

CABINET MEETING – 8 APRIL 2009 EXECUTIVE SUMMARY SHEET – PART I	
Title of Report: Co-operation with China	
Author(s): Chief Executive	
Purpose of Report: This report updates Members on discussions to develop co-operation with China, and requests authorisation to formalise relationships with Harbin Municipal Government and the Nanjing Ministry of Science and Technology.	
Description of Decision: Cabinet is asked to: <ul style="list-style-type: none"> i) authorise the signing of a Friendship Agreement with Harbin Municipal Government to promote friendship and co-operation with the aim of generating economic, educational and cultural benefits for both communities. ii) authorise the signing of a Memorandum of Understanding with the Nanjing Ministry of Science and Technology to promote co-operation in the software and technology sector iii) note support provided to the University in the development of its ongoing relationship with Liuzhou Municipal Government 	
Is the decision consistent with the Budget/Policy Framework? *Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: Sunderland's International Strategy aims to ensure the City's international engagement supports the Sunderland Partnership in achieving its vision for Sunderland, maximising the opportunities and benefits for the city and its residents. The relationships with Harbin Municipal Government and Nanjing Ministry of Science and Technology will provide opportunities in relation to a number of the key areas of activity within the International Strategy. It is particularly important for Sunderland to have links to China, given that it is expected to be the world's fastest growing economy over the next ten years, to make certain that Sunderland's companies are in a position to take up business opportunities as they arise.	
Alternative options to be considered and recommended to be rejected: A decision could be taken not to give further consideration to co-operation with China. In light of China's significance in the world market, this would potentially place Sunderland at a disadvantage in the ongoing development of its economic base. This option is not considered to be appropriate.	
Is this a "Key Decision" as defined in the Constitution? <div style="text-align: right;">No</div>	Relevant Review Committee: Policy and Co-ordination
Is it included in the Forward Plan? <div style="text-align: right;">No</div>	

CO-OPERATION WITH CHINA

REPORT OF THE CHIEF EXECUTIVE

1.0 Purpose of the Report

- 1.1 This report updates Members on discussions to develop co-operation with China, and requests authorisation to formalise relationships with Harbin Municipal Government and the Nanjing Ministry of Science and Technology.

2.0 Description of Decision

- 2.1 (i) authorise the signing of a Friendship Agreement with Harbin Municipal Government to promote friendship and co-operation with the aim of generating economic, educational and cultural benefits for both communities.
- ii) authorise the signing of a Memorandum of Understanding with the Nanjing Ministry of Science and Technology to promote co-operation in the software and technology sector
- iii) note support provided to the University in the development of its ongoing relationship with Liuzhou Municipal Government

3.0 Background

- 3.1 At its meeting of 12 September 2007, Cabinet agreed to authorise development of a formal co-operation agreement with the city of Harbin, in a staged approach to be overseen by the Chief Executive. Cabinet also agreed to develop a strategic partnership with the city of Nanjing, with the aim of facilitating economic co-operation in the software and automotive sectors, and a strategic partnership with the city of Liuzhou, to formalise City Council support for the University's existing relationship.
- 3.2 Harbin is the provincial capital of Heilongjiang Province in the North East of China, with a population of almost 10 million. Nanjing, the provincial capital of the Jiangsu Province, has a population of over 6 million. Both are recognised as being significant economic centres within China. More detailed information about both cities was included in the report of 12 September 2007.
- 3.3 An earlier report to Cabinet, on 14 March 2007, set out the significance of China within the global economy and highlighted initiatives at EU and UK level to engage effectively with China. The report summarised China activity within Sunderland at that time and approaches which the City Council had received to develop formal co-operation arrangements.
- 3.4 Since September 2007, discussions have been progressed as agreed in relation to Harbin, Nanjing and Liuzhou and Cabinet authorisation is now requested to formalise the next stage of developing co-operation.

4.0 Current Position

- 4.1 Discussions have continued with Harbin Municipal Government to establish a Friendship Agreement which will seek to generate economic, educational and cultural benefits for the people of both communities. Strong working relationships have been established with senior representatives within Harbin Municipal Government, including the Foreign Affairs Office which oversees all international activity within the city.
- 4.2 A delegation from Harbin visited Sunderland in December 2007, meeting with representatives from the City Council as well as the University of Sunderland, City of Sunderland College and North East Chamber of Commerce to explore co-operation opportunities. The delegation also visited one of the city's schools, as well as Sunderland Museum and Winter Gardens to inform development of Harbin International Sister Cities Museum which was to be developed shortly after the visit.
- 4.3 Preparations are underway for a trade mission in May of this year in partnership with the North East Chamber of Commerce, UK Trade & Investment (UKTI), and One North East to both Harbin and Nanjing. Arrangements in Harbin are being developed in conjunction with Harbin Municipal Government, Harbin Federation of Commerce & Industry (also known as the Harbin General Chamber of Commerce), Harbin Economic Co-operation Promotion Bureau and the Harbin Economic Commission.
- 4.4 As reported previously to Cabinet, the North East Chamber of Commerce (NECC) has signed a Memorandum of Understanding (MoU) with the Harbin Sub-Council of the China Council for the Promotion of International Trade. Following further discussions regarding business co-operation in November 2008, the NECC is also to sign an MoU with the Harbin General Chamber of Commerce, which will further support the development of business activity under the Friendship Agreement including initiatives such as the May 2009 trade mission.
- 4.5 Discussions have taken place with the Harbin Municipal Education Bureau and Harbin Youth Federation to explore co-operation opportunities such as joint curriculum projects to benefit children and young people within the city. A pilot school-to-school partnership has been set up between Hetton School, which hosted a visit from the incoming delegation in December 2007, and Harbin no 76 Middle School.
- 4.6 Material for Harbin's International Sister Cities Museum, including a piece of glass commissioned from a Sunderland business and a Sunderland AFC football strip, was provided for display ahead of the Museum's opening in January 2009. The information provided gives an overview of the city's economy, opportunities for Chinese students to study in Sunderland, as well as showcasing highlights of the city such as the candidate World Heritage Site. The potential to enhance a touring British Museum exhibition, due to be on show in Sunderland in 2010, with material related to the Harbin relationship is currently being explored with colleagues from Tyne & Wear Museums.
- 4.7 Sunderland has been represented at the annual Nanjing Software Expo and taken part in discussions with both Nanjing Municipal Government and the Nanjing Ministry of Science and Technology regarding the opportunities for

economic co-operation. The initial focus has been on the software and technology sector, and the potential to explore opportunities linked to Sunderland Software City.

- 4.8 In parallel to these discussions, the City of Sunderland College is developing a partnership with the Nanjing Institute of Industry Technology to generate opportunities in relation to information technology and the automotive sector in partnership with Gateshead College
- 4.9 The University has also continued its relationship with Liuzhou Municipal Government in China. For the first time in the academic year 2007/08, work-shadowing opportunities were arranged for its students within the City Council and other partner organisations. This was the third cohort of students from Liuzhou Municipal Government. A fourth cohort is currently studying postgraduate degrees this academic year and similar opportunities to continue to support the University with this relationship will be explored.

5.0 Reasons for the Decision

- 5.1 The UK Government is actively encouraging cities and regions to build up links and partnerships with counterparts in China to develop and explore the economic and other opportunities that close co-operation between the two countries can generate. This mirrors the Government's own approach at national level.
- 5.2 A number of UK cities and regional authorities, such as Essex, Leeds, Liverpool and Manchester, already have strong links within China which they have been developing for a number of years with some having permanent representation in partner cities.
- 5.3 Sunderland's International Strategy aims to ensure the City's international engagement supports the Sunderland Partnership in achieving its vision for Sunderland, maximising the opportunities and benefits for the city and its residents. The relationships with Harbin Municipal Government and Nanjing Ministry of Science and Technology will provide opportunities in relation to a number of the key areas of activity within the International Strategy. An assessment of Harbin and Nanjing in relation to the Criteria for Establishing International Partnerships was included in previous reports to Cabinet.
- 5.4 It is particularly important for Sunderland to have links to China, given that it is expected to be the world's fastest growing economy over the next ten years, to make certain that Sunderland's companies are in a position to take up business opportunities as they arise.

6.0 Alternative Options

- 6.1 A decision could be taken not to give further consideration to co-operation with China. In light of China's significance in the world market, this would potentially place Sunderland at a disadvantage in the ongoing development of its economic base. This option is not considered to be appropriate.

7.0 Relevant Consultations

7.1 Financial Implications

- 7.1.1 Resources to facilitate co-operation with China are currently included within cash-limited budgets for the International Team and Business Investment Team.

8.0 Background Papers

- 8.1 Letter of Intent signed between Harbin Municipal Government and Sunderland City Council
Text of proposed Friendship Agreement with Harbin Municipal Government
International Strategy
Annual Reports on the International Strategy (for 2007 and 2008)
Available from the International Team, Office of the Chief Executive