

Proactive Release

Date: 30 January 2020

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

Report on Overseas Travel: Hon David Parker

(CAB-19-MIN-0653 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.

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Cabinet

Minute of Decision

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Report on Overseas Travel: Hon David Parker

Portfolio **Trade and Export Growth**

On 9 December 2019, Cabinet **noted** the report from Hon David Parker under CAB-19-SUB-0653 on his travel, from 1 to 3 October 2019, to Suva and Nadi, Fiji for bilateral discussions.

Michael Webster
Secretary of the Cabinet

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 Suva and Nadi, Fiji from 1 to 3 October for a bilateral visit focused on meeting with Fijian ministerial counterparts and supporting New Zealand businesses.

Report

- 1 The primary purpose of my travel to Fiji was to meet bilaterally with key Fijian ministers holding the trade and environment portfolios, including: Acting Prime Minister and Minister for Fisheries, Hon Semi Koroilavesau; the Minister for Industry Trade and Tourism, Housing and Community Development, and Local Government, Hon Premila Kumar; and the Minister for Agriculture, Waterways and Environment Hon Mahendra Reddy.
- 2 My visit was timed to coincide with the New Zealand-Fiji Business Council's (NZFBC) annual business mission. My programme included a number of direct engagements with the 20-strong delegation, as well as the wider Fijian business community. These events provided a chance to hear directly from business people on issues and opportunities in the bilateral economic and trade relationship, which partially informed my political engagements.
- 3 My engagements with my ministerial counterparts highlighted the increasing strength of the New Zealand-Fiji bilateral relationship. I took the opportunity to express my appreciation for the positive state of our political relationship and our ability to engage robustly on a range of issues.
- 4 PACER Plus featured prominently in my discussions with my counterpart Hon Premila Kumar. s6(a)
s6(a)
- 5 I reiterated the concern that I had expressed during Minister Kumar's visit to Wellington in October regarding Fiji's contravention of the Double Taxation Agreement (DTA), where Fiji has been imposing a 15% withholding tax on New Zealand businesses delivering services, but without permanent

establishments, in Fiji. Several New Zealand businesses raised the issue with me during my engagements in Suva and Nadi.

6 s6(a)

7 In my meetings with Acting Prime Minister Koroilavesau and Minister Reddy, as well as with Minister Kumar, we discussed opportunities for New Zealand to further support Fiji's agriculture sector, as well as cooperation on biosecurity issues. I also provided reassurance that Fiji can count on New Zealand's support at the World Trade Organisation for phasing out harmful fisheries subsidies.

8 Finally, I was able to express my appreciation to my counterparts for Fiji having joined New Zealand's Agreement on Climate Change, Trade and Sustainability initiative, alongside Norway, Costa Rica and Iceland.

9 New Zealand's ranking as #1 on the World Bank's Ease of Doing Business index was frequently raised with me during my visit. My interlocutors (including ministerial counterparts and Fijian business leaders) drew unfavourable comparisons with the highly bureaucratic and burdensome taxation and regulatory environment in Fiji. Minister Kumar highlighted the Government of Fiji's ongoing efforts to improve the business environment in Fiji and thanked New Zealand for its assistance to Fiji in this regard, whilst signalling that further dialogue and knowledge-sharing would be welcomed.

10 To this end, I was pleased to announce that New Zealand will be making a 25 percent, NZ\$4m contribution the International Finance Corporation (IFC) Fiji Partnership. The Partnership is also supported by Australia. Its goals are well-aligned with New Zealand and Fiji's objectives of promoting private sector development and growth (including through legislative and policy reform), mobilising new private sector investment in Fiji, improving access to infrastructure, improving access to finance, and empowering women.

11 My engagement with both the New Zealand business delegation and Fijian business community during my time in Fiji was extensive and well-received. I delivered a speech and participated in a question and answer session alongside Minister Kumar at a well-attended business breakfast; engaged in a frank and broad-ranging discussion with cross-section of Fijian business leaders over lunch; and participated in a roundtable discussion with Fijian government agencies responsible for trade, economic development and

business regulation as well as peak industry bodies and private sector representatives.

- 12 I also met with a number of local businesses, including the South Pacific Stock Exchange, the skin care company Pure Fiji and companies involved in renewable power solutions in the Pacific (CBS Power Solutions and Sunergise), alongside the business delegation.
- 13 During my visit to CBS Power Solutions, interesting comments were made regarding the procurement terms of aid donors and the annual turnover thresholds required to qualify for submitting tenders for development projects (including in New Zealand). These terms currently restrict smaller local companies in the Pacific to bid for work. This is a matter that is now being looked into by officials, and on which I intend to continue to engage. We also discussed the potential to reuse Prius batteries as part of a sustainable means for energy storage for small communities that makes use of otherwise wasted resources, the potential for which I would like to further explore.

Proactive release

- 14 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.

Recommendation

I recommend that Cabinet note this report.

Authorised for lodgement

Hon David Parker

Minister for Trade and Export Growth