



# Go East: Securing investment from Asia

During my more than 20 years as Chairman of the Global Group, a venture capital, strategic advisory and consultancy firm, I have seen the investment landscape between the East and West evolve and change drastically. Opportunities for collaboration between businesses from both sides have diversified and multiplied greatly. As the Asian markets, particularly China, continue to grow at a healthy rate, Western entrepreneurs are presented with unprecedented opportunities to secure overseas investment and grow their businesses.

## How UK businesses can seek and secure investment from the East

For many years now, the UK has been a popular and welcoming place for foreign investment. In this age of globalisation, it has adapted well to suit a variety of needs for an array of investors. London, in particular, has an unrivalled capacity

to attract investment and has become the epicentre of the nation's renowned entrepreneurial spirit and start-up culture. With this well-established reputation and economic heft, there is plenty of scope to attract foreign investment - but finding the right kind of investor is not as easy or as straightforward as it might at first appear.

UK businesses are strongly advised to do their research before they begin their search for foreign investment. The Chinese economy is now the world's second largest, and its most dynamic, but this in itself doesn't always mean quality investors will be easy to find. For example, many entrepreneurs or start-ups may not be best advised to target the biggest cities, on whom so much global attention is lavished and where consequently competition is fiercest, like Beijing, Shanghai, Guangzhou and Shenzhen. Rather they may be better advised to consider looking for investors and partners amongst China's second,

third and even fourth tier cities, each of which has its own sector specialisms and plenty of potential. Yangzhou, for example, a city of some 4.5 million people in central Jiangsu province, has experienced 73% growth between 2012-2017, far greater than the 59% national average. As such, it's important that businesses seeking investment research their options thoroughly before setting out to explore the highly complex Asian markets.

Finding the right business partner who understands your business and its goals is vital. Not only can partners help you find the right kind of investment that is suited to you, they can also ensure that you understand local culture, customs and expectations. One must not lose sight of the fact that Asian culture and civilisation is deeply rooted, with an unbroken history of millennia, and that it can be markedly different to that of the west. One ignores this at one's peril.



However, if you can prove to potential investors that your concept is already a success in a market such as the UK's, and that it therefore enjoys bright prospects, it will put you in a far stronger position in your search.

**Businesses open for investment**

UK businesses are already attracting overseas investors across a very wide range of sectors, not least as the country has a very liberal investment environment and is more relaxed than most other developed economies when it comes to investing in national infrastructure.

The energy sector is a good example of this, not only in terms of basic utilities such as water, electricity and gas, but even in the case of nuclear power. Hinckley Point nuclear power station, which is being co-invested in by state-owned CGN of China and EDF of France, is one of China's largest UK investments to date.

The UK is also establishing itself around the world as a hub for technology and innovation. East London's Tech City, also known as the Silicon Roundabout, and the Silicon Fen area around Cambridge are both excellent examples of the UK tech industry's growing reputation and financial strength.

As both are located within easy reach of the City's key financial district, they continue to entice investors who value the unique opportunity to combine the highly profitable finance and technology sectors via the new world of fintech.

**Global Britain and the 'golden era'**

During her China visit in February of this year, Prime Minister Theresa May recommitted herself to the 'golden era' for the China-UK relationship that Prime Minister Cameron and Chancellor Osborne had earlier forged with President Xi Jinping. If the post-Brexit vision of a Global Britain is to become a reality, such relationships will be vital.

The UK remains a welcoming home for high net-worth individuals and families, with a favourable tax regime and the rule of law. Furthermore, the UK benefits from a more flexible labour market, compared to some other countries where more rigid codes apply.

Patterns of global business and the political environment are changing rapidly, but I am convinced that the UK will remain a key hub for foreign investment and, with the Asian markets continuing to expand, there is still plenty of opportunity for Britain to explore post-Brexit. I look forward to seeing the links between the UK and Asia continue to grow.





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**Dr. Johnny Hon**  
Chairman  
Global Group

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