

PRIME MINISTER

CABLE AND WIRELESS SIGNING CEREMONY ON
25 JULY

I attach:

- (a) The programme for the ceremony;
- (b) A draft for your two-minute speech
which is expected - Cable and
Wireless are most anxious to have
this text first thing on Monday
morning so that the translators
can get to work on it;
- (c) A background brief;
- (d) A guest list.

After the speeches there will be a
brief toast using the Chinese drink
Mau tai. (We turned down champagne because
of the presence of the press).

A.J.C.

22 July 1983

A

PROVISIONAL PROGRAMME
OILFIELD SIGNING CEREMONY

25TH JULY, 1983

All car parking facilities to be kept free until 3pm.

Hours

- 10.20 Chinese Delegation Arrive.
- 10.30 Chinese Ambassador and Commercial Councillor arrive. Chairman to meet. To Chairman's office for tea. K. Baker approx same time. Escort to Chairman's office.
- 10.35 Assemble photographers/T.V. in Director's Dining Room
- 10.40 Assemble Press in Old Court Room
Distribute Press Release.
- 10.45 Executive, Non-Executive Directors and Guests assemble in Directors' dining room.
- 10.55 Chairman to front Entrance to meet PM. Tea guests assemble in corridor to meet PM.
- 11.00 P.M. arrives. Met by Chairman, escorted to 7th Floor.
- 11.02 Chairman, with K. Baker, introduces PM to PRC Ambassador, Commercial Counsellor, Delegation, and J.K. Slaughter.
- 11.04 Party enters Directors' Dining Room.
- 11.05 Chairman's welcome (and Translation)
- 11.09 Signing takes place
- 11.12 Serve ~~Champagne~~ and Mau Tai (subject to confirmation from P.M.'s Press Office)
- 11.17 Speech by P.M. (and Translation)
- 11.23 Speech by P.R.C. Ambassador (and Translation)
- 11.30 PM departs, escorted by Chairman.
- 11.35 Chairman to Press conference in Old Court Room.

19/7/83.

China
May 29,
Sino-British Relations

20 JUL 1988

7694
80
90

B

SPEECH AT CABLE AND WIRELESS SIGNING CEREMONY ON MONDAY 25 JULY

Mr. Sharp, Your Excellency, distinguished visitors from China, ladies and gentlemen.

I am absolutely delighted to be present for the second time ~~in less than a year~~ at a signing ceremony between Cable and Wireless and your ^{two} Chinese partners

- the China Nanhai Oil Joint Services Corporation
- and the Guangdong Provincial Posts and Telecommunications Bureau.

I recall with great pleasure my visit to Guangzhou in September last year when the Letter of Intent for this exciting venture was signed. Today the efforts of all those concerned ^{have} come to ~~happy~~ ^{happy} fruition. *Lynnly*

Telecommunications are vital for economic development. ~~In the United Kingdom~~ ^{here} we are introducing ~~radical reforms in~~ ^{fundamental changes} our telecommunications environment. ~~to boost our exploitation of new technological opportunities.~~ ^{so that we can take advantage of the latest developments in technology. The very latest} Cable and Wireless are ~~in partnership with British Petroleum here to launch a new~~ ^{the} ~~advanced~~ ^{new} communications network called Mercury. *result to meet the needs of our people and to increase efficiency of the system*

I am glad to see that the first user of your exciting new telecommunication venture (in Guangdong) will be a consortium led by British Petroleum.

/ I very much

believe
 I ~~very much hope~~ that this joint venture will be ~~the~~ *a great success*
~~and that it will be the~~ *Then together it shall be able to*
 first of many more, ~~which will~~ bring the benefits of modern
 telecommunications ~~systems~~ to other ~~areas~~ *parts* of China.

The close links which our two countries are now establishing
 in ~~telecommunications and energy~~ *these fields of human endeavour can* can become a model for
 beneficial cooperation over a ~~much broader range~~ *wider range of activities*. The United
 Kingdom - its Government and its companies - are deeply
 interested in establishing and developing such cooperation.

And I regard it as a ~~practical~~ example of the desire
~~I congratulate all concerned on the achievement represented~~
~~by this signing ceremony today.~~ *to all those involved in*
~~the successful accomplishment of your mission.~~

Warm congratulations and ~~best~~ may
~~good wish in~~ *news attend your*
efforts in the future.

Oilfield Telecommunications Joint Venture

The signing ceremony on 25th July will establish the "Huaying" Joint Venture Company and results from the Letter of Intent signed in the Prime Minister's presence during September 1982 in Guangzhou, China.

Cable & Wireless have 49% of the equity in the company which will operate for an initial period of 15 years, a period which will probably be extended. The 15 year period extends beyond 1997.

The Chinese partners are the China Nanhai Oil Joint Services Corporation (CNOJSC) represented by Mr. Zhou Xuan, Director and Deputy General Manager, who will sign the agreement, and the Guangdong Provincial Posts and Telecommunications Administration (GPTB) represented by Deputy Director Zhang. Both have visited UK before on study visits. Together these two organizations have formed a separate company which holds the 51% Chinese share in the Joint Venture.

The capital expenditure by the Joint Venture for the first 10 years is expected to be £15 million for which British Industry has the opportunity to compete strongly because of its involvement in the North Sea Oilfields.

The partners have already completed preliminary construction of facilities which will be used during the early exploration phase of the oilfield development. The first user will be the international consortium for which BP is the operator. Further development of these facilities will involve satellite communications and conventional radio systems.

Cable and Wireless are also negotiating with GPTB and other Provincial authorities regarding the provision of telecommunications services in the Special Economic Zones in Southern China. Negotiations are currently proceeding on a fruitful basis with the authorities in the Shenzhen SEZ. The long established relationship between C&W and China has made it possible for the Group to achieve long term agreements on such important parts of the infrastructure development.

Understanding and trust must be built up over a long period to achieve any business relationship in China particularly on an Equity Joint Venture basis.

FOR INFORMATION ONLY

China Oilfield Joint Venture Finalized

Following the signing of a letter of intent in September 1982 in the presence of the British Prime Minister Margaret Thatcher the two Joint Venture Partners, China Nanhai Oil Joint Services Telecommunications Company and Cable & Wireless have been working together on the us\$2 Million first phase of a dedicated oilfield telecommunications network. The first phase is nearing completion and will be ready for service in July 1983.

Margaret Thatcher was also present at the Cable and Wireless Group Headquarters in London today when the two partners signed the Joint Venture Agreement itself. This establishes the "Huaying Nanhai Oilfield Telecommunications Services Company" as an Equity Joint Venture. Rapid expansion of the first phase of the network is planned to provide Telecommunications Services to the Oil and Support companies offshore and their control and supply bases in Guangdong province, the recent increase in activity in the offshore oil industry brought about by the awarding of concessions to the consortium headed by the British Company, British Petroleum as made the demand for telecommunications facilities one of priority. The oil companies have repeatedly stressed the importance they place on good telecommunications and several are now working closely with the Huaying management to coordinate the network planning to meet their requirements.

The first phase involves use of dedicated telephone and telex exchanges for the land-based network which incorporates high quality circuits in the microwave systems of Guangdong Provincial Telecommunications Authority as well as microwave links installed by the new company for exclusive oilfield use. Communication with the exploration vessels will use the latest H.F. Radio techniques developed in the North Sea Oilfield. To achieve the very short project timescale necessary, the equipment for the new coast radio station has been assembled in containers and tested by staff of both partners working in the Cable & Wireless Cape D'aguilar radio station. These will be shipped to the sites being prepared in the Shenzhen Special Economic Zone just north of Hong Kong.

Before the exploration work starts the network will be ready to allow the platforms to communicate directly with offices and supply base at Chiwan and Shekou and the central base in Guangzhou. Plans are already in hand to tie the control and supply bases of Zhanjiang and Sanya into the network.

Future developments will include the use of satellite communications for communications between the bases and with production platforms offshore. Use of tropospheric scatter and microwave links offshore also considered depending on the production areas developed.

At the signing ceremony the new company announced the eight members of the Board of Directors. The Chairman will be

of _____ and the Deputy Chairman Mr. B.A. Pemberton, the Director (Far East) of CWPLC.

The other directors will be

Mr. _____, Mr.

and Mr.

of

Mr J.K. Slaughter, GM of CWPLC new Far East Business Unit, Mr. J. Wong and Mr. T.M. Seddon of Cable and Wireless.



BACKGROUND NOTE ON UK/CHINA TRADE

Trade figures £ million

	1978	1979	1980	1981	1982	1983 (Jan-May)
UK Exports	91	213	169	120	103	70
UK Imports	110	138	153	184	193	90

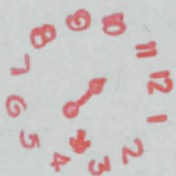
Commentary

UK exports to China declined between 1979 and 1982 as a result of China's adoption of an economic "readjustment" policy involving strict control of imports. However, the latest figures are better; and the economic plans announced by China last year envisage steady import growth and give priority to sectors including energy (eg coal, nuclear, offshore oil), transport and communications where British companies are well placed to compete. We are particularly anxious to obtain maximum commercial advantage for UK companies from the development of China's offshore oil reserves.

China: offshore oil

It was announced in May 1983 that an international consortium led by British Petroleum had been awarded the right to explore for oil in four blocks in the South China Sea and a fifth block in the Yellow Sea. This was the first award in China's current licensing round, though exploration rights in other parts of China's offshore waters had previously been awarded to Japanese, French and US oil companies. Other international consortia are expected to be awarded drilling rights shortly, and the pace of exploration particularly in the South China Sea, is expected to build up quickly over the next two years. The Chinese are entering into a number of joint ventures with foreign companies to provide support services. The Cable and Wireless joint venture is an example.

Chusa: Relat - May 79



JUN 2 1983

D

D R A F T

OILFIELD SIGNING CEREMONY

MONDAY 25TH JULY, 1983

DIRECTORS' DINING ROOM, MERCURY HOUSE

Draft Guest List as at 14/7/83

		<u>Comments</u>
<u>Government (2)</u>		
The Rt Hon. Margaret Thatcher	Prime Minister	Only signing
Kenneth Baker	Minister of Information Technology, D.O.T.I.	Only signing
<u>D.O.T.I. (4)</u>		
Sir Brian Hayes KCB	Permanent Secretary, D.O.T.I.	Only signing
Mr. Roy Croft	Deputy Secretary, D.O.T.I.	
Mr. David Hall	Head, Far East Section, D.O.T.I.	Signing & Lunch
<u>F&CO (3)</u>		
Sir Anthony Acland - KCMG KCVO	Permanent Under - Secretary of State	Only signing
Mr. Mark Elliot	Head, Far East Section	Signing & Lunch
Mr. Peter Thompson	Assistant Head, Far East Section	Will not attend if Elliot comes
<u>HONG KONG (1)</u>		
Sir Jack Cater KBE	Head, Hong Kong Government Office,	Only signing
<u>Chinese Delegation (9)</u>		
Mr. Zhou Quan	Director and Deputy General Manager, CNOJSC	
Mr. Wang Haiying	Engineer, CNOJSC	
Mr. Zhao Qichang	Manager, CNOJSC	
Mr. Zhang Peizhen	Deputy Director, GPTAB	
Mr. Li Shengbao	External Secretary, GPTAB	
<u>P.R.C. Embassy (3)</u>		
Mr. Chan Zhaoyuan	PRC Ambassador	
Mr. Sang Zhixing	Commercial Counsellor	

+ PS

Cable and Wireless (17)

Directors

Mr. Eric Sharp, CBE

Mr. Richard Cannon

Mr. Joseph Crouch

Mr. Ernest Potter

Mr. R.E. McAlister

Mr. B.A. Pemberton

Chairman and

Chief Executive

Joint Managing Director

Director, Technology

Finance Director

Company Secretary

Director, Far East

Non-Executive Directors

Mr. Alan Wheatley

Mr. David Berriman

Sir Patrick Meaney

Sir G.C. Brunton

Mr. John Slaughter

Mr. Gaylord Chan

Mr. Rod Sutton

Mr. Anthony Fabian

Mr. Nevil Hunter

GM/FEBU

FEBU/HK

RBM/FE

Manager/FEBU

CPO/CAD

Others (5)

Mr Peter Cazalet

Mr David Harding

Mr S.W. Edwards

Mr Michael Marshall

Sir Donald Maitland GCVO

Lord Morris

Mr. Roddy Dewe

Director Far East, B.P.

Regional Manager, Australia,
China and the Far East, B.P.

Deputy Chairman, Humphries and Glasgow
Sino British Trade Council
Representative

M.P.

U.K. Representative, International
Commission for Worldwide
Telecommunications Development

PRIME MINISTER

CABLE AND WIRELESS JOINT VENTURE - MEDIA

The signing ceremony which sets up the "Huaying" joint venture company involving Cable and Wireless and the China Nanhai Oil Joint Services Corporation will be photographed, filmed and recorded.

Arrival

You will be met in the front entrance by the Company Chairman, Mr Eric Sharp CBE. Any photographers present will be kept outside the building and the front door is about 10 paces from your car.

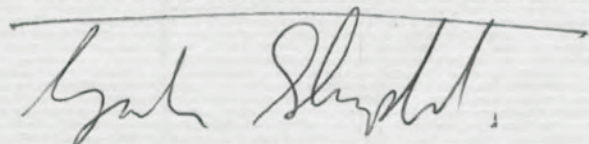
Inside you may notice the receptionist, Mrs June Drew, who has worked for Cable and Wireless for 15 years and whom you met on your visit to the Company about 5 years ago [brief details at Annex A].

A lift will take you to the seventh floor where you will be introduced to some of the guests outside the Director's dining room where the ceremony will take place [brief biographies of lift operator at Annex B]. These guests are, from the China Company, Mr Li, Mr Zhang, Mr Zhou, Mr Chen, Mr Sang and the Chinese Ambassador, Mr Chan Zhaoyuan.

When you enter the dining room the signing table will be directly in front of you and photographs and tv cameras will be at the end of the room on your left (diagram attached at Annex C).

The entire ceremony, from the moment you enter the room until you leave, including speeches, will be filmed, recorded and photographed.

You are not expected to talk to the press after the ceremony, although the Chairman intends to brief specialist journalists in a separate room after your departure. Some attempts may be made to interview you as you leave the building, but the walk to your car is very short and the press should be kept at a distance.



GORDON SHEPHERD

22 July 1983

Receptionist Mrs June Drew has worked for Cable and Wireless for 15 years, the first five as a clerk/typist in the engineering division.

She met Mrs Thatcher when she visited Mercury House in December about five years ago and they were introduced by the then Chairman Lord Glenamara.

Her husband, Harry, has his own building business in Hampton Wick, and they enjoy foreign holidays, having visited Hong Kong in October 1981 and December 1982, and also been to Tobago, Greece, the USA, and Spain. They plan to visit Antigua in October.

They have no children and are Conservative supporters.

'B'

Operating the lift will be Mr John Stonebridge who joined Cable and Wireless as building maintenance manager 9½ years ago. He is responsible for the maintenance of all the company's Head Office buildings.

During the Second World War he was an RAF flight mechanic from 1941-46 working mostly on Halifax aircraft in Yorkshire, but with a year in India and Burma.

He is married with two sons; the older son is married and has an electrical contracting business in Beckenham, and the younger one is a carpenter and joiner and lives at the family home in Bromley.

'B'

● FLAG

FLAG

MR K BAKER

PM

PRC AMBASSADOR

MR CHEN

PM's P SEC

PEMBERTON

CHAIRMAN

ZHOU QUAN

ZHANG PEIZHEN

PM's P DET

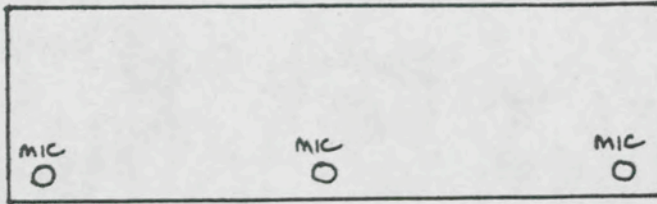
MR G CHAN

MR LI

*MR ZHAO

*MR WANG

PM's PRESS OFFICERS



SLAUGHTER

*MR BAKER

*MR SLAUGHTER

*MR PEMBERTON

FABIAN

LORD MORRIS

LORD JELlicoe

SIR J CATER

SIR B HAYES

MR M MARSHALL

SIR D MATLAND

MR P CAZALET

MR S EDWARDS

MR A WHEATLEY

MR D BERRIMAN

MR D HALL

DIRECTORS DINING ROOM

MR SANG

MR LIU

MR WANG

MR ZHAO

MR YANG

*MR LI

*MR ZHANG

*MR ZHOU

*MR CHEN

*MR SANG

*PRC AMBASSADOR

MR M ELLIOTT

MR A DONALD

MR G BRUNTON

SIR P MEANEY

STILL PHOTO X2

STILL PHOTO X2

TV

TV

TV

RADIO TEC?

ITV

4

CC

2

BBC

?

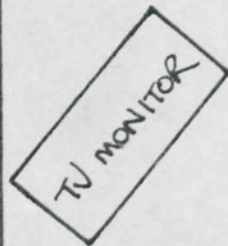


CHAIRMAN

PM

PM's P SEC

PM's P DET



ANTE ROOM

MESSRS DEWE
KIRBY
SAVAGE
LENNOX

SOUND MONITOR X3

MESSRS CANNON
CROUCH
POTTER
MOULSON
MCALISTER

SMALL DINING ROOM

* TO BE INTRODUCED TO PM
* TEA PARTY

CABLE AND WIRELESS SIGNING CEREMONY

MONDAY 25 JULY 1983

h.a.
502 25/
12.

MR. SHARP, YOUR EXCELLENCY, DISTINGUISHED VISITORS
FROM CHINA, LADIES AND GENTLEMEN.

I AM ABSOLUTELY DELIGHTED TO BE PRESENT FOR THE SECOND
TIME AT A SIGNING CEREMONY BETWEEN CABLE
AND WIRELESS AND YOUR TWO CHINESE PARTNERS

- THE CHINA NANHAI OIL JOINT SERVICES
CORPORATION
- AND THE GUANGDONG PROVINCIAL POSTS AND
TELECOMMUNICATIONS BUREAU.

I RECALL WITH GREAT PLEASURE MY VISIT TO GUANGZHOU IN
SEPTEMBER LAST YEAR WHEN THE LETTER OF INTENT
FOR THIS EXCITING VENTURE WAS SIGNED.
TODAY THE EFFORTS OF ALL THOSE CONCERNED HAPPILY
HAVE COME TO FRUITION.

/ TELECOMMUNICATIONS

TELECOMMUNICATIONS ARE VITAL FOR ECONOMIC DEVELOPMENT.

HERE WE ARE INTRODUCING FUNDAMENTAL CHANGES
SO THAT WE CAN TAKE ADVANTAGE OF THE LATEST
DEVELOPMENTS IN TECHNOLOGY.

THE VERY LATEST INVENTIONS MUST BE USED TO
BENEFIT OUR PEOPLE AND TO INCREASE
EFFICIENCY AND PROSPERITY.

CABLE AND WIRELESS ARE IN PARTNERSHIP WITH
BRITISH PETROLEUM HERE TO LAUNCH THE LATEST
COMMUNICATIONS NETWORK CALLED MERCURY.

I AM GLAD TO SEE THAT IN GUANGDONG THE FIRST USER OF
YOUR EXCITING NEW TELECOMMUNICATION VENTURE
WILL BE A CONSORTIUM LED BY BRITISH
PETROLEUM.

I BELIEVE THAT THIS JOINT VENTURE WILL BE A GREAT
SUCCESS AND THAT IT WILL BE THE FIRST OF
MANY MORE.

THEN TOGETHER WE SHALL BE ABLE TO BRING THE
BENEFITS OF MODERN TELECOMMUNICATIONS TO OTHER
PARTS OF CHINA.

/ THE CLOSE LINKS

THE CLOSE LINKS WHICH OUR TWO COUNTRIES ARE NOW ESTABLISHING IN THESE FIELDS OF HUMAN ENDEAVOUR CAN BECOME A MODEL FOR COOPERATION IN OTHER INDUSTRIES.

THE UNITED KINGDOM - ITS GOVERNMENT AND ITS COMPANIES - ARE DEEPLY INTERESTED IN ESTABLISHING AND DEVELOPING SUCH COOPERATION. AND I REGARD IT AS A PRACTICAL EXAMPLE OF THE DESIRE TO FURTHER THE FRIENDSHIP BETWEEN OUR TWO COUNTRIES.

TO ALL THOSE INVOLVED IN THIS SIGNING CEREMONY TODAY, WARM CONGRATULATIONS AND MAY SUCCESS ATTEND YOUR EFFORTS IN THE FUTURE.



DEPARTMENT OF TRADE AND INDUSTRY

Room 11.01 Ashdown House 123 Victoria Street SW1E 6RB

Telex 8813148

Telegrams Advantage London SW1

Telephone Direct Line 01-212 3301

Switchboard 01-212 7676

PS/Secretary of State for Trade and Industry

22 July 1983

John Coles Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear John

PRIME MINISTER'S ATTENDANCE AT CABLE AND WIRELESS
SIGNING CEREMONY ON 25 JULY

Thank you for your letter of 13 July.

2 Attached is a short speaking note and some
background material for the Prime Minister which has
been approved by my Secretary of State.

3 I am sending a copy to Roger Bone (FCO).

Yours etc
Steve Nicklen

STEPHEN NICKLEN
Private Secretary



JF3989

CHINA OILFIELD JOINT VENTURE

SPEAKING NOTES FOR THE PRIME MINISTER

Mr Sharp, Your Excellency, distinguished visitors from China, ladies and gentlemen.

I am absolutely delighted to be present a second time at a signing ceremony between Cable and Wireless and China Nanhai Oil Joint Services Corporation and the Guangdong Provincial Posts and Telecommunications Bureau. In September last year I was with you in Guangzhou. Today we meet again in London.

This two way flow between China and Britain is important for both our futures. Telecommunications are vital for economic development. We are introducing radical reforms in our telecommunications environment in the UK to boost our exploitation of new technological opportunities. Cable and Wireless are in partnership with British Petroleum here to launch a new advanced communications network called Mercury. I am glad to see that the first user of your exciting new telecommunication venture in Guangdong will be a BP led consortium.

China is a vast country and I hope very much that this joint venture between Cable and Wireless and a Provincial Posts and Telecommunications Administration will be the first of many more joint ventures spreading the benefits of modern telecommunications systems elsewhere in China.

The close links we are now establishing in telecommunications and energy can become a model for beneficial co-operation on a broader front.

Department of Trade and Industry

July 1983



G.R'S

Cable and Wireless
Public Limited Company

Mercury House Theobalds Road London WC1X 8RX
Telephone: International +441-242 4433 Switchboard 01-242 4433 Direct line 01-242
Telegrams: Cablewire London WC1X 8RX London Telex: 23181 CANDW G

Mr A.J. Coles,
Private Secretary,
10 Downing Street.
London,
SW1

19th July, 1983

Dear Mr Coles,

I refer to your letter dated 12 July 1983 and our subsequent telephone conversations and I enclose the following documents:

- (a) Programme (subject to discussions with your security officers and confirmation of discussions with your press office).
- (b) Guest list (As at time of writing)
- (c) A brief for the The Prime Minister.

Our press office has been approached by officials of the Department of Trade and Industry, who I understand have been requested to supply additional briefing material for the Prime Minister's speech and to whom we have supplied additional information. I would be grateful if you would contact me if you require any further information or details.

Yours sincerely,

P.M.J. Kirby
Manager, Marketing Division

cc: Mr. Gordon Shepherd



China.

CF

Note: CHINA

Depart No 10
1040

MR. FLESHER

c. Detectives

Cable & Wireless Ceremony: 25 July

A

The company will be letting us have a note of the arrangements. But the Prime Minister should arrive at 1100. The Chairman will make a welcoming speech. The Signing Ceremony will take place. Then (to be confirmed) the Prime Minister, the Chinese Ambassador and the visiting Chinese delegation will speak briefly. The Prime Minister will leave at 1130.

I told Mr. Kirby that our detectives would be in touch with him.

A.S.C.

13 July 1983



File 10

10 DOWNING STREET

From the Private Secretary

13 July 1983

Prime Minister's Attendance at
Cable & Wireless Signing Ceremony
on 25 July

Will you please refer to my letter of
12 July to Roger Bone.

Cable & Wireless have now told me that
they hope that the Prime Minister would say a
few words at this ceremony (not more than two
or three minutes). I should be grateful if
you could arrange for a suitable draft to
reach me by 20 July.

B/F /
m

A. I. COLES

Jonathan Spencer, Esq.,
Department of Trade and Industry.