

Written evidence submitted by Hangzhou Hikvision Digital Technology Co. Ltd.
House of Commons General Committee on the Procurement Bill
January 2023

This submission addresses the section of the Bill dealing with a timeline for the removal of suppliers: [Clause 65 in Part 3 of the Procurement Bill](#)

ABOUT HIKVISION

1. Hikvision, headquartered in Hangzhou, China, is a world leading security product manufacturer and solution provider with video as its core competency. The company's mission is to explore innovative ways to make the world safer.
2. The company has grown from a 28-person start-up in 2001 to a global enterprise by engineering and bringing state-of-the-art technology to market. Since 2010, Hikvision has been operated as a publicly traded company listed on the Shenzhen Stock Exchange. Today, Hikvision employs more than 40,000 people and provides products by working with more than 100,000 global distributor and integrator partners in more than 150 countries around the world. Hikvision takes data privacy seriously, abides by all applicable laws and regulations in the countries in which it operates, and its products meet the most rigorous and comprehensive cybersecurity standards.
3. Hikvision has supplied products through partners in the UK since 2007. In 2014, the company established Hikvision UK Limited ("Hikvision UK"), headquartered in Uxbridge, London. Today, Hikvision UK employs more than 350 professionals across five offices. Its dedicated R&D centre, launched in 2019, is helping to support the development of skills and jobs in the UK and throughout Europe.

OVERVIEW

4. The UK Prime Minister, Rt Hon Rishi Sunak MP, has stated previously that the relationship between the UK and China must be one of 'robust pragmatism' not of 'grand rhetoric'¹.
5. The rhetoric of well-meaning parliamentarians places the Government and Chinese companies operating in the UK in a difficult position, where guilt in matters of high political consequence is presumed, and the ability of Ministers to operate freely, and by extension the independence of the UK Government, is constricted.
6. Hikvision believes that emendation to the Procurement Bill is a robustly pragmatic approach to resolving both issues, and the company would urge the Committee to consider making the changes as detailed below.

HIKVISION'S CONCERNS

7. The current formulation of Clause 65 to the Procurement Bill, regarding a 'timeline for removal of suppliers', was proposed by Lord Alton of Liverpool, and was added to the Bill through amendment at Report Stage in the House of Lords on the 30th of November 2022.
8. During the debate at Report Stage in the House of Lords, the sponsor of the Bill, The Baroness Neville-Rolfe, rightly pointed out the following (the author's emphasis):

¹ Prime Minister, Rishi Sunak MP, Speech to the Lord Mayor's Banquet, Guildhall, London 28.11.22

- a. "In mandating a timeline for the removal of existing physical technology or surveillance equipment from the Government's supply chain, *the amendment seeks to interfere directly with security arrangements on the government estate.* I am afraid this is out of step with the Bill, which is principally about setting rules for the fair and open procurement of contracts by the entire public sector. The Bill is not concerned with existing equipment or kit which has already been installed, or with the termination of existing contracts by central government. On that basis, while I sympathise with the points made by noble Lords, and will ensure they are shared more broadly, I believe that we are taking the right approach in the Bill and *I am very uneasy about this amendment.*"²
9. Indeed, Clause 65, as it currently stands, commits the Secretary of State to undertake a major investigation into the supply chain of all physical technology and surveillance equipment on the Government estate, with its publication due within 6 months of the Act's passage. However, this is simply unnecessary given that such an investigation already forms part of the existing procurement process and would continue to do so under the provisions laid out elsewhere in the Procurement Bill.
10. Such an investigation, on such a short timeline, is deliberately aimed at securing the exclusion of Chinese surveillance companies from the UK's security architecture, as the main sponsor of the amendment in the House of Lords, Lord Alton of Liverpool, noted numerous times in his parliamentary speeches; referring explicitly to Hikvision as the company that he seeks to remove from public procurement.
11. The passage of Clause 65, in its present form, could lead to very real concerns that any such investigation carried out would have this aim in mind, and would not have the appearance of scrupulous fairness that the UK Civil Service and government prides itself on.

PROPOSED REWORDING OF CLAUSE 65

12. Hikvision believes that Clause 65 could be rewritten in such a manner as to achieve the same effect within the Bill, of rightly ensuring the highest ethical standards within UK public procurement, without dictating a ministerial response that surrenders control of the security of the Government estate to Parliament and will not lead to investigations with the perception of bias impacting both the Government and surveillance companies.
13. For example, the Committee could choose to amend this section of the Bill as follows:
 - a. *Page 44, line 34, leave out clause 65, and insert -*

Removal of suppliers

(1) Where the Secretary of State is satisfied there is established evidence that a provider has been involved in—

- (a) modern slavery,*
- (b) genocide, or*
- (c) crimes against humanity.*

The Secretary of State must publish a timeline for the removal of technology or surveillance equipment from the Government's procurement supply chain.

² Baroness Neville-Rolfe, Report Stage (Day 2) of the Procurement Bill, 30.12.22



(2) The Secretary of State must lay the timeline before Parliament.

14. The change to this wording does not reduce the commitment by this Government to the highest ethical standards in procurement, nor the need for companies, such as Hikvision, to cooperate fully with any investigation into its involvement with the concerns outlined in 1(a)-(c).
15. However, what it does achieve is that it would place the Government in control of its own procurement processes, ensures that the Government does not hand over security arrangements on the Government estate to Parliament, and ensures that ministers are not dictated to in matters of due diligence which are rightly the responsibility of each Secretary of State within their own department.

Hikvision

January 2023