

London

Business Matters

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INSIDE

Danny Alexander
at the LCCI
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COVER STORY

London – top city for business and culture

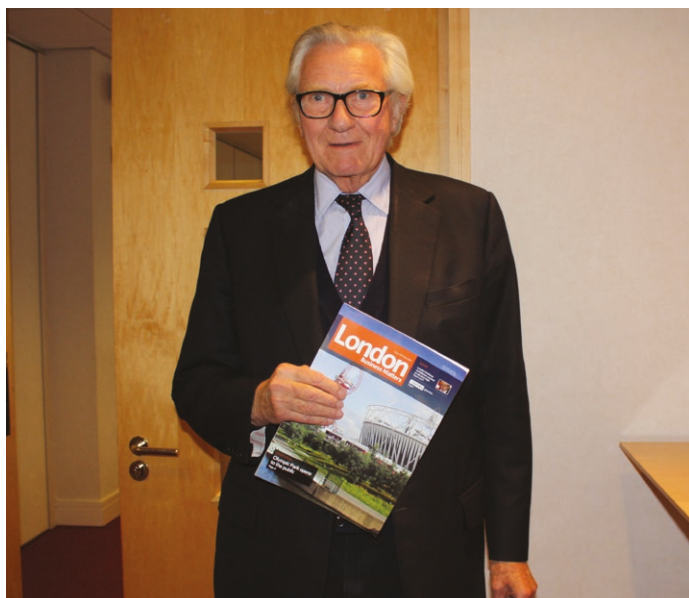
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Working lunch

Peter Bishop meets Lord Heseltine



If a reminder were needed that Lord Heseltine was still active in public life and had strong opinions on the matters of the day then Pfizer's hostile bid for AstraZeneca provided it. A few days before our lunch the former President of the Board of Trade had suggested that the government should have greater powers to intervene when British companies were the target of takeover bids by foreign businesses.

He had also come onto *London Business Matter's* radar through an introduction from Yintong Betser, LBM contributor and organiser of a new exhibition at the Saatchi gal-

lery this month featuring the work of Chinese artist Qin Yuhai. Lord Heseltine is opening the event and has a long connection with China – see box below. As to the venue for lunch with Yintong and me, Wiltons was unhesitatingly the restaurant of choice. Lord Heseltine has been a regular for nearly 60 years and has been known to use it as an economic barometer based on the number of tables occupied.

We start with the AstraZeneca affair. Lord Heseltine's view had been echoed by both Labour leader Ed Miliband and shadow business secretary Chuka Umunna. Didn't his free market instincts

dissuade him from government intervention? After all, as Gary Becker, the Nobel prize-winning economist who had died the previous weekend, may have put it: markets may get it wrong, but not as wrong as governments do.

"I'm a Brit and I'm interested in British self-interest. The United States, Germany, France...they use their powers to intervene, and we should too. So all this stuff about are you for free trade, are you against, are you a capitalist, are you not? It's all jargon." Lord Heseltine suggested that this stance could be traced back to the Britain's imperial past. "When we ruled two thirds of the world and had a huge domestic, imperial market, we adopted policies and philosophies based on that supremacy.

Growth agenda

Lord Heseltine is a government adviser on local growth and two years ago led a review which resulted in a comprehensive report: 'No stone unturned: in pursuit of growth'. This made the case for a major rebalancing of responsibilities for economic development between central government and local government, and between government and private sector. The vast majority of his 89 recommendations have been accepted and those that have already been acted on include the creation of a business network based on British chambers of commerce overseas.

"There has been significant progress, led by Lord Green and now Lord Livingston, in the overseas network creation. It's much to be welcomed and should have hap-



"So all this stuff about are you for free trade, are you against, are you a capitalist, are you not? It's all jargon."

pened 30 or 40 years ago. To make it work though there should be a base of equal effectiveness domestically. I have argued for decades about the need to bring our chamber of commerce movements into line with international standards. Every other country has a model, we don't. The models may be different, for example the Small Business Administration in America and the public law status of some on the continent, but they all have one thing in common – they are much more effective than ours. You go to any part of this country and add together the memberships of chambers and other business organisations they will still be just a small fraction of the whole. So how do you communicate, how do

The Rt Hon the Lord Heseltine of Thenford CH

- After Oxford University went into business in property, then publishing
- Chairman of Haymarket publishing companies since 1964
- Became an MP at third attempt in 1966 and served for 35 years. Represented Tavistock, then Henley where his successor was Boris Johnson
- Has held a huge array of key positions in government including junior minister at departments of transport and environment, secretary of state at defence and environment, President of the Board of Trade,
- and Deputy Prime Minister
- Created a life peer in 2001
- Spends his leisure time gardening, overseeing his arboretum and working on three books – on his garden, Haymarket, and an update of his autobiography, the last one shelved in 1997 when he (wrongly) thought his political career was over
- Career highlights: "My speech to the Conservative party conference in 1981; the introduction of council house sales; and what I'm doing now on the growth agenda."

London legacy

As Secretary of State for the Environment Lord Heseltine set up the London Docklands Development Corporation in 1980. This laid the foundations for a successful new city on the banks of the Thames and is one of the reasons why Lord Adonis has praised his (politically-opposed) fellow peer for "the brilliance of his institutional creativity".

Lord Heseltine's legacy in the capital can also be said to include

the Docklands Light Railway, City Airport, ExCel exhibition and convention centre, the Thames Gateway, the O2 Arena, and HS1, and the high speed rail line now out of St Pancras.

His work on regeneration in the North West was marked with his appointment as a Freeman of the City of Liverpool. Surely his even greater contribution to the capital should be similarly recognised?



Yintong Betser outside Wiltons

Chinese reflections

Lord Heseltine first visited China in 1973 with Secretary of State for Trade and Industry Peter Walker for a trade convention. "There were a huge number of bicycles and everyone was wearing blue or grey Mao suits. There was apprehension in the air, no one would speak to you, no one could speak English. It was very tightly controlled and party-dominated."

In the same year the then Minister for Aerospace and Shipping hosted a visiting Chinese delegation during which the leader told him that changes that were going to take place in his country. "Unbelievable, but in fact no society on earth has ever changed so dramatically as China in the last quarter century, it's quite unprecedented."

He maintained his interest in China in the run up to the 'handover' in 1997. "In the early 1970's Hong Kong shippers used to come and see me when they were in London and I noted that they seemed to be visiting Beijing a lot. This puzzled me but now I know what was happening. China was doing a deal with the big players in Hong Kong enabling manufacturing to go to the mainland and finance to remain in what was to become a Special Administrative Region."

After Lord Heseltine left government he went back to Haymarket and eventually opened offices in Hong Kong and Shanghai. "We're pleased with the business there. We're comparatively small, but in China small can be quite interesting!"

Yintong Betser

you provide the service, how do you encourage, how do you show them what is on offer?"

Was he confident that British exports, especially through SMEs, would finally take off after minimal growth since 2008 despite the advantage of a much weakened sterling? "We are lucky exports didn't collapse. We went through the greatest economic crisis of modern

times. So the value of the currency and the apparent competitiveness it gave us was completely undermined by the fact the demand was being restrained and falling worldwide."

Lord Heseltine is known as being pro-Europe. What advice would he give to those making the case for remaining a part of the European Union? "To me it's a question of what you think Britain's role in the world

is, and should be. I believe we should have helped to create the united Europe after the Second World War. We recognised too late that we missed the boat; we joined and there's been controversy ever since.

"Commercially, we should recognise that it is our domestic market; there is a collective agreement about standards and harmonisation of procedures so we ought to be in

there. It's in Britain's self-interest because otherwise they'll do it their way. It is simply naïve to think somehow we can leave Europe and win when we can't win against them in Europe, we're not winning against them outside Europe."

Wilttons, 55 Jermyn Street,
London SW1Y 6LX
www.wilttons.co.uk

EY came out on top in two categories at the recent LondonlovesTalent Awards. The citation for their Excellence in Youth Engagement prize read: "In an industry that favours graduates, EY is doing a huge amount to broaden its talent pool. More than 200 students have benefited from one of its programmes in the last year alone. It has designed apprenticeships, school-leaver programmes and appointed ambassadors to engage with schools."

The global consultancy, headquartered in London, also picked up the Talent



Champion Award. They received the awards at a glittering ceremony at the end of April hosted by Michael Portillo.

Mayor Boris Johnson said: "London has a critical mass of talent and it is that talent that allows London to achieve great things. We must understand, nurture and develop it if we are to remain one of the world's

greatest cities. And London needs to play its part in improving the talent and skills of the whole country and the capital's business community can play its part, particularly in sectors such as engineering and technology, which are the drivers of our fu-



"We must understand, nurture and develop it if we are to remain one of the world's greatest cities." Boris Johnson

ture economy. That's why I'm delighted to lend my support to the 'LondonlovesTalent Awards' and I applaud their objectives in finding and celebrating excellence in managing and nurturing talent."

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Talent spotted



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