real **return on investment**, especially through post-study employment programmes such as those currently available in Germany, France and Spain.

Farai Magodo said that the study indicated that the attitudes of Chinese students presented great opportunities for Scottish Universities, as Eric Balish had said, not simply in revenue terms but in developing long-term symbiotic relationships and educational exchange. He issued a caveat: knowledge of Scottish academic institutions was still low. Some areas of concern raised by the Chinese students about higher education in Scotland included:

- **The removal of the Post Study Visa** had meant that the perception of a full return on investment in studying in Scotland was reduced, as there was no longer an opportunity to gain employment skills in Scottish businesses after a degree course.
- **The increased difficulty in the process for acquiring a UK Visa for study.**

Thus Scotland's overall market share was falling.

Kate Walker (Head of Education, British Council Scotland) thanked and congratulated Farai Magodo and the team for their very interesting enquiry. She asked whether the Chinese students recognised that education in Scotland was distinctive. Farai Magodo responded that this needed much more promotion. They had found that awareness of the website [www.scotland.cn](http://www.scotland.cn) was low, as was awareness of Universities in Scotland. Kate Walker concurred, from her personal experience, though the British Council had produced a Report in 2013:

**<http://www.britishcouncil.org/Scotland-report-a-strategic-analysis-of-the-scottish-higher-education-sectors-distinctive-assets.pdf>**

on the strengths of the Scottish University sector. She then asked whether Chinese students were attracted to the idea of transnational education in China. Farai Magodo said that the focus of the enquiry had been of study abroad and had not explored attitudes to transnational education.

Matthew Heap (University of Glasgow Careers Service International) said that he found the enquiry very interesting. He agreed entirely that the Visa process made graduate recruitment in China hard. He had also found that while multi-national companies welcomed experience of study abroad, Chinese companies were not always so clear. A message for CSBF must be that Chinese students in Scotland represented a huge resource: businesses could do much more to support them. This was not simply a matter for Universities: work experience (20 hours per week was allowed) was extremely important.

Professor Barbara Fennell (Director of the Confucius Institute, University of Aberdeen) said that Chinese Universities must not be looked upon as places to harvest students. They should be our partners and where possible include transnational departments. We ought to include in our thinking the teachers of English whom we send abroad and to look at education generally as a major export for Scotland. Carole Couper pointed to the UK institutions in China, such as the Nottingham Campus, were doing well, and that Chinese students who came to Scotland were of high quality.

Neil Phillips asked whether the students interviewed had indicated the courses they would like to study. His experience in advising students at the University of Strathclyde and Glasgow Caledonian University in the field of energy efficiency had been that engineering students from China were few: they seemed to look at finance and marketing. Farai Magodo agreed. He said that he understood that Chinese students would prefer to study ICT at home, because the courses were so advanced; in other subject areas, he believed that sometimes the agents persuaded students to apply for particular courses. Better relationships would help. Professor Tariq Durrani (Vice President International, Royal Society of Edinburgh) pointed out that the University of Strathclyde related to 20 Universities in China in engineering. Other Universities, such as Edinburgh, Heriot-Watt and Glasgow, also had wide links.

Sharon Cheung said that there was undoubtedly appreciation of western education in China; there was also a market for those who did not achieve places in top Chinese Universities, those with rich families and those who realised the importance of acquiring English. There were strong competitors, especially English Universities. There was a need for Scottish Universities to differentiate the Scottish system, to clarify their position in the market and to target the right groups. Farai Magodo agreed: knowledge of Scottish Universities in China was vital.

The Convener thanked Farai Magodo for his presentation and re-iterated his thanks to Eric Balish. Members expressed their warm appreciation in applause.

***Professor Barbara Fennell recommends the British Council Report of January 2014, 'China as a Host Destination':***

**[www.britishcouncil.org/educationintelligence](http://www.britishcouncil.org/educationintelligence)**

## **7 Updates from the Convener and from Members**

- (a)** The Convener reminded members of the five issues identified by the Cross Party Group:
- **Establishment of Direct Flights**
  - **Better UK Visa Process**

- **More Chinese Language Learning in Scotland**
- **Support for more school twinning**
- **Support for SMEs**

He said that the development of symbiotic relationships was critically important. We have acknowledged the need for mutual relationships with clear benefits to both sides. We want human relationships of friendship, not simply economic and educational ones.

- (b) The Cross Party Group received the Report of the CBBC Conference held in January 2014, sent by James Brodie (General Manager and Business Advisor, CBBC Scotland) and the Note from Matthew Heap (University of Glasgow).
- (c) Frances Christensen (General Manager, Confucius Institute for Scotland at the University of Edinburgh) said that Scotland now had five Confucius Institutes. The Directors had met and had been in touch with Lord Wilson of Tillyorn, who had mentioned the difficulties they were experiencing in obtaining UK Visas for their Co-Directors and exchange teachers from their partner Universities in China. Lord Wilson had pursued the matter with the Home Office, with particular advice from Professor Natascha Gentz (University of Edinburgh) and Professor Barbara Fennell (University of Aberdeen). Frances Christensen said that she had just been given preliminary notice that there would now be a new Tier 5 category which would allow Confucius Institute staff to remain for two years, thus demonstrating the importance and strength of a unified approach.

***See letter to UK Universities from Davina Foord, Policy Group, Universities UK, 5 February 2014:***

*Those of you whose institutions run Mandarin teacher exchange programmes will be pleased to hear that the Home Office has announced a decision by Ministers to create a new category under the Tier 5 Government Authorised Exchange route for government sponsored professional development language programmes. This follows concerns raised about the accessibility of visas for current participants on the programme, which were discussed at a Home Office meeting in December. Eligibility for the new route will include all the Mandarin teachers and co-Directors coming to the UK under Hanban partnership agreements. Under this programme the teachers will be stay in the UK for a maximum of 24 months (as opposed to the current 12 month period) and co-Directors will be able to make a repeat application to stay for a maximum of 48 months. All current outstanding visa applications will now be processed via the Tier 5 route. Amendments to the Tier 5 rules, reflecting these developments, will be published in April 2014. More detail on this announcement will be available shortly.*

**(d) Confucius Classroom Hub Award**

Members were informed that on Saturday 7th December 2013, Hanban, at the annual World Conference for Confucius Institutes, gave a Confucius Classroom of the Year Award to the East Renfrewshire Confucius Classroom Hub at St Ninian's High School. Headteacher Mr John Docherty made the trip to Beijing to collect the prestigious award.

Members praised the work and commitment of the staff and students of St Ninian's High School in East Renfrewshire. The Convener asked the Secretary to convey the congratulations of the Cross Party Group on China to the Headteacher.

*The Secretary sent congratulations to Mr John Docherty on behalf of the Cross Party Group.*

**(e) Ricefield Chinese Arts and Cultural Centre**

Julia Macbeth (Administrator, Ricefield Chinese Arts and Cultural Centre) said that her cultural organisation in Glasgow, linked with schools across Scotland, was now celebrating its 10<sup>th</sup> anniversary year. Ricefield was looking for new partners; she would be glad to speak to anyone about collaborative projects. She instanced the monthly meetings of the Cultural Café, which attracted members of the Chinese community and international students. She encouraged members to see the rich variety of opportunities on the Ricefield website:

<http://ricefield.org.uk>

**(f) Scottish Opera Terracotta Warriors Project**

Jane Davidson (Education Manager, Scottish Opera) said that Scottish Opera would be working with Scotland's Confucius Institutes on a new short opera for primary schools on the theme of the Terracotta Warriors. It was intended that 150 primary schools would participate in this project, which was being commissioned soon for production in 2015. She estimated that about twelve thousand children would take part; the use of Skype would enable it to be seen in China.

**(g) Edinburgh Chinese Community School**

Judith McKerrecher (Curriculum Leader, Languages, Craigmount High School Edinburgh) said that she was currently supporting the Edinburgh Chinese Community School. She invited members to attend its New Year celebration at noon on Saturday 1 February at Broughton High School.

**(h) Stamps for the Chinese New Year**

Helen Ford said that New Zealand issues Chinese New Year Stamps annually: she considered this would be most appropriate in the UK. The Convener agreed and said that he would write to Royal Mail to suggest this.

**Action: Convener**

**(i) British Council Primary Packs**

Kate Walker (Head of Education, British Council Scotland) said that the British Council was distributed packs for primary schools to support learning and activities in China Week, culminating in the Chinese New Year. She said that the BBC would be visiting Tynecastle High School in Edinburgh the following day and that the Chief Executive of British Council Scotland, Lloyd Anderson, would be interviewed on *Good Morning, Scotland*.

**<http://schoolsonline.britishcouncil.org/projects-andresources/year-of-the-horse>**

**8 Date and Theme of Next Meeting**

The Convener reminded members that the next meeting of the Cross Party Group on China would take place in the Scottish Parliament on:

**Thursday 27 March 2014, 6.00 – 7.30 pm.**

The Convener said that Mr Humza Yousaf MSP, Minister for External Affairs and International Development, had agreed to speak about the priorities of the Cross Party Group and to answer questions. The Convener said that it would be very helpful if questions for Mr Yousaf could be sent in advance to the Secretary, so that the Minister was able to have the necessary information and to give direct and immediate answers.

**Action: Members are invited to send their questions for Mr Yousaf to the Secretary, who will forward them.**

The Convener said that the meeting would include a discussion on human rights, led by Mary Fee MSP and Claudia Beamish MSP. He emphasised that this would be a positive conversation, not *a slagging match!* He reminded members that China's civilisation was considerably older than that of the West, so that there were opportunities to learn from each other.