

Lincolnshire-Hunan One Year
Engagement Plan
2018-2019

Table of Contents

Foreword	2
Introduction	2
The Mission	2
Outlining China’s Strategy	2
Background to the Lincolnshire-Hunan Relationship	3
How the Hunan-Lincolnshire relationship fits with wider UK-China cooperation	3
UK-China: The Golden Era	4
Midlands Engine Three-Year China Strategy.....	4
Reasons for the Strategy	5
Introducing Hunan	6
Lincolnshire-Hunan Strategy	7
Partnership Approach	7
Regional Focus.....	8
Economy Driven.....	8
The Strategy’s Key Sectors	8
Education.....	8
Advanced Manufacturing	9
Agri-Tech.....	10
Ten Key Objectives for the Lincolnshire-Hunan Strategy	10
Key People	11
Action Plan	11
Appendices	12

Foreword

Words from Cllr Colin Davie – Executive Member for Economy and Place

As we all know, China is now one of the largest and most important export markets in the world. Many county firms already have strong ties with the Chinese, and their success makes it clear we can do more. So Lincolnshire County Council is keen to forge an even closer relationship with the country.

Over the last three years we've been developing our relationship with Hunan, a booming Chinese province. Not only do we already have strong commercial links with the region, but we have much in common. We are both traditionally areas of agriculture and industrial manufacturing and we have a shared interest in culture and education. That means there are ample opportunities for collaboration, bringing benefits for us both.

We would like to strengthen collaboration between our areas in relation to these key areas of combined interest.

This strategy outlines the steps we will be taking over the next 12 months to strengthen our ties with Hunan, focusing our attentions on the areas of agriculture, advance manufacturing and education, and building on our close friendship and mutual commitment to economic co-operation.

Introduction

In Autumn 2018 Hunan and Lincolnshire signed a Memorandum of Understanding (MOU) which will officially recognise their regional relationship. The information presented in this document will provide a guideline for stakeholders from both regions to better understand the strategic priorities and how they both sides can take benefit. The document will build on previous and current Lincolnshire-Hunan focused activity, identify key areas for cooperation, and set out achievable goals over a twelve-month period. Due to the scale imbalance between Lincolnshire and Hunan, it is important for Lincolnshire to focus on our strengths and build a defined set of priorities that will help to channel Hunan's interest accordingly. Lincolnshire will focus attention on three sectors where they have world class characteristics: Agri-Tech, Advanced Manufacturing and Education. By the end of this period it is hoped that partners will be able to start building their own relationships between the regions and see tangible results. Providing this one-year action plan is beneficial for stakeholders from both regions and Lincolnshire and Hunan hope to sign a Five-Year Plan in 2019 to develop and realise longer term objectives.

The Mission

The purpose of this strategy is to focus the Lincolnshire-Hunan regional relationship towards three significant areas where economic benefit can be achieved - Agri-Tech, Advanced Manufacturing, and Education.

Outlining Lincolnshire's One-Year China Plan

Considering the size, and the continuing growth of the market in China, organisations in Lincolnshire have a great opportunity to expand commercial connections with the world's second largest economy. Although the opportunity is huge, China still remains one of the most challenging markets for new organisations to enter. For this reason, Lincolnshire has chosen to develop a strategy that will bring together partners from priority sectors across the region that are 'China ready/active'. A major area of focus will be to define the 'Lincolnshire offer' that can be presented to Chinese local governments, businesses and education institutions. By being clear where Lincolnshire intends to focus attention, it will help manage expectations from both sides. Although Lincolnshire is small in Chinese terms, by concentrating on its strengths, there is no reason why the County can't be seen as a world class partner for Hunan.

Background to the Lincolnshire-Hunan relationship

In 2008, Zhuzhou CSR Times Electric Co., Ltd (now called "Zhuzhou CRRC Times Electric Co., Ltd"), a Hunan based company, acquired approximately 75% of the share capital of Dynex, one of Lincolnshire's largest Advanced Manufacturing businesses. The Hunan Provincial Government has been keen to build on this initial major investment and has paid a number of visits to Lincolnshire with the aim of exploring opportunities for further cooperation. In September 2015, an MOU was signed between Cllr Colin Davie and Mr Shi Shaolong, Deputy Director General – Grain Administration of Hunan Province. The MOU proposed the two regions work towards a Sister Region Agreement¹.

Since this visit, Hunan invited the Higher Education leaders from The University of Lincoln and Bishop Grosseteste University to visit Hunan and take part in their annual education summit in October 2016. Both universities returned with a better insight into the region and its opportunities. Since the visit, the two universities have begun developing their own relationships with education institutions in the province.

In 2017, Cllr Colin Davie lead a delegation made up of sector leads from Agri-Tech, Advanced Manufacturing, and Education to Hunan with the aim of exploring ways of establishing better connectivity between Hunan and Lincolnshire in these sectors. In 2018 Hunan paid two high-level visits to the County, firstly the Commission of Commerce led a delegation of 50 Hunan businesses to hold B2B meetings in the County and secondly Mr Wang, Deputy Director of the Standing Committee of Hunan Provincial People's Congress visited to formalize the sister region relationship.

¹ A Sister Region Agreement is a non-legally-binding relationship between two cities or regions that is based on good will and mutual benefit. The agreements often form the basis for economic cooperation, as well as providing the impetus for greater cultural and educational engagement.

How the Hunan-Lincolnshire relationship fits with wider UK-China cooperation

Unlike the European concept of ‘sister cities/regions/places’, developed after World War II, the main focus of which is to maintain peace and stability², the Chinese concept is much more commercially driven. In China, business relations tend to stem from personal relationships and introductions. From a Chinese perspective, business people prefer to trade with places, people or organisations they already know, or those that have been recommended to them by organisations or people that they trust. Therefore, regional partnerships are symbolically significant in China and will be regarded highly by local businesses and other organisations. Through developing relationships with an overseas region, local Chinese governments hope to lay the foundations of mutual understanding and trust. This can help to remove some of the cultural barriers for Chinese businesses and provide a stepping stone for international trade and investment opportunities.

The Sister Region Agreement itself comes in the form of a Memorandum of Understanding, a non-legally binding document which is intended to highlight areas of cooperation in the future. The Chinese tend to place more emphasis on these documents compared to regions in the UK. For example, the sister/region relationships usually need to be endorsed by the Chinese Government (specifically, the Chinese People’s Association for Friendship with Foreign Countries) and to sign a new agreement the Chinese region needs to demonstrate they have met specific criteria³.

From Lincolnshire’s perspective, the regional relationship with Hunan is a fantastic opportunity for the County to establish a platform for local businesses and organisations to establish projects and commercial relationships with one of China’s largest and fastest growing provinces. Although smaller than Hunan, Lincolnshire is home to some world class businesses and institutions. Providing Lincolnshire can steer the relationship to focus on the priority sectors already outlined, there are huge opportunities for this regional relationship to flourish and for the Lincolnshire-Hunan connection to be an exemplar of UK-China regional relationships.

UK-China: The Golden Era

Since the State visit of President Xi to the UK in 2015, the two countries have developed the narrative of a ‘Golden Era’ of UK-China relations. A major strand of this narrative is the ‘People to People’ (P2P) bilateral dialogue. The aim of this is to encourage a deeper understanding of each other’s cultures with a major component of this dialogue focusing on the regional relationships the two countries are developing.

The new sister region relationship between Hunan and Lincolnshire fits into the wider UK-China dialogue and can therefore expect support and endorsement from both the UK and Chinese central government.

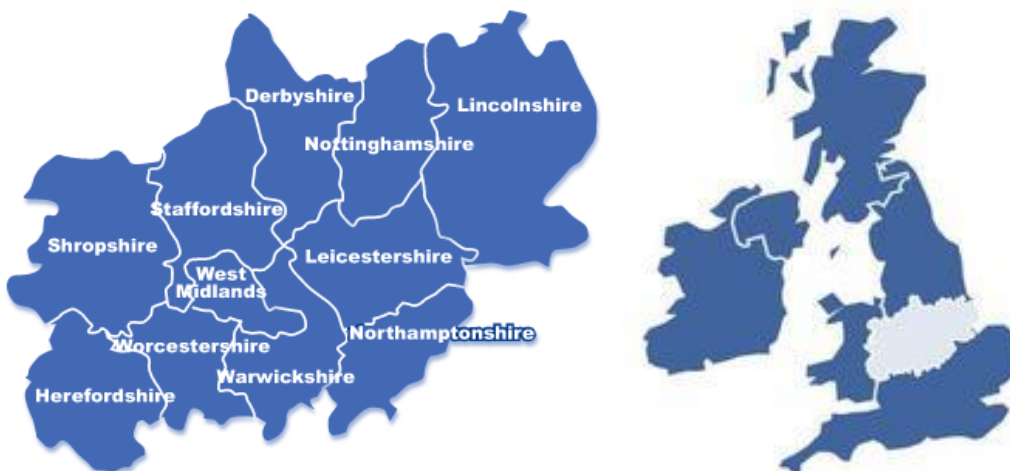
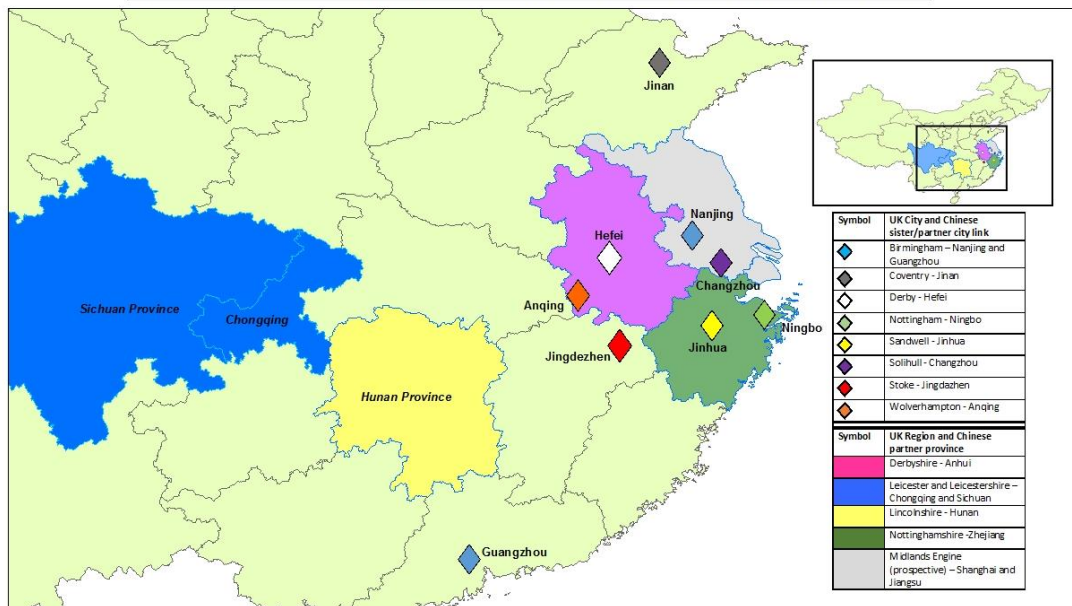
² Since China began opening up to the rest of the world following reforms in 1978, China has had to play catch up in terms of developing its own international links.

³ Usually have identified a relationship that is more than 18-months long, and where there are clear strengths and benefits to be gained from such an agreement.

Midlands Engine Three-Year China Strategy

The Midlands Engine strategy, as published in March 2017, specifically pointed to increasing cooperation with China to drive exports and attract inward investment. The strategy makes recommendations for it to develop a Three-Year Plan for China. A China Sub-Group of the Midlands Engine Trade and Investment Board has been established (Lincolnshire is a member) to help guide the development of the strategy. The group have unanimously agreed that the China Three Year plan should focus on the existing regional relationships that partners from the Midlands already have. The map below highlights some of the key relationships cities and counties from across the Midlands have with China. Hunan represents 20% of the combined GDP of the Midlands Engine links in China.

The Midlands Engine's Regional Partnerships in China



Map of Midlands Engine area

The regional relations developed between the Midlands and China are primarily situated along China's central belt. The proposed Midlands strategy will encourage each region from the Midlands to uphold and sustain their Chinese regional connections. The Chinese regions are far larger than the regions in the Midlands (Hunan's population is 100 times larger than Lincolnshire's), which can result in an unbalanced relationship. Therefore, the Midlands Engine, as an umbrella organisation, allows for Chinese businesses and organisations to tap into the wider Midlands Engine region when their regional partner cannot provide the opportunities they are demanding. This will benefit Lincolnshire as it will mean the County can focus on areas where they are strong. They can pass on commercial requests in sectors that are not part of the strategy to other regions in the Midlands, and vice-versa. Hunan has been the fastest growing region out of the Midlands Engine's regional connections and their GDP makes up 20% of the entire regional links. This will not only help strengthen Lincolnshire's position in the Midlands, it will also strengthen its position in China, whilst maintaining Lincolnshire as the gatekeeper for commercial opportunities in the Midlands Engine.

The need for a strategic approach:

- To set out the parameters of the relationship and ensure that Lincolnshire and Hunan get the best out of it.
- Hunan is huge and there are a lot of opportunities in multiple sectors. Lincolnshire will choose to focus on a small number of priority sectors and aspire to do them well.
- To ensure that as many local partners are aware of the relationship and how they can be involved.
- To secure Hunan's commitment to the relationship and the specific projects that will be promoted in the strategy.
- To develop a strong Lincolnshire narrative with China.

Introducing Hunan

Hunan is China's 7th largest province (out of 34), situated in southern central China. With a population of 67 million, its population is approximately the same as the UK, and its GDP of \$470 billion, is the equivalent to Norway and Morocco's GDP combined.

The province of Hunan as we know it today was established in the 17th century, and was well connected to the rest of China given its position along the Yangzi River. Hunan has a rich cultural, economic and political history. Hunan was one of the most important centres for Confucian thought, one of China's three schools of thought. It also was one of the most agricultural regions in China, and saw its population flourish from its production of wheat. It also has a turbulent political history, playing host to many important rebellions, including the Taiping rebellion and was widely involved during the Cultural Revolution. The latter was due largely to the fact that Hunan is the home province of Mao Zedong (Chairman Mao), which has resulted in it being regarded as being the birthplace of modern-day China.

China often delivers development strategies on a five-year basis, and the same happens on a local level. Hunan's Five-Year Plan, launched in 2016, has a strong focus on developing a prosperous society, paying attention to its position regionally in China, and with developing trade relations with other countries. The key tenets of the Five-Year Plan include innovation, agricultural modernisation and sharing knowledge and resources.

Lincolnshire-Hunan Strategy

This section provides more detail in relation to the main areas of focus for Lincolnshire's work with Hunan, which have been identified as having the ability to bring economic benefit to the County. These have drawn upon Lincolnshire's own strengths and Hunan's Five-Year Plan.

Partnership Approach

The objective of the strategy is to support growth in the local Lincolnshire economy. It is therefore crucial that organisations in Lincolnshire are engaged with the strategy and feel that it is working for them.

Lincolnshire will ensure local organisations are at the heart of the work with Hunan. To this end, Lincolnshire has:

- Engaged stakeholders during the research phase of the development of the strategy.
- Developed a Lincolnshire Hunan Steering Group– comprised of significant stakeholders in the Hunan relationship, who will meet twice per year.

Regional focus

Developing the regional relationship with Hunan will give Lincolnshire businesses a unique footstep into China. Lincolnshire will build this relationship by:

- Working closely with the South China British Consulate, ensuring Lincolnshire's work is fitting with wider UK-China objectives.
- Engaging with the Midlands Engine China Three Year Plan. Lincolnshire's connection with Hunan will be promoted within this Plan and its wider offerings to the other partners across the Midlands' most important regional links.
- Developing the Hunan-Lincolnshire steering group. This will help ensure cooperation between the two regions is maintained in a structured manner with a partnership approach.

Economic focused

Lincolnshire's priority is to support local organisations leverage trade and investment opportunities from China and to attract more people from China to visit the County. To achieve this, Lincolnshire will:

- Identify priority sectors (outlined below) and businesses from these sectors that are 'China ready' (have export experience, the capacity to export, and have an interest to export to China).
- Build connections with the Hunan Commission of Commerce to connect companies from the priority sectors identified.
- Identify investment projects in Lincolnshire that are infrastructure and Merger & Acquisition focused and promote these to contacts in Hunan as well as through other networks.
- Build relationships with government departments and organisations that are supporting the UK-China trade agenda (e.g. Department for International Trade, Foreign Commonwealth Office and the China-Britain Business Council) and signpost local businesses who are 'China ready' to these organisations.

The Priority Sectors

Given Hunan's size, Hunan's interests will be diverse and many. There is a risk of being swamped with requests that Lincolnshire is unable to fulfil and eventually disappointing partners. By focusing on a few sectors and specific projects which complement the County's strengths, Lincolnshire can help direct Hunan to the relevant businesses and organisations that are ready to work with China.

The priority sectors which the relationship will focus on are:

Education

The County's links with China can inject millions of pounds into the Lincolnshire local economy. It is estimated that each Chinese student spends approximately £14,000 in the local economy (excluding University fees). This figure is much higher than home students and other international students of different nationalities. The Chinese student market is therefore of importance to Lincolnshire and should have attention paid to it. Although the Universities play the leading role in international student recruitment, there are still ways that the County can play a significant role to encourage Chinese students to choose Lincolnshire as a place of study.

The County will do the following:

- Develop relationships with Hunan's Education Bureau. Hunan has many universities that are actively looking to develop connections with other universities and building exchange programmes, such as the 2+2 (a degree split across two universities, two years spent at each). Once the sister region relationship is formalised, the Hunan government will be proactively pushing universities from the province to establish connections with universities in Lincolnshire. The Council can help facilitate this relationship and add a 'civic' layer to conversations. This will help reinforce the importance of the new education relationship to the university in Hunan.
- Provide any necessary endorsement and support as the University of Lincoln look to develop a joint Engineering College with Hunan University of Technology and develop 3+1 programs. This new relationship will build on the Dynex-CRRC connection and will help move this connection to the next level.
- As Bishop Grosseteste University develop their connections with universities in Hunan, Lincolnshire will continue to work with the Hunan Government to endorse the new relationships. From a Chinese perspective, this endorsement will help clarify the importance of the BGU relationship to the Hunan partners. Hunan Education Bureau has shown interest in developing programmes with BGU, so apart from attracting students from Hunan to attend their courses in BGU, there is also the opportunity for BGU to provide Continuous Professional Development Programmes for teachers from Hunan.
- Further develop the Lincolnshire China Student Ambassadors Scheme. The aim will be to identify students with Chinese language and cultural skills who are looking to gain work experience and connect them with local businesses who are hoping to trade with China.
- Develop sister college links – this is a fantastic way for young people from each province to learn more about China and the UK. There are opportunities to establish exchanges and summer camps, which whilst not generating much revenue for organisations in the County, is a great way to build positive relationships with Hunan and demonstrate that Lincolnshire does not see Hunan purely as a commercial relationship.

Advanced manufacturing

The establishment of the Dynex-CRRC relationship was the catalyst which brought Hunan and Lincolnshire together. Furthering the two regions cooperation in this area will be a significant aspect of future relations. To do this, Lincolnshire will:

- Play a civic role to continue endorsing the Dynex-CRRC cooperation – Although the Council cannot do too much to shape the cooperation between the two organisations, Lincolnshire can play a strong role to endorse the cooperation and engage the Hunan government to do the same.
- Identify businesses across the County which may be China ready – There may be local businesses producing niche products which could be of interest to CRRC in China. Through the ‘Dynex and Hunan narrative’, the Council can introduce more businesses to the Commission of Commerce in Hunan.
- Encourage more Chinese companies to invest in Lincolnshire – More will be done to engage with CRRC and its Chinese supply chain and promote Lincolnshire as a great location for companies to consider for future investments. Research and Development will be the main focus. The Council will do some work to identify funding streams that Chinese businesses could tap into if they were to establish R&D facilities in Lincolnshire.
- Links with education – as mentioned above, establishing a CRRC-Dynex course at the University of Lincoln will create an additional layer of support and engagement for Hunan and CRRC. In addition, the proposed Lincolnshire China Student Ambassadors Scheme will be channelled to focus on advanced manufacturing businesses.

Agri-Tech and water management

As one of Lincolnshire’s and Hunan’s core strengths, the Agricultural industry, is a logical choice to build part of the regional relationship around. It is unlikely that much produce will be exchanged between the regions. The focus for this aspect of the relationship will be on advanced Agricultural Technology, an area where Lincolnshire has significant strengths and where Hunan has the demand. Another area that Lincolnshire will explore is land/water management.

Lincolnshire will build this relationship by:

- Identifying Agricultural technologies developed by organisations in Lincolnshire – promote these to Hunan with the aim of attracting investment or selling their products into the China market.
- Identifying niche products which may be in demand in China and signpost them to support to export – For example, what would be considered waste products such as pig’s trotters and ears are considered delicacies in China. Large abattoirs should be encouraged to explore options for exporting products like this.
- Promoting the water management projects that Lincolnshire are working on - By introducing the work Lincolnshire is doing in this sector, it may uncover some opportunities for Hunan, and could be the start of identifying future investment projects, or could be an opportunity to use organisations from Lincolnshire as consultants to deliver their own programmes in the future.
- Identifying large projects that need investment – Lincolnshire will develop a portfolio of investable projects to promote to partners in Hunan.
-

Ten key objectives for the 2018-2019 Lincolnshire-Hunan plan

Upon completion of the one year plan, Lincolnshire will have achieved the following:

1. Build on the Hunan-Lincolnshire Economic Forum – Tiedong Yang to hold monthly catch up meetings with appropriate organisations in Hunan in order to ensure messages and opportunities are communicated effectively.
2. University of Lincoln to have hosted Professor Li from Hunan Agricultural University on an academic placement to Lincolnshire – Professor Li will explore ways to increase Agri Tech connectivity between the two regions.
3. Three-month Hunan-Lincolnshire Agri Tech and Advanced Manufacturing research project to be carried out – George Collison will visit Hunan and write a report to identify areas for future cooperation.
4. Lincolnshire-Hunan relationship is better utilised by the Midlands Engine partnership – This can help demonstrate to Hunan that Lincolnshire is a helpful partner. DIT Midlands Engine are in contact with the Hunan Commission of Commerce, this link should be nurtured by Lincolnshire.
5. China ready businesses within the priority sectors of the strategy are identified – The businesses will be sign posted to get support from DIT and CBBC. Their information will also be shared with Hunan Commission of Commerce who will help identify businesses in Hunan that may be interested in their products or partnerships.
6. Investment ready projects identified – These projects will be shared with investors in Hunan Government's network. They will also be shared with DIT, FCO, CCPIT and CBBC.
7. Holbeach to be promoted as a project for Hunan to invest into – Aim to sign new agreements/investments during the Autumn 2019 visit to Hunan.
8. Lincolnshire-China Student Ambassadors Scheme developed to provide a resource to businesses – This group will be a pool of 'China-skilled' students who are looking for work experience opportunities. Businesses can tap into this group to get support with their China related business.
9. Set out plans to develop a Dynex – CRRC focused course at the University of Lincoln – This course will act as a tool for CRRC and Hunan Education Bureau to direct talented and ambitious Chinese students to study at the University of Lincoln.
10. Lincolnshire define a China focused offer to attract companies looking to establish Research and Development offices in the UK – Once this offer is established, Lincolnshire can promote this through the networks they are establishing
11. Lincoln plan a civic delegation to Hunan in 2019 and host a second Joint Steering Group meeting in China. Discuss options for establishing a Five-Year Plan.

Key People

- Cllr Davie, Executive Member for Economy and Place
- Justin Brown, Enterprise Commissioner Environment and Economy
- Karen Maddocks, Deputy Consul General, Foreign Commonwealth Office
- Lulu Tan, Regional Cities Network, Hunan Officer, Foreign Commonwealth Office
- Angela Driver, Senior Commissioning Officer, Lincolnshire County Council
- Jill McCarthy - Principal Growth Officer, Economic Development Services
- Simon Murphy, Senior Project officer (Internationalisation), Lincolnshire County Council
- Mick Carling, DIT Midlands Engine
- Rob Avery-Phipps and Tiedong Yang, China-Britain Regional Initiative (CBRI)
- Wilson Liu, Hunan CCPIT

Action plan

This section outlines the key steps and events that Lincolnshire can take advantage of to help execute this one year strategy with Hunan. This document can be added to as projects and timelines become clearer.

Date	Location	Title/event	Sector focus	Objective
11/10/18	Lincolnshire	Deputy Director of Standing Committee of Hunan Provincial People's Congress	All	Sign off the Sister Region Relationship and establish the Joint Economic Forum.
06/11/18	Shanghai	China International Import Expo – Hunan section	All	Support Hunan's role in the CIIE event by connecting Lincolnshire and Midlands Engine businesses with Hunan CCPIT. Lead a small delegation of businesses to visit the Hunan stand during CIIE.
Jan-March 2019	Hunan	George Collison research project	Agri-Tech and Advanced Manufacturing	George Collinson will spend three months working with colleagues and businesses in Hunan to identify new ways for the two regions to work together.
July 2019	Lincolnshire	Ambassadors scheme launch	All	Connect Student Ambassadors Scheme into the Business Lincolnshire Growth Hub offer and support more businesses to trade with China.
March-September 2019	Lincolnshire	Prof Li Sabbatical visit to Lincolnshire	Agri-Tech	Build on George Collison's work and explore academic collaboration opportunities between Hunan and Lincolnshire.
October 2019	Hunan	Lincolnshire visit to Hunan	All	Hold the Annual Joint Economic Forum and discuss option for establishing a Five-Year Plan.

Appendix1. Hunan's 13th Five Year Plan (2016-2020)

1

Adapt to the new normal of economic growth to achieve decisive victory in comprehensively building a moderately prosperous society.

Guiding ideology and overall requirements:



1. Center on “five development ideas” of innovation, coordination, green development, opening-up and sharing.



2. Understand the new orientation of the “One Belt & One Zone” initiative (the transitional zone from the eastern coastal areas to the central and western areas, as well as the junction zone of the Yangtze River Open Economic Belt and the Coastal Open Economic Belt)

When making an inspection tour in Hunan in early November of 2013, President Xi Jinping hoped that the province could make better use of its geographical advantage as the transitional zone from the eastern coastal areas to the central and western areas, as well as the junction zone of the Yangtze River Open Economic Belt and the Coastal Open Economic Belt to promote overall economic competitiveness.



3. Specify the new requirements of a moderately prosperous society in all respects via balanced improvement of economic aggregate, economic development quality and average per capita share.



4. Uphold the new development path of simultaneously promoting industrialization, informationization, urbanization and agricultural modernization and greenization.

New targets of comprehensively building a well-off society:



1. Keep economic growth at a medium to high rate.



2. Further optimize the economic structure.



3. Improve people's living standards and quality.



4. Significantly promote quality of the citizens and the level of civilization of the society will be greatly enhanced.



5. Continuously improve ecological environment.



6. Perfect institutional mechanism of various aspects.

2

Pursue innovative development to cultivate new drivers for economic development.

- 1. Tap economic potentials in consumption, investment and export to fully unleash new demands.
- 2. Implement the strategy of innovation-driven growth to vigorously advance innovation and upgrading in science and technology.
- 3. Accelerate the building of a powerful manufacturing province to establish a new industrial system.
- 4. Speed up the modernization of service industry to stimulate its innovative development.
- 5. Transform the developing pattern of agriculture sector to promote its modernization.
- 6. Deepen the overall reforms to complete the system and mechanism for innovative progress.
- 7. Expedite the construction of up-to-date infrastructural facilities to elevate new potential energy for evolution.

3

Stick to the coordinated development to establish a new balanced growth mode.

- 1. Quicken the integration of Changsha-Zhuzhou-Xiangtan City Cluster to boost regional coordinated advancement.
- 2. Step up new-type urbanization to push forward balanced development of urban and rural areas.
- 3. Rapidly build Hunan into a culturally advanced province to propel both economic expansion and civilization progress.
- 4. Actively support the building of national defense and reform of armed forces to impel compatible development for civil-military integration.

4

Uphold the green development principle to turn Hunan into a new homeland featuring energy-saving and environmental-friendly concept.

- 1. Perfect the ecological civilization system.
- 2. Comprehensively carry forward the "Two-oriented" Society construction.
- 3. Thoroughly promote conservation and high-efficiency utilization of resources.
- 4. Give impetus to low carbon and recycling economy development.
- 5. Strengthen ecological protection and environment treatment.

5

Adhere to opening-up policy to build a highland for inland open economy.

- 1. Fully collaborate with and merge into national regional developing strategy.
- 2. Enhance utilization of foreign investment.
- 3. Expedite optimizing and upgrading of foreign trade.
- 4. Further implementing the “go-global” strategy.
- 5. Elevate new platform for opening up.



6

Insist on shared development to create happy new life.

- 1. Increase supply for public services.
- 2. Implement the precise poverty alleviation project.
- 3. Extensively improve education quality.
- 4. Vigorously promote employment and entrepreneurship.
- 5. Narrow the income disparity.
- 6. Establish a fairer and more sustainable social security system.
- 7. Carry forward medical and health care reform to build a healthy Hunan.



Develop A Leading Core

- To develop CZT City Cluster into a leading core along the middle reaches of the Yangtze River by taking advantages of the CZT Pilot Zone for “Two-oriented” Society, the CZT National Innovation Demonstration Zone and Xiangjiang New Area.

Take the Lead in Two Aspects

- To take the lead in central China in terms of doubling the 2010 GRDP and per capita income of urban and rural residents by 2020, and realizing preliminary modernization in CZT area.

Create Three Growth Poles

- To build Yueyang a new growth pole by taking advantages of Chenglingji Port and Dongting Lake Eco-economic Zone;
- To build Chenzhou a new growth pole by taking advantages of the Hengyang, Chenzhou and Yongzhou based Demonstration Areas for undertaking industrial transfer;
- To build Huaihua a new growth pole connecting with southwest China and Cheng-yu City Cluster by taking advantages of regional transportation hub and favorable ecological environment.

Build Four Belts

- To build Beijing-Guangzhou High-speed Railway Economic Belt connecting key cities along the railway;
- To build Dongting Lake Economic Belt with Yueyang, Changde and Yiyang playing a major role;
- To build Shanghai-Kunming High-speed Railway Economic Belt with Loudi and Shaoyang as the main supporting cities;
- To build Zhangjiajie-Jishou-Huaihua Eco-culture Tourism Economic Belt focusing on developing Zhangjiajie into an international tourist destination

Develop a Powerful Province in Five Aspects

- To build a powerful province in terms of manufacturing, internet economy, tourism, culture, and talents.

Build Five Networks

- A comprehensive transportation network covering land, water and air transport;
- An energy network complementarily supported by oil, gas, electricity and coal;
- A water conservancy network composed of rivers, lakes, and reservoirs;
- A new information network based on deep integrating of service industry;
- An urban and rural infrastructure network with safe and efficient supports.

Appendix 2 - Chinese regional cooperation: case studies

This section provides some examples of successful regional partnerships that may help shape the Lincolnshire-Hunan relationship in the future.

Hunan-Schaffhausen (Northern Switzerland)

Schaffhausen is one of Hunan's most recent regional relationships, formalised in 2016. The two regions focus on four key areas: Trade & Investment, Education, Tourism, and Culture. Over the past three years they have held a number of bilateral meetings and dialogues, and have developed the following:

The Hunan- Schaffhausen Trade Forum

This has primarily focused on market entry and exporting to China, and how Hunan can help Schaffhausen business overcome certain obstacles.

The Hunan- Schaffhausen Tourism Symposium

An opportunity for both sides to promote tourism hot spots in both regions.

The Hunan- Schaffhausen Knowledge sharing seminars

These seminars have focused on environmental and public planning issues, such as establishing eco-industry parks, environmental protection, waste and sewage management, regional planning and natural disaster protection.

The Hunan- Schaffhausen Healthcare Forum

The forum discussed the provision of elderly care and how Hunan can draw from Schaffhausen's expertise in certain areas.

The key thing that Lincolnshire can draw from this case study is how interested and proactive Hunan are to develop regional links. Schaffhausen is smaller than Lincolnshire and is strategically less advantageous. However, Hunan clearly sees value in this relationship. Important to take away is that Schaffhausen has strategically selected a small number of key sectors to work with Hunan on. In return, Hunan have provided more favourable support for businesses from this region who want to trade with Hunan.

Hunan-Central-Val de Loire (France)

Hunan has established a strategic link with Central-Val de Loire, one of France's major tourist destinations. The two regions have shared knowledge and experience of how they promote their place to tourists. This relationship fits into Hunan's Five-Year Plan which aspires to promote the province as an international tourism destination. Hunan and Central-Val de Loire have held tourism focused seminars and Hunan Provincial Government has encouraged Tourism Agents to develop stronger connections with the French region to encourage more people from Hunan to travel to Central-Val de Loire. In return, Hunan hopes to gain more publicity in France and attract more international tourists.

This relationship only focuses on one sector, tourism. Although this French region is much smaller than Hunan, the Chinese clearly see strategic opportunities to develop partnerships as Central-Val

de Loire has world class tourism connections. Lincolnshire can learn from this case study, as they build their relationship with Hunan, it is important to focus attention on areas where Lincolnshire has world class characteristics and can add value to Hunan in the form of knowledge sharing, partnerships and research and development.

Ningbo-Nottingham

Established in 2005, this sister city partnership is regarded as an exemplar for UK-China regional relations. The relationship stemmed from the establishment of the ambitious satellite campus of the University of Nottingham in the city of Ningbo, Zhejiang in 2004. Ningbo is a prosperous, rapidly growing, coastal city of 8 million people, approximately 150km south of Shanghai. In recent years, Nottingham City Council have developed a proactive programme of engagement with Ningbo with the key aim of supporting trade and investment wins.

In 2016, the two cities used the Ministerial level Joint Economic and Trade Cooperation discussions between the UK and China to launch a Five-Year Plan between the two cities – this has additional significance as China had recently launched their 13th National Five Year Plan. The plan focuses on four key areas: Trade & Investment; Education; Culture & Sport; and Civic links. As Nottingham had built up a good track record of relations with Ningbo, they were also able to leverage funding from the Ningbo Government of £50,000 per year to pay for a Nottingham City Council Trade & Investment focused officer to be based in Ningbo.

Because of the vastness of the Chinese economy, Nottingham's China strategy has been very focused on Ningbo and the surrounding Yangzi River Delta region. They have understood the value the Chinese government place on the Civic relations and have focused attention on this area. Results in the four areas mentioned above are now clearly being seen. On a micro scale, local Nottingham businesses are starting to use Ningbo as the first entry point for their own China strategy. By using the strong civic links, the city has built up, the Ningbo government has helped open doors to business opportunities that would have been very challenging to negotiate if they attempted to do so alone.

This example can help Lincolnshire appreciate the power of utilising the civic link as a tool to unlock economic opportunities for the region. As the Lincolnshire-Hunan relationship grows, the two regions may also look to develop their own Five-Year Plan – which should be used as a tool to ensure greater engagement for Hunan and potentially leverage more financial commitment from Hunan.

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