

# Proactive Release

Date: 20 September 2019

The following Cabinet papers and related Cabinet minutes have been proactively released by the Minister for Trade and Export Growth:

***Proposed Overseas Travel: Hon David Parker:***

***(CAB-19-MIN-0169 refers)***

***Report on Overseas Travel: Hon David Parker:***

***(CAB-19-MIN-0271 refers)***

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- 6(a): to avoid prejudicing the international relations of the New Zealand Government;
- 9(2)(ba): to protect the supply of confidential information by a third party;
- 9(2)(g)(i): to protect the free and frank expression of opinions by departments; and
- 9(2)(f)(iv): the confidentiality of advice tendered by Ministers of the Crown and officials.



# Cabinet

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Proposed Overseas Travel: Hon David Parker

**Portfolio**                      **Trade and Export Growth**

On 15 April 2019, Cabinet:

- 1        **authorised** the absence of Hon David Parker from New Zealand, from 22 to 27 April 2019, to travel to Guangzhou and Beijing, China to attend the Belt and Road Forum, undertake bilateral meetings, and lead a trade mission of New Zealand businesses;
- 2        **agreed** that he be accompanied by two members of staff, one of who's travel will be funded by the Ministry of Foreign Affairs and Trade (MFAT);
- 3        **approved** the estimated expenditure of up to <sup>s9(2)(f)(iv)</sup> for the travel expenses of the Ministerial Party, as a charge to Vote: Internal Affairs (Members of the Executive – Travel);
- 4        **noted** that he will also be accompanied by officials from MFAT and New Zealand Trade and Enterprise, whose travel costs will be met by their respective Votes;
- 5        **agreed** that in his absence:
  - 5.1      Hon Grant Robertson act as Attorney-General;
  - 5.2      Hon Shane Jones act as Minister for Economic Development;
  - 5.3      Hon Eugenie Sage act as Minister for the Environment;
  - 5.4      Hon Damien O'Connor act as Minister of Trade and Export Growth;
- 6        **noted** that leave from Parliament has been approved.

Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

Prime Minister  
Deputy Prime Minister  
Hon David Parker

Proactively released by the Minister for Trade and Export Growth

Office of the Minister for Trade and Export Growth

Chair, Cabinet

### **Proposed Overseas Travel: Hon David Parker**

- 1 I seek Cabinet approval to travel to China from 22-27 April for a bilateral visit centred around attending the Belt and Road Forum in Beijing and leading a trade mission to Guangzhou and Beijing.
- 2 The Prime Minister has approved the travel in-principle, and House leave has been approved by the Party Whip.

### **Purpose of Travel**

- 3 The official invitation from China is to attend the Belt and Road Forum in Beijing. I propose to take this opportunity to also lead a trade mission of 15-20 industry leaders from both large and small enterprises to Guangzhou and Beijing. The visit will demonstrate support for New Zealand's interests with our largest trading partner.
- 4 The centrepiece of the visit will be my attendance at the Belt and Road Forum in Beijing which will be hosted by President Xi Jinping and will include attendance by senior Chinese political leaders. Participation at the Belt and Road Forum will also include around forty Heads of State/Government and a large number of Ministers. <sup>s6(a)</sup>
- 5 The programme in Guangzhou will be business focused and include a meeting with China Southern Airlines and Guangdong provincial leadership. Other elements of the Guangzhou programme include company site visits, a session on 'Digital Disruption', a roundtable discussion with Chinese experts and a networking reception to support the business delegation. It will also include the launch of 'New Zealand Horticulture Season' at Hema Fresh (a new retail model supermarket) and Chinese media engagement.
- 6 In Beijing, in addition to attendance at the Belt and Road Forum I am seeking meetings with Ministerial counterparts (Minister of Commerce; Minister for Environment and Chair of the National Development and Reform Commission). These will be dependent upon the availability of Chinese ministerial counterparts.
- 7 A meeting with the Minister of Commerce is of particular importance to advance trade policy issues including discussion on the bilateral FTA upgrade, WTO reform and completion of RCEP. Other elements of my Beijing programme include opportunities to meet with key Chinese investors and a networking reception to support the interests of the business delegation

and New Zealand business community in China. The programme in Beijing will also include media engagement.

### Ministerial Party

- 8 I will be accompanied by two staff members (with one staff member's cost paid for by the Ministry of Foreign Affairs and Trade). Final costs will be determined once the itinerary is confirmed but the estimated cost of travel for me and one staff member is s9(2)(f)(iv)
- 9 Two officials from the Ministry of Foreign Affairs and Trade and one official from New Zealand Trade and Enterprise will accompany me in China. Their travel costs will be met by their departmental budget.

### Travel Costs

- 10 The estimated costs of travel for me and my staff member are:

Airfares:	s9(2)(f)(iv)
Accommodation:	s9(2)(f)(iv)
Per Diem	s9(2)(f)(iv)
Incidentals	s9(2)(f)(iv)
Interpretation	s9(2)(f)(iv)
Representation	s9(2)(f)(iv)
Airport Facilitation	s9(2)(f)(iv)
Gifts	s9(2)(f)(iv)
Contingency (10%)	s9(2)(f)(iv)
<b>Total:</b>	s9(2)(f)(iv)

### Acting Ministers

- 11 In my absence, Acting Ministers in my portfolios will be:

Attorney-General: Hon Grant Robertson;

Economic Development: Hon Shane Jones;

Environment: Hon Eugenie Sage;

Trade and Export Growth: Hon Damien O'Connor.

## Proactive release

- 12 This paper will be proactively released as per Cabinet Office Circular CO (18) 4, on the Ministry of Foreign Affairs and Trade's website. Proactive release is subject to redaction as appropriate under the Official Information Act 1982.

## Recommendations

- 13 I recommend that Cabinet:
- 13.1 authorise my absence from New Zealand from 22-27 April 2019 to travel to Guangzhou and Beijing for a bilateral visit centred around attendance at the Belt and Road Forum and leading a trade mission of New Zealand businesses;
  - 13.2 agree that I be accompanied by two members of staff but only one financed by Ministerial Services (and the other by the Ministry of Foreign Affairs and Trade);
  - 13.3 approve the estimated expenditure of <sup>s9(2)(f)(iv)</sup> for the travel expenses of me and one staff member, as a charge to Vote: Internal Affairs [Members of the Executive – Travel];
  - 13.4 note that I will be accompanied by officials from the Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise, whose travel costs will be met by their departmental budget;
  - 13.5 agree that Hon Grant Robertson (Attorney-General); Hon Shane Jones (Economic Development); Hon Eugenie Sage (Environment); Hon Damien O'Connor (Trade and Export Growth) will be Acting Ministers in my absence;
  - 13.6 note that leave from Parliament has been approved by the Party Whip.

Authorised for lodgement

Hon David Parker

Minister for Trade and Export Growth



# Cabinet

## Minute of Decision

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### Report on Overseas Travel: Hon David Parker

**Portfolio**                      **Trade and Export Growth**

On 10 June 2019, Cabinet **noted** the report from Hon David Parker under CAB-19-SUB-0271 on his travel, from 23 to 27 April 2019, to Guangzhou and Beijing, China to attend the Belt and Road Forum, undertake bilateral meetings and lead a trade mission of New Zealand businesses.

Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

Prime Minister  
Deputy Prime Minister  
Hon David Parker

Office of the Minister for Trade and Export Growth

Chair, Cabinet

## Report on Overseas Travel: Hon David Parker

I recommend that Cabinet note this report on my travel to China (Guangzhou and Beijing) from 23-27 April 2019. The purpose of the trip was to attend the Belt and Road Forum in Beijing, meet senior Chinese leadership and lead a trade mission of senior New Zealand executives to Guangzhou and Beijing.

### Report

- 1 The objectives for my trip to Guangzhou and Beijing were to: reinforce the value and importance of the New Zealand-China bilateral relationship; present New Zealand as a vibrant, innovative, useful partner with distinct national interests in the Asia-Pacific region, which we pursue through principled, independent policies; advance shared interests in trade policy with Chinese political and business leaders, including with regard to the bilateral FTA upgrade, WTO reform and completion of RCEP; engage with China on the Belt and Road Initiative, with a focus on seeking more information about how we might best cooperate with China on the Initiative, in line with our interests; and ensure Chinese business understands the value that the New Zealand government and business places on its relationship with China.
- 2 I was accompanied by a 17-person business delegation across the following sectors: food and beverage (Fiordland Lobster, Fonterra, Miraka, Miro, Synlait, Zespri), healthcare and skincare (CtoMi, GMP, Winston Nutritional), fashion (Kiri Nathan), film (Pukeko), services (Air New Zealand, Auckland Airport, Christchurch Airport, Loo & Koo, NZ Inc) and wood processing (Sequal). Special Agricultural Trade Envoy (SATE) Mike Petersen also accompanied. The overall assessment provided by the delegation was very positive, reflecting the strong programme in both cities and networking opportunities provided by events. The delegation came from a diverse ethnic makeup including strong Māori and ethnically Chinese representation.
- 3 The primary bilateral purpose of the trip was to attend the Belt and Road Forum in Beijing. Attendance at the Belt and Road Forum allowed me to clarify key elements of the Belt and Road Initiative (BRI) <sup>s6(a)</sup>  
<sup>s6(a), s6(2)</sup>  
<sup>(g)(i)</sup> address international criticism of the BRI on issues such as transparency, corruption and debt and environmental sustainability. The Forum itself included sessions that went well beyond the traditional infrastructure focus of the BRI into areas such as trade, people to people links, finance and digital and environmental issues.
- 4 I was able to outline the parameters of New Zealand's engagement with the BRI, ahead of further negotiations on the BRI work plan. I made it clear in my engagements in China that the 'traditional' BRI focus on infrastructure was not the right fit for New Zealand. This was understood by my counterparts, including the Ministers responsible for commerce and for the BRI in the National Development and Reform Commission, who have taken on board that New Zealand is focused on identifying opportunities for mutually beneficial and transparent cooperation.
- 5 Those opportunities are at a nascent stage but take advantage of BRI's expansion beyond infrastructure to areas of more relevant to New Zealand, including trade, people to people



links, finance, and environmental and technology issues. s6(a); s9(2)(j)

- 6 In Guangzhou, the capital of Guangdong Province (responsible for one sixth of New Zealand-China goods trade and a key source of tourists and students) I met the Guangdong Provincial Governor s6(a); s6(b)(i)

s6(a); s9(2)(b)(a)(i)

- 7 In Guangzhou I also met the new President of China Southern airlines (Asia's largest airline), Ma Xulun. s(2)(g)(i) s9(2)(ba)(i)

s9(2)(g)(i)

s9(2)(ba)(i)

- 8 A takeaway for me from the visit was the interest from New Zealand businesses in the concept of New Zealand operating as a transit hub from Asia (including China) through to South America. There is more work to be done to determine whether this idea is feasible but it has significant potential upside for New Zealand businesses. Officials will report-back after a conference hosted by the New Zealand China Council on this issue in June.

- 9 In Guangzhou I also participated in a number of business support events with the business delegation including the launch of a three-week New Zealand Food and Beverage promotion in 150 (Alibaba owned) Freshippo stores across 16 mainland cities; visited the Fonterra Application Centre; held a roundtable interview with six key media outlets; and hosted a business networking dinner for 70 guests, which included the business delegation's key contacts.

- 10 In Beijing, in addition to attending the Belt and Road Forum I had bilateral meetings with Minister of Commerce Zhong Shan, Minister of Ecology and Environment Li Ganjie and National Development and Reform Commission Vice-Chair Ning Jizhe. s6(a)

especially given the number of such requests from around the world in conjunction with the Belt and Road Forum. All three meetings were warm and positive.

- 11 The meeting with Minister of Commerce Zhong Shan provided a welcome opportunity to follow up on the Prime Minister's visit, and to advance discussions on the FTA Upgrade and reform of the WTO. s6(a)

On investment, I emphasised New Zealand's reliance on investment, and the relative openness and impartiality of our foreign investment regime. I provided a briefing on New Zealand's Overseas Investment Act reforms, emphasising the

intended application to infrastructure assets with monopoly characteristics. I used the example of the Canadian pension fund application to buy Auckland Airport. I said I did not expect the second phase of reforms, once finalised, would disrupt investment patterns in New Zealand. I noted that any changes would be non-discriminatory and would be consistent with New Zealand's international legal obligations, which Minister Zhong welcomed.

- 12 In the meeting with Minister of Ecology and Environment Li Ganjie s6(a)

The joint statement on climate change made during the Prime Minister's visit was also welcomed, as was the fact that New Zealand and China would co-lead the Nature Based Solutions pillar of the UN Secretary General's 2019 Climate Action Summit in September 2019. We discussed respective efforts to address agricultural emissions and transport emissions, and new energy vehicles was an area of promising cooperation, given China's leading efforts in research and policy in this field. I acknowledged the changes to China's importation of low grade recycled material and said this was forcing New Zealand (and others) to do better with our own waste streams. I asked him to consider the role China could play in rationalising the range of plastics used by exporters of consumer products, which would aid the world in moves to a circular economy. I flagged three areas for New Zealand and China to look at increasing bilateral cooperation: issues around carbon related to forestry and other forestry-related environmental and industry issues; expanded environmental cooperation in the context of our FTA upgrade; and in international efforts around marine plastics.

- 13 I met the National Development and Reform Commission (NDRC) Vice Chair Ning Jizhe responsible for the Belt and Road Initiative in the Commission. Ning said both sides could exploit their respective comparative advantages to implement the BRI, and raised the possibility of bilateral cooperation in third markets. Vice Chair Ning also raised the investment environment in New Zealand, saying China hoped New Zealand would listen to the comments of the Chinese government and investors, and ensure equal treatment. s6(a)

In response, I reiterated the Prime Minister's comments during her visit, and spoke about New Zealand's ongoing investment reforms, noting that Chinese investment had grown strongly and this would likely continue to be the case.

- 14 In Beijing, I hosted a 170-person business dinner, attended by the business delegation and their key partners, NZTE and NZ Inc contacts. The event, which showcased New Zealand food and beverage, helped to strengthen relations with key business and government contacts.

- 15 I also hosted a meeting with top Chinese investors in New Zealand at the Embassy, facilitated by the Ambassador and attended by the business delegation, NZTE's CEO and Investment team, and NZ Inc representatives. I emphasised that the New Zealand government welcomed long-term foreign investment into New Zealand's productive sectors, highlighting in particular forest and wood processing and the electricity and renewables sectors (noting a need to double electricity production as the transportation sector was electrified). On the Overseas Investment Act reforms, I noted phase two was intended to streamline the approval process and involve consideration of a new more general national interest test, saying this was expected to be exercised only rarely. Representatives from dairy and forestry investors spoke about their experiences investing in New Zealand, with energy-related issues raised in the forestry context. s9(2)(ba)(i)

- 16 Given my visit to Beijing fell on ANZAC Day, I also gave an address at the Embassy's ANZAC Day ceremony; and with the business delegation visited Beijing-based e-commerce giant JD.com and 7Fresh.

**Proactive release**

- 17 This paper will be proactively released as per Cabinet Office Circular CO (18) 4, on the Ministry of Foreign Affairs and Trade's website. The paper will be subject to redaction as appropriate on the grounds set out under the Official Information Act 1982.

I recommend that Cabinet note this report.

Authorised for lodgement

Hon David Parker

Minister for Trade and Export Growth

Proactively released by the Minister for Trade and Export Growth