

NEWS

ANALYSIS

MARKETS

PROFESSIONAL

High street retail review p4 David Pear's recession diet p30 Central London p45 Autumn Statement preview p70
Whitgift judicial review threat p11 Boris's £1bn housing remedy p32 East Anglia + Essex p53 Alan Froggatt on budgeting p75

DEVELOPER'S VIEW Xu Weiping

Royal Docks will help overseas firms make 'soft landing' into UK



All enterprises, wherever they are in the world, face the same fundamental issue: they seek to prosper, so they must progress and develop, or they will eventually fall to their competitors. Businesses from China or the UK are no different to each other in their shared desire to reach out to new markets, and balance their expansion with considerations about how to ensure their growth is successful.

Over the past 20 years, China has enjoyed tremendous economic growth and this looks likely to continue. The OECD (Organisation for Economic Co-operation and Development) predicts that China's economy will be larger than the combined economies of the eurozone by the end of this year, and will overtake the US by the end of 2016. We should not forget that this rapid development is mirrored by Chinese enterprises who have learned quickly and who instinctively want to do things quickly.

Therefore, it is no surprise that companies from China are now well placed to look to overseas expansion – and they are looking in the direction of London, with its position as a global city with international connections and long track record of entrepreneurship. Just as their UK counterparts make hard-headed business decisions and weigh up all of the options, Chinese companies have been thinking about how to set up new UK and

European headquarters in an international city such as London, to allow them to take a closer view of opportunities in the whole western world.

Establishing themselves in London also makes it easier for Chinese companies to make informed decisions, make better use of resources, improve their position to be at the forefront in science and technology, and overall to obtain the maximum opportunities for enterprises to grow.

Of course, there are many factors involved,

apart from assessing the market potential for the goods and services they provide, their natural eagerness to push on, and the determination not to waste time and effort overcoming unnecessary obstacles, means companies increasingly want to move to where they can share resources, and get help from their peers with shared experiences of locating within a

new city, and to a place where they and their staff will feel comfortable doing business. In short, they are looking to expand to a place that provides more than an office but somewhere akin to a place where they feel at home.

There have been economic and academic studies in China that show that when businesses relocate to a district alongside other enterprises that are also expanding, this creates an economic energy that has a ripple effect that goes far beyond the local district. We call it "headquarters economy" in China – a place where the whole is greater than the sum of the parts.

It was with this in mind that ABP drew together the concept of transforming the Royal Albert Dock into an Asian Business Port – a place where companies could have a soft landing into the UK, where they would feel at home to allow them to get on with what they do best and which, at the same time, will generate economic benefits across London and beyond.

Companies want to move to where they can share resources and get help from their peers



Xu Weiping is chairman of Advanced Business Park