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cc Master

10 DOWNING STREET

From the Private Secretary

13 November, 1984

Dear Peter,

PRIME MINISTER'S MEETING WITH MR. JING SHUPING,
13 NOVEMBER

The Prime Minister saw Mr. Jing Shuping, President of China International Economic Consultants (CIEC), briefly this morning.

Mr. Jing Shuping said that he was attending the 1984 China Update Conference where he would be making a speech and would also be meeting a number of industrialists. He presented the Prime Minister with CIEC's investment guide. Her visit to Peking was eagerly awaited.

The Prime Minister said that there was scope for Britain do much better in its commercial relations with China. She attached particular importance to the Guangdong Project. She understood that negotiations on this were going well. GEC were a very reliable company. She knew that Pilkingtons already had a joint venture in China. What were the prospects for other collaborative projects? Mr. Jing Shuping said that negotiations were in progress with Shell on a coalmining project which would produce 3 to 4 million tons of coal a year. There was also scope for cooperation on oil exploration and production in the South China Sea. BP were well qualified for this. Discussions were also underway with Lord Weinstock about a joint venture for the manufacture of turbines in China. The Prime Minister said that she would be seeing Lord Weinstock shortly and would follow this up.

Mr. Jing Shuping said that the Chinese Government attached great importance to commercial cooperation with Western Europe. Chancellor Kohl had recently paid a very successful visit to China. Expectations of the Prime Minister's visit were high. The Prime Minister said that the main purpose of her visit would be to sign the Hong Kong agreements. Once that was done, we would, of course, wish to develop our commercial relations further. How could we

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best do this? Mr. Jing Shuping commented that Hong Kong would have a major role to play in China's modernisation. It was essential that it should remain a vigorous financial centre. As to future prospects for trade between Britain and China, he wished to mention in particular counter-trade and licensing trade.

At the end of the discussion, the Prime Minister briefly met other members of Mr. Jing Shuping's delegation.

I am copying this letter to Callum McCarthy (Department of Trade and Industry) and to David Peretz (H.M. Treasury).

Yours sincerely,
C. D. Powell
C. D. POWELL

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office