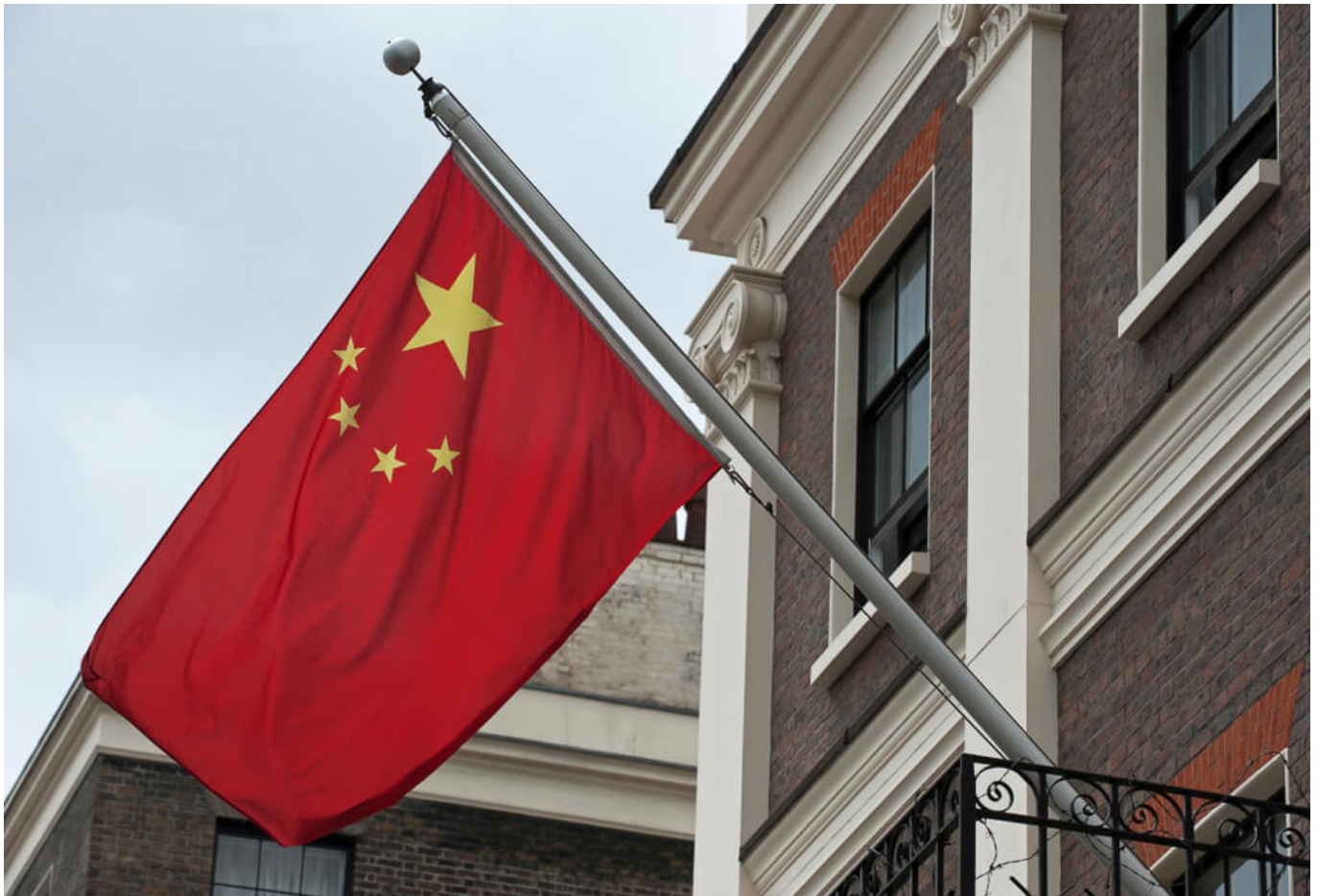




By: *Harvey Morris*

# London objectors hold out against China's 'super embassy'



A group of London residents is currently **passing** the hat to finance what it calls a renewed David and Goliath legal battle to “save our little community from the mighty power of the Chinese Government”.

Their homes are part of the estate of the former Royal Mint, just across from the Tower of London and the contested location of a proposed ‘super embassy’ Beijing intends to open in the UK capital.

The fate of the contentious project might offer a clue to the direction of UK-China relations under the new Labour government, as I **suggested** last August.

Almost six months on, wary Londoners and expectant Chinese, right up to President Xi Jinping, are still waiting to learn whether the UK government will override local objections to allow the embassy plan to go ahead.

Xi has personally raised the issue with Prime Minister Keir Starmer, who told the Chinese leader at their first **meeting** in November that “a strong UK-China relationship is important for both our countries”.

In a modest step in that direction, Chancellor Rachel Reeves went ahead with a scheduled **visit** to Beijing at the weekend in the face of opposition accusations that she was abandoning ship at a time of economic crisis.

Her participation in the UK-China Economic and Financial Dialogue on Saturday coincided with further pressure on the UK bond market and sterling that threaten her budget goals but which the government insists is part of a global phenomenon.

## Modest gains

Reeves’ critics failed to ask how it might have looked to the Chinese, let alone the financial markets, had she been panicked into cancelling her trip. By going ahead, she still had to endure the inevitable Conservative jibes referencing ‘begging bowls’ and ‘kowtowing’.

Reeves argued back: “We cannot ignore the fact that China is the second-largest economy worldwide and our fourth-largest trading partner, with exports supporting close to half a million jobs in the UK.”

She flew home with some modest gains, announcing agreements she said would be worth £600m to the UK over the next five years. Benefits will accrue mainly to the UK’s financial services sector, along with a small boost to British farmers.

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China agreed to grant new commercial licences and quota allocations for UK firms. In the current year, Beijing also pledged to issue an offshore sovereign green bond in the UK, while the Bank of China plans to launch a dual currency sustainability bond.

The former British diplomat Sherard Cowper-Coles, who chairs the China-Britain Business Council, **said** there were benefits for the two sides at a time when both were going for investment and growth. He said the UK needed China in order to deliver its net-zero goals, while British expertise in financial services would benefit the Chinese.

## Revival of bilateral dialogues

The chancellor’s China visit marked a revival of bilateral dialogues that had been suspended in 2019 due to the Covid crisis and remained frozen amid cooling relations between Beijing and the previous Conservative government.

Among the signs of a post-election thaw was an October visit by foreign secretary David Lammy to Beijing and Shanghai, during which he **said**: “Engagement with China is pragmatic and necessary to support UK and global interests.”

So where does all this leave the unresolved London embassy plan?

Announcing the purchase of the redundant Royal Mint in 2018 and the proposal to turn it into China's embassy, former ambassador Liu Xiaoming said that the project was "a fresh golden fruit of China-UK 'Golden Era'."

In reality, by that time much of the gilt had already rubbed off the golden era that was proclaimed by the Conservative prime minister, David Cameron, at the time of a state visit by Xi in 2015. The government nevertheless gave the nod to the embassy proposal.



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In 2022, however, the local Tower Hamlets Council's planning committee rejected a formal planning proposal due to concerns about resident and tourist safety.

The historic site, which would house China's largest and most prominently located mission in Europe, is just across the street from the almost 1,000-year-old Tower of London and the equally photogenic Tower Bridge. Both routinely figure among London's top ten tourist attractions.

Other concerns touched on security, police resources and the congested nature of the area.

The rejection had the backing of many locals and other interested parties, including the

police and exiled Chinese dissident groups. Objectors included residents living in homes once leased from the Crown and now owned by the Chinese government.

China's representatives presented a barely revised plan a little over a week after Labour came to power in July. Then, days before Lammy's trip to Beijing, the government called in the application after his foreign office pushed the issue on to the desk of his local government minister colleague, Angela Rayner.

Her ministry promised an inquiry and a decision "in due course".

Tower Hamlets Council **rejected** China's application a second time last month, although the move was largely symbolic as a final ruling is no longer in its hands. The Labour-led Greater London Authority has meanwhile expressed the view that the embassy project does not comply with its strategic London Plan.

## Diplomatic efficiency

Leading powers, Britain included, have long used the pomp and circumstance of their diplomatic presence to highlight their relationship and influence with host countries.

In recent years, the focus has switched to diplomatic efficiency and security. In 2018, the US decamped from its embassy in elegant Grosvenor Square to a new build in riverside Vauxhall with arguably all the charm of a mid-range chain hotel.

President Trump, then in his first term, described it as "lousy" and "horrible". He said the US had abandoned the best site in London and got a bad deal in the process.

**The UK government is probably damned if it does and damned if it doesn't when it comes to approving Beijing's embassy project**

With the nervousness surrounding the approach of a second Trump presidency, not least his hostile stance towards China, the UK government is probably damned if it does and damned if it doesn't when it comes to approving Beijing's embassy project.

China hawks would undoubtedly interpret a go-ahead as further confirmation of Labour's vassalage, while a rejection would just as certainly be seen as a snub by Beijing.