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曼彻斯特
中国论坛
Manchester
China Forum

Manchester China Forum

- Increase Greater Manchester's connectivity with China
- Over £3bn invested in the UK from China over the last 4 years
- Key Milestones:
 - President Xi Jinping visited in Oct 2015
 - Chinese company bought 13% stake in City Football Group
 - First direct flight to China from the UK outside of London
 - Mobike launched – first city outside of Asia

"Building strong, long-term, coordinated links with China"



Manchester & China

- Long history of engagement with China
- 2nd largest Chinatown in Europe
- Sister city to Wuhan since 1986
- Chinese Consulate established in 1986
- 6,000 Mainland Chinese University Students
- Over 30,000 Chinese living in the city
- 200,000 in Consulate District



Direct Flights

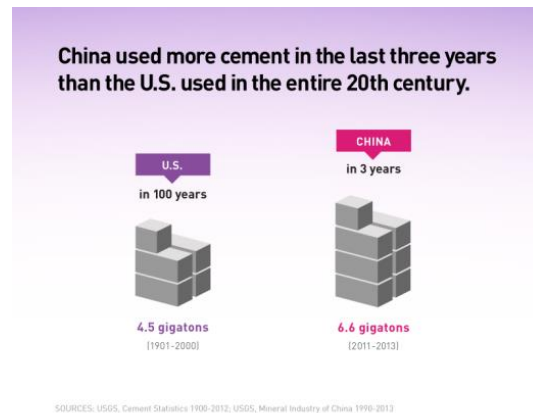
Connectivity is a major enabler for sustainable economic growth

- Aim to make Manchester China's gateway to the North
- Direct route from Manchester to Hong Kong launched in December 2014
- Direct Route from Manchester to Beijing launched in June 2016
- The first scheduled flight from the UK to mainland China that was outside of London
- Plans for further routes – Shanghai/Guangzhou



The Scale of the Opportunity

- 1.4bn people – world's most populated country
- 2030: 350m new city-dwellers (7 x UK population)
- Economy grew 7x as fast as US over last decade (316% vs. 43%)
- Top 3 provinces have GDP larger than Germany
- Fastest growing consumer economy +14% YoY
- \$4tn spent domestically in 2016 – \$18bn on Singles Day vs. \$3bn on Black Friday
- 30%/100m households will have 'middle-class income' by 2020
- 66 new airports by 2020 – will allow middle classes to travel more easily



The Chinese Consumer

- 600m Chinese middle class consumers
- Will have more millionaires than any other nation by 2018
- Have accounted for 75% of global growth in luxury spend
- Now account for a third of the global market (\$7.4bn)
- Wealthy Chinese: 5.9 trips overseas p.a - shopping the primary reason for travel
- UnionPay transactions up 80% in first 6mths post Brexit

"China will not only innovate, but will change the nature of innovation itself"

McKinsey Global Institute

By 2025, 7.5 million wealthy Chinese households are expected to spend 1 trillion renminbi in luxury goods.



McKinsey&Company

Many wealthy Chinese consumers shop overseas and prefer official channels or duty-free stores.

Shopping channels used by Chinese consumers when overseas, %





McKinsey&Company



Mobile Market

- China's mobile landscape is very different to the UK
- Largest mobile using population in the world
- China is quickly moving towards a cashless economy

	Netizens	Penetration (% Citizens)	Mobile Users	Time spent (per day)	Mobile shopping ¹	Online video (Hours per day)
	710m	51%	656m	2.7hr	67%	1.83
	282m	87%	263m	1.9hr	34%	1.16

¹ % of Digital users who made a mobile purchase in the past 12 months, IAB 2016

Source: CNNIC 2016, June China Internet Development Report, H1 CONSUMER BAROMETER, GOOGLE, 2015.6, Center for Retail Research, 2016 Mobile Internet User Behavior Survey 2016, IAB Understanding Digital Commerce in the U.S. and China, China National Ad Research Institute, 2016.1



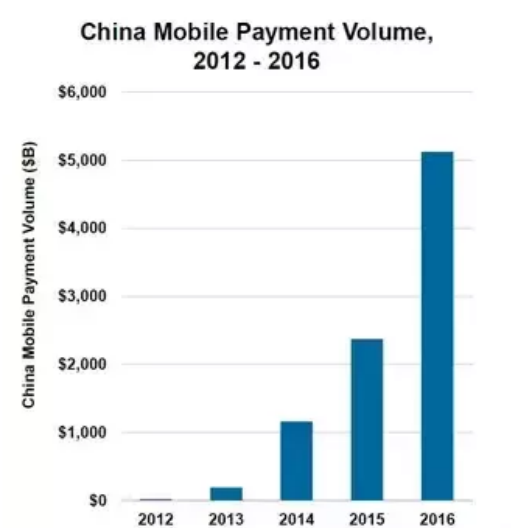
WeChat Video

- <https://www.dropbox.com/s/50txnw9pptjm0z5/Only%20WeChat.mp4?dl=0>

Mobile Payment



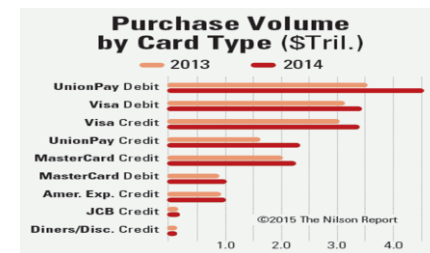
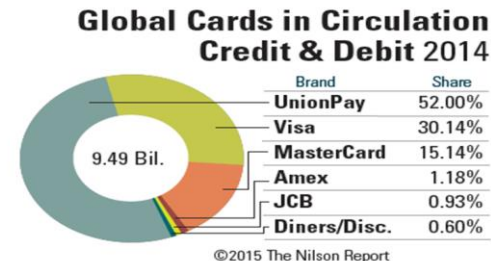
- There are two big players in the mobile payment sector
- WeChat – owned by Tencent
- AliPay – owned by Alibaba
- They both act as “super apps” with tens of in app features
- Most notable are the mobile payment systems
- Predominantly use QR codes



UnionPay



- The largest card scheme ranked by cards in circulation worldwide
- Over 5 billion UnionPay Cards are in circulation
- The largest card scheme ranked by transaction value worldwide
- Over 53.9 trillion RMB transaction volume in 2015 (+ 31% on 2014)
- Have an appetite to engage with Manchester



The Opportunity



- 83% of consumers use Alipay
- 64% of consumers use WeChat Pay
- By having one or both, you massively appeal to Chinese consumers
- Allows their spending in Manchester to be seamless
- Both payment platforms are available in the UK

Together they have 94%
Market Share



Looking Forward

- Tencent's European Director visited Manchester in June 2017
- Keen to explore innovative solutions around WeChat in Manchester
- Alipay also keen to roll out payment platform and already in discussions with some retailers
- Both companies are keen to engage with more companies in Manchester
- MCF working hand-in-hand with MM to enhance the city's China readiness
- Let us know if you are interested or want more information



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