

**Selected Speeches by Jersey Delegates
involved in the Visit to Jersey by**

**Her Excellency Madam Fu Ying
Ambassador of the People's Republic of
China to the Court of St James's**

5th November 2009

Senator Alan Maclean, Minister for Economic Development

Madam Ambassador, Lieutenant Governor, Chief Minister, distinguished guests, can I firstly add my own words of welcome to our Chinese visitors and thank them for taking the time to visit Jersey.

I would also like to take this opportunity to express a strong personal wish that today will mark a significant first step in establishing much stronger economic and commercial ties between China and the States of Jersey

Despite the adverse economic conditions globally, it is not by chance that the economy of China continues to experience positive and impressive growth, something much envied amongst developed global nations

Whilst Jersey might struggle to match the sustained growth in the Chinese economy, we are proud that following two years of 7% growth in 2006 and 2007, our own economy continued in growth mode throughout 2008, and despite a recent slowdown, I am glad to say that the major effects of global recession are yet to impact Jersey in any significant manner

But what is the economy of Jersey?

Over the centuries, in economic terms Jersey has moved seamlessly and efficiently from reliance on:

- international trading and fishing in distant waters;
- to wool making and knitting - the world famous Jersey;
- through to agriculture with the iconic Jersey cow and the Jersey Royal;
- the hazy days of mass tourism and as a 'honeymoon island'.

Many of these industries still remain important to the local Jersey economy, however more importantly they have provided a legacy of a strong financial, legal and political infrastructure, capable of developing and supporting the financial services sector that now acts as an economic powerhouse

Jersey is more though than just an important offshore financial services centre

The island remains a positive "business friendly" location from which to operate and there are already early signs of entrepreneurial local individuals beginning to develop linkages with counterparts in China and take steps along the road of global cooperation:

- from e-commerce, to fulfilment Jersey companies are opening up links with both mainland China and Hong Kong;
- from Carbon Trading initiatives delivered by Jersey based companies in China,
- through to our own Jersey Pearl, using Chinese originated pearls in their much sought after jewellery;
- to the recent opening of a Jersey Finance Ltd Office in China.

All represent visible signs of the understanding Jersey has regarding the evolving and future importance of China as both a potential partner and a nation with which it wants to develop a deep-rooted and long term relationship.

In return Jersey wishes to work with the Chinese Government and businesses, to develop an important platform from which jointly we can access European, UK and global markets

Together we can work to build on Jersey's proposed new intellectual property legislation and mature highly-developed financial & legal infrastructure, to provide Chinese companies a safe and stable location from which to continue their recent track record of opening up global markets

Jersey can also provide a welcome and safe diversion, steeped in history, and gastronomic excellence allowing Chinese tourists from "big city" European destinations, a temperate climate and ease of access with extensive ferry and air routes.

Above all, whilst Jersey can provide many iconic images that conjure up its proud traditions of enterprise, provenance and continued & sustainable economic diversification, as a jurisdiction we are actively beginning to reach out in our own guise to global markets, to build the trading relationships upon which its economic future will depend.

Above all today, I would like to share with you a few further areas where in economic terms, Jersey & China have much in common, namely:

- China in recent years has successfully opened up its economy and become very rapidly a global economic powerhouse - Jersey, like China, is very firmly open for business and would welcome the opportunity to collaborate with overseas trading partners;
- Chinese businesses have become quick to fully capitalise on opportunities in Europe and beyond - I believe that Jersey has both the infrastructure,

capacity and connections that would allow even more China businesses to exploit European markets;

- China has made terrific progress in seeking to develop new markets, products or services - Jersey has taken a firm decision to take fuller responsibility for securing its future overseas and would relish the opportunity to work with China to identify opportunities that would allow diversification in the local economy and develop strong trading links with Chinese business.

Finally, I believe that Jersey represents for China and its citizens, a leading-edge jurisdiction for both tourism & business, combining all that is best in terms of both British and European culture.

Madam Ambassador, Distinguished guests, I would repeat my earlier comment and once again express a fervent personal wish that your visit today represent just a first step in China and Jersey establishing stronger, enduring and mutually beneficial economic and commercial ties for the benefit of all our citizens

Thank you.

Senator Philip Ozouf, Minister for Treasury and Resources

Madam Ambassador, distinguished guests –

I am honoured and delighted to have the opportunity to say a few words about Jersey's most important industry – international finance.

The finance industry in Jersey is long-established, and has grown from almost nothing: in the 1960's bank deposits in Jersey were about £40 million; now, and in spite of the economic downturn, the value of bank deposits in the Island have increased to approximately £200 Billion.

Jersey was one of the early leaders amongst the small 'offshore' international finance centres and has over many years established a well-deserved international reputation based on the expertise of its workforce, sound regulatory framework and stable governance.

The finance industry in Jersey has a substantial physical presence within the Island. There are 25 bank groups located in Jersey, some 1,000 lawyers, a similar number of accountants, approximately 2,000 trust administrators, and 3,500 bankers employed in the Island. Approximately 13,500 of the Island's workforce – over a fifth of the total – are employed in finance and related legal activities.

The strength of Jersey's industry lies in the skills and expertise of its people; skills developed in the Island and through attracting those with substantial experience gained in important international finance centres elsewhere, such as Hong Kong, China, New York and London.

Partly because of its success, Jersey has been the subject of close scrutiny by a number of international organisations and institutions. I am proud to say that in every review, Jersey has achieved and exceeded the standard with flying colours.

In April 2009 the OECD included Jersey on a 'white list' of jurisdictions which are deemed to have "substantially implemented" the agreed international tax cooperation standard.

Also this year, the International Monetary Fund carried out a financial sector assessment on Jersey – and found Jersey to comply, or largely comply, with 44 of the 49 recommendations of the Financial Action Task Force (FATF). When last assessed, only 3 other jurisdictions scored 40 or more – the US and Singapore scored 43 and Belgium 42.

Most recently, an independent report to HM Treasury on British Offshore Finance Centres endorsed Jersey's high standards of regulation and recognised the

contribution Jersey makes to other international finance centres such as UK and Western Europe.

China and Jersey are on the Global Forum on Tax Matters Peer Review Group of which Jersey is a vice chair and the Steering Group of which China is a vice chair

One of the important goals for Jersey in future lies in developing successful partnerships with the finance powerhouses in other parts of the world - especially in the East - and believe the Island's industry is a responsible and trustworthy channel for international finance.

Geoff Cook, Chief Executive, Jersey Finance

Madam Ambassador, Lieutenant Governor, Ministers, Distinguished guests.

May I on behalf of the Jersey Finance Industry add my own very warm welcome to our visitors.

We are truly honoured that such important representatives of the PRC, have found time amongst such busy and demanding schedules to come to Jersey. This is a great encouragement to us, and I thank you on behalf the 13,000 people working in our finance industry.

May I also thank you again for being so kind as to receive a visit from me to your Embassy and for the opportunity to attend the PRC 60 year celebrations.

Madam Ambassador, your speech at the celebrations was statesman like and dignified, but also very personal, and I was hugely impressed by how deeply rooted and anchored China is in its history, its traditions and values, whilst forging forward economically in such a dynamic way. Your own personal journey and the importance of remembering where we have come from was inspiring.

The progress you have made and continue to make as a nation is nothing short of remarkable.

I am proud to represent our finance industry today, which I believe has much in common with your approach to doing business. That is before we can do business we must get to know one another, we must establish trust and seek to build enduring relationships of mutual value and benefit. This can only be achieved with an investment time, in good communication and in a sustained commitment to constructive dialogue.

I do believe our approach to business is very much aligned. An approach based on sound governance, respect for the rule of law, cooperation, transparency and sound regulation. And above all business must be of mutual value and benefit from a commercial perspective

Jersey Finance has been visiting China since 2005, and we have been active in Shanghai, Beijing and in Hong Kong. My own association with Hong Kong pre dates this as in 1998, I was responsible for establishing a wealth management business there for HSBC, for whom I worked for almost 20 years.

In our approach to doing business in China we are seeking to form a long term partnership. We believe we can be useful to China in providing a bridge for Chinese business to enter Europe, and raise investment capital in a cost and tax efficient

manner. Equally we believe we can encourage European capital and investors to look to China as an investment opportunity creating employment and beneficial economic activity.

Our company structures are now recognised on leading exchanges in Europe and Hong Kong and we already have a pipeline of European business looking to list on HKEX. We believe this will attract international capital to China via Hong Kong and will be very beneficial for the region

We are also exploring joint marketing initiatives in Europe with the HKEX which will be of mutual benefit and bring even more value to China.

In addition we believe our wealth management and trust services will be attractive to the Chinese diaspora around the world.

We hope over time to create a close and enduring relationship with China. We are a leading centre in the conduiting of mobile international capital. In this respect we believe we can assist Chinese businesses to go global as they increasingly take a more international dimension.

We hope this cooperation will create closer links and in that respect we have already had constructive meetings with CBRC, CSRC, SAFE, and MOFCOM

In addition we have begun a dialogue with a number of Chinese banks, including:-

- Bank of China
- Industrial and Commercial Bank of China - ICBC (London) Ltd
- China Construction Bank
- Bank of Communications
- China Merchant Bank.

To date 25% of the 60 Chinese companies who have listed on AIM have done this through Jersey Companies

Our desire is to further the mutual recognition already achieved in the capital markets, into the regulatory and governance areas, and we are committed to working together on this.

Madam, Ambassador, we are delighted that you have come to Jersey as we see this as another important milestone in a very important journey, towards a mutually beneficial and enduring relationship. We have made a good start and begun the journey, and we look forward to making further progress.

Thank you.

Michael Birt, Bailiff

Your Excellencies, Ladies and Gentlemen

I am delighted, Madam Ambassador, to have the opportunity of welcoming you to this dinner on behalf of the States of Jersey. You will notice tonight that many fireworks are being let off. I would like to say that this is in your honour but I have to admit that it is because today is the 5th of November, which is the day we commemorate the attempt by Guy Fawkes to blow up the Houses of Parliament in 1605. However, it is most fitting that fireworks should be displayed whilst you are here, because both gunpowder and fireworks were invented in China well before they were brought to Europe by Marco Polo in the 13th Century. I have to say that were it not for the powers of invention of the Chinese people, the 5th of November would be much more peaceful, albeit less colourful and exciting!

You will of course be aware that we are not part of the United Kingdom. People often ask why this is so. Why are we different from the United Kingdom? Why do we not pay the same taxes? The answer of course lies in our history. We were part of Normandy in 1066 when William, Duke of Normandy, conquered England and became its King. In 1204 King John lost Normandy to the French King but the Channel Islands elected to stay loyal to the English Crown despite, in Jersey's case, being only 15 miles from the Normandy coast and some 100 miles from the English coast. In return, successive English Kings confirmed that we could be administered separately from England and continue to be governed by our own laws as well as being free from English taxes. We have had our own legislature since the 15th century and we have no representation in Parliament at Westminster. The Island has therefore a history of some 800 years of autonomy under the English Crown.

China is a great power, lies on the other side of the world and is one of the largest countries in the world with a population of some 1.3 billion. Jersey is a Crown Dependency of some 45 square miles with a population of ninety thousand. One might not have thought that they have a great deal in common. However, there are certain links which I should like to mention briefly.

Firstly, there are people who have gone from Jersey and made their mark in China. For example, a Jerseyman called William Mesny left Jersey and went to sea in 1854. After many adventures he ended up in China at the time of the civil war and distinguished himself in the Emperor's Army. In due course he was awarded the Pao Hsing (the Star of China) and in 1869, by which time he was a Major General, he was made a Ying Tang Pa-T'U-Lu (Penetrating Knight of the Pa-T'U-Lu), the Chinese

equivalent of the Légion d'Honneur. Subsequently he served as an advisor on foreign affairs and by the mid 1880's he had been made a Mandarin of the First Class. He made his life in China and was said to be the only European who could speak Chinese without a foreign accent.

Lillian Grandin was born in Jersey in 1826 and educated here. She became the first Jersey woman to obtain a medical degree. In her mid twenties she made the journey to China to become a missionary in the remote city of Chaotung in the mountainous province of Yunnan. This involved a journey of some 2000 miles up the Yangtze River. There she set up medical clinics, founded a leper colony and trained local women to be nurses and midwives. She died of typhus in 1924 and her grave was tended for many years by local people and was simply inscribed "A beloved physician". Jersey is very proud of what these two individuals achieved in China and commemorative stamps have been issued by Jersey Post Office in respect of both of them.

Modern links are somewhat more prosaic and lie mainly in the financial field. For example, approximately 25% of the Chinese owned companies whose shares are listed on AIM, the exchange in London, are incorporated in Jersey and in 2006, the Jersey Financial Services Commission signed a statement of co-operation with the China Banking Regulatory Commission. More recently, Jersey companies have been approved for listing on the Hong Kong Stock Exchange and Jersey Finance has opened an office in Hong Kong. This indicates the importance which the industry in the Island attaches to developing business with China.

Following the recent crisis in the financial markets, the spotlight has once again turned on offshore financial centres, albeit that they had nothing to do with the causes of the crisis. You have had the opportunity today, Madam Ambassador, of receiving a detailed briefing on Jersey's approach to financial activities. I should like simply to take this opportunity of assuring you that Jersey has always sought to ensure that its services are used only for legitimate purposes and that it fully complies with international regulatory standards. We have had many examinations by international bodies over the years which have confirmed this. In particular, this year, the OECD confirmed at the time of the G20 meeting in London that Jersey was on the white list i.e. the top division of finance centres, and subsequently in September, after a rigorous inspection, the IMF confirmed that Jersey was one of the top jurisdictions in that it complied with 44 out of the 49 recommendations of the Financial Action Task Force, which are intended to counter money laundering and terrorist financing. To put this in perspective, so far as the Island is aware, only 3 other jurisdictions have scored 40 or more and none of them has managed to score a 44. The Government of the Island has repeatedly made it clear that it intends to

maintain this policy and to continue to comply fully with international standards on regulation and other measures to prevent the Island being used for the purposes of crime or money laundering.

Madam Ambassador, you have had a distinguished career in the foreign service of the People's Republic of China. As well as periods in the Ministry in Beijing, you have served in Romania, Cambodia and Indonesia, before being appointed in turn as Ambassador to the Philippines and subsequently Ambassador to Australia. You were appointed as Ambassador at the Court of St James in 2007. We are honoured that you have made the time to come to see us here in Jersey. I am particularly pleased that you have had the opportunity of seeing one of our farms, as agriculture, particularly in the form of the Jersey cow and the Jersey Royal potato, forms an important part of Jersey's history and culture as well as its economy. I hope very much that you have found your visit both interesting and enjoyable.