



WORKING LUNCH

Yintong Betser meets Lord Clement-Jones

JAMIE Oliver's Anglo-American restaurant, Barbecoa, in Cheapside was the venue for lunch with Lord Tim Clement-Jones, London managing partner of DLA Piper and chairman of its China and Middle East desks. I had heard great things about Barbecoa's – for example the meat was sourced from its own farm and hung for an extended period to ensure maximum flavour and tenderness. After perfectly-cooked fillet steaks served with a delicious Béarnaise sauce we can report that the experience certainly bears out the restaurant's reputation!

Lord Tim Clement Jones is a familiar and popular character in the Anglo-Chinese community. I often bump into him at a variety of events, from student career sessions to parliamentary talks – in addition to his DLA Piper role he is Vice Chairman of the All Party Parliamentary Group on China – and art exhibitions to business seminars. His enthusiasm for China though means that his interest spans way beyond his formal commitments.

Tim told me about his multi-faceted



relationship with China. His late wife Dr. Vicky Clement-Jones FRCP, whom he met on his first day at Cambridge, was from a Hong Kong 'compradore' family. He used to travel to the then Crown colony frequently to visit her large and extended family, connections which remain strong to this day. And since DLA Piper opened its offices in Beijing and Shanghai in 2002, Mainland China has been added to Tim's travel list.

Handover

Picking up on his long-standing relationship with Hong Kong, I asked Tim about the consequences of the handover in 1997. "It has been beneficial from a business perspective. The Pearl River Delta's developments in Guangdong have definitely resulted in more business for Hong Kong. Moreover the PRC Government often regards the Special Administrative Region, as it is now, as a test bed for policies or business models. If it's successful there, the model will be duplicated and promoted in other areas of China. For example, the anti-corruption committee was set up in HK first. Its aggressive approach to corruption was very effective



and now they are extending it."

There have been an increasing number of Chinese law firms setting up offices in the West recently. I asked for Tim's views on the opportunities that China's economic growth could bring to the UK's legal industry. Since the Chinese Government introduced policies in 1999 to encourage Chinese companies to invest abroad, the nature of Chinese investment overseas has become increasingly sophisticated. The BBC reported that, according to China's Ministry of Commerce figures, in January of this year alone, China's overseas investment totalled nearly \$4.4 billion (£2.7 billion), up 60 per cent year-on-

year. Examples of this are newly acquired stakes in British firms such as Thames Water, Weetabix and the acquisition of Aquascutum by Chinese businesses.

"Although international business is becoming more global and interconnected, some aspects of legal systems remain essentially national. Failing to comply with local laws can result in big fines and damaged reputations for foreign companies." A collaborative approach is therefore highly desirable for many businesses. When Chinese companies conduct business in the UK, they often prefer working with Mandarin speakers as well as local legal experts. To capitalise on this, many law firms in the UK collaborate with Chinese law firms or employ Chinese nationals to form part of their team.

Specialised knowledge

However, business opportunities don't stop there. Tim explains, "Foreign law firms find it difficult to expand in China, but they could opt to build a strong relationship with a local partner so that they can tap into specialised knowledge to ensure compliance with local laws. These kinds of relationships may well be a more powerful business model – particularly because of the need for widespread coverage in China. For example, going into tier two and three cities may be tricky for a foreign law firm but being back-to-back with a Chinese law firm could be very useful and beneficial to both sides."

Clearly this is continuing to help the Chinese economy to move up the value chain. The sophistication of international investment requires professional services such as international law, accountancy and other financial services. A few years ago many British suppliers set up Chinese offices at their large clients' request, now a similar situation is taking place in reverse. Chinese law firms are following their clients and setting up branches in Europe and the States, and London is also a favoured location.

Lord Clement Jones is enthusiastic about the Lord Mayor's visits to China – the country is invariably one of his key destinations. The visits are often supported by a strong business delegation to pursue opportunities in financial services, com-

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merce and culture. As London is the financial centre of Europe, and becoming the offshore trading platform for RMB, there are plenty of opportunities for businesses to explore.

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Chinese Business Association of the London Chamber of Commerce

- Provides a voice for the Chinese business community in London and represent their views to the media, and local and central government
- Provides Chinese-origin businesses with introductions to LCCI members and other companies and give them access to opportunities to enhance their commercial skills and business competitiveness
- Gives new Chinese investors in London an understanding of the London business set up and help integrate them into the business community.



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