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MINISTRY OF FOREIGN AFFAIRS AND TRADE, MANATŪ AORERE

## > IN THIS EDITION

- NZ Inc India Strategy.....1
- 2011 Apec Economic Leaders Meeting.....2
- TPP outline due at APEC .....2
- World Wine Trade Group .....2
- Polish Wine Market shows promising trends.....3
- Trade Access Support Programme....3
- Taiwan announcement.....3
- Businesslink Survey .....4
- Russia FTA Update.....4
- Pacific Cruise Industry.....4
- Leveraging Opportunities from the RWC2011.....4

Welcome to BusinessLink, a bi-monthly publication produced by the Ministry of Foreign Affairs and Trade to keep you informed of the latest developments and activities across the trade agenda. The Ministry is responsible for conducting the New Zealand government’s business with foreign governments and international organisations. On the trade front, one of our key responsibilities is to negotiate market access for New Zealand goods and services and maintain and enforce that access in overseas markets.

### NZ INC INDIA STRATEGY

The Prime Minister launched the **NZ Inc India Strategy** at the Cloud in Auckland on Thursday 20 October. Around 170 people attended the event, including senior business leaders, members of the Indian community and officials from government agencies involved in the NZ Inc strategies programme.

Introduced by John Allen, The Prime Minister and NZTE CEO Peter Chrisp spoke about the opportunities India offers for New Zealand businesses and talked about the strategy as a framework for government agencies to collaborate more effectively with the aim of making India a core trade, economic and political partner by 2015. Former Black Caps captain Stephen Fleming was also on hand, recalling his experiences from when he accompanied the Prime Minister on his June visit to India - particularly when they played cricket together with local youngsters at the Feroz Shah Kotla Stadium. He emphasised the benefits of New Zealand using its cricket links with India for the benefit of business.

The business community responded well to the launch and the goals of the India Strategy. They welcomed the collaborative approach between government agencies and the emphasis we were placing on working in partnership with business. Sir Ken Stevens, **Chairman of Glidepath Group** told the audience that while India was a daunting market that requires dedication and long-term commitment, it could offer great rewards. Sir Ken was the leader of the cross-sectoral business delegation that went with the Prime Minister and the Minister of Trade to India in June, He thanked the government for the support it provided for companies to do business with India but emphasised it was businesses themselves who would need to translate that support into results. Businesses would need to work with each other in order to advance their collective interests in India, as well as with the government.





The India Strategy is the first of the government's NZ Inc strategies to be rolled out. It recognises that India has emerged as a major Asian power an economic hub - India's annual growth rate has regularly topped 9% in recent years, it has a fast growing middle class, and one of its greatest assets is its young and increasingly well educated population. The India Strategy sets an ambitious programme for New Zealand to make the most of the opportunities India offers, with specific goals to grow the relationship in the areas of goods and services trade, investment and skilled migration. The Strategy also aims to develop the political ties the underpin the relationship and raise New Zealand's profile in India, i.e. through leveraging our cricket links for our wider interests, and build our engagement on security and regional issues.

For further information click [here](#).

## 2011 APEC ECONOMIC LEADERS MEETING

The United States will host the **2011 APEC** Economic Leaders Meeting (AELM) and the APEC Ministerial Meeting (AMM) in Honolulu from 11 to 13 November. The Hon Bill English will represent New Zealand at the AELM, chaired by US President Barack Obama, with discussions focussing on international economic issues, including job growth. At the AMM, the Hon Murray McCully will attend Foreign Ministers sessions, chaired by US Secretary of State Hillary Clinton, on disaster resiliency, and open governance and economic growth. The Hon Tim Groser will attend Trade Ministers sessions, chaired by US Trade Representative Ron Kirk, on the multilateral trading system and the US' 2011 APEC agenda, which has focussed on three priority areas: strengthening regional economic integration and expanding trade; promoting green growth; and advancing regulatory convergence and cooperation. Separate events will also be held for participating Trans-Pacific Partnership Trade Ministers and Leaders.

Honolulu will also host the 2011 APEC CEO Summit from 10 to 12 November, providing opportunities for CEOs from the 21 member economies to interact with business, government and thought-leaders from around the region.

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## TPP OUTLINE DUE AT APEC

The Trans-Pacific Partnership (TPP) negotiations involving Australia, Brunei, Chile, Malaysia, Peru, Singapore, the United States, Viet Nam, and New Zealand are on track to deliver a high quality regional trade deal.

The ninth round of negotiations took place in Lima in the second half of October.

When TPP Trade Ministers met in Montana in May they said their target was to have the broad outlines of an agreement in place by the time of the November APEC meetings.

Leaders of the nine participating economies are expected to make an announcement when they meet in Honolulu.

Check out **TPP Talk**, from 13 November for full details.

> For further information, contact Brody Sinclair, Trade Negotiations Division, [brody.sinclair@mfat.govt.nz](mailto:brody.sinclair@mfat.govt.nz) or 04 439 8345.

## WORLD WINE TRADE GROUP (WWTG) SIGNS MOU ON CERTIFICATION REQUIREMENTS FOR WINE

After more than two years of negotiations, a non-legally binding Memorandum of Understanding (MoU) on wine certification requirements was signed in Santiago on 20 October 2011.

The MoU was signed by Australia, USA, Argentina, Chile, Georgia, and New Zealand – six of the eight Participant countries of the World Wine Trade Group (WWTG). The other two WWTG Participant countries, Canada and South Africa, were not yet in a position to sign but expressed the possibility of future adoption of the MoU.

Whilst not legally binding, the MoU means that routine certification is not required for wine traded among WWTG Participants. It also confirms that, where certification is necessary for health and safety reasons (determined in accordance with the World Trade Organisation Sanitary and Phyto-Sanitary Agreement), WWTG Participants would aim to harmonise their certification requirements with internationally accepted (Codex Alimentarius) guidelines and generic Official Certificates.

The **WWTG** was formed in 1998 with a view to facilitate the international trade of wine. The Participant countries are important for New Zealand's wine trade. In 2008, WWTG Participants accounted for almost 60% of New Zealand's total wine exports, and 64% of wine imported into New Zealand.

The WWTG has successfully concluded two trade facilitating agreements; one on the mutual recognition of oenological practices (i.e. winemaking), and the other an agreement for simplified labelling for wine traded amongst the Participant countries. The latter agreement has already resulted in significant benefits for the New Zealand wine industry.



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## POLISH WINE MARKET SHOWS PROMISING TRENDS

The Polish market for wine is still immature compared to that of many European countries. However it exhibits impressive growth. A study by **International Wine and Spirit Research** predicted that from 2010-2016 consumption of still light wines will grow by over 25% to reach 107.6 million litres. In 2015 Poles should break the 1 billion Euro mark yearly expenditure on wines. With an insignificant domestic wine sector and a population of 30 million adults-Poland is an attractive export destination.

New Zealand wine sales almost doubled from 2006 levels but at an estimated 40,500 litres sold in 2011 they account for only 0.05% of the market. New World wines in general are highly sought after and show impressive upward trends. Australia's market share in 2011 is estimated at 1.4%. The average price of wine bought in 2010 was 5-7 Euros and 8% of the total expenditure was spent on bottles priced at over 7.5 Euro but the market for quality wines is expected to grow faster than for still light wines in general.

Polish wine importers express an interest in New Zealand wines and report an increased awareness among consumers, who enquire after New Zealand Sauvignon Blanc and Pinot Noir and the region of Marlborough. Moreover New Zealand wines are being described as "fresh", "novel" and ones that have a good quality to price ratio.

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## TRADE ACCESS SUPPORT PROGRAMME

The Trade Access Support Programme (TASP), administered by the Ministry of Foreign Affairs and Trade, co-funds market access initiatives to grow New Zealand's exports.

NZ exporters frequently do not face a level playing field internationally. Problems include customs duties, barriers at or behind the border such as discriminatory production standards, labelling requirements, qualification requirements, unscientific quarantine restrictions, and other government red tape.

TASP is designed to improve goods and services market access for NZ exports usually by addressing a specific overseas access barrier. This can involve a range of activities

such as commissioning research into potential economic gains; inviting relevant officials to NZ to demonstrate that our processes and regulations will meet their requirements; or preparing materials to support representations in off-shore markets.

TASP has tangible benefits in creating export opportunities but it is not a trade promotion scheme: addressing access barriers is the principal criterion to secure funding.

The 2011/12 TASP fund of \$450,000 typically assists projects up to \$50,000 in value and requires a commitment from the proponents of each project. e.g. addressing quarantine or phytosanitary barriers; lobbying for tariff elimination or further liberalisation of our export trade; research in identifying tariff and non-tariff barriers to trade.

Exporters should contact the appropriate regional division within MFAT to develop a strategy for dealing with problems, including possible TASP funded projects.

> For further information contact Julie Haack, on 439 8420 or email [Julie.Haack@mfat.govt.nz](mailto:Julie.Haack@mfat.govt.nz)

## NZCIO ANNOUNCES FEASIBILITY STUDY ON ECA WITH CHINESE TAIPEI

On 25 October, the **New Zealand Commerce and Industry Office (NZCIO)** in **Taipei and the Taipei Economic and Cultural Office (TECO)** in Wellington announced that they would be exploring the feasibility of an economic cooperation agreement between New Zealand and Chinese Taipei. This **announcement** was warmly welcomed by Trade Minister Hon Tim Groser.

The first phase of the investigation will be an independent economic study carried out by academic institutions on both sides. This should be completed by the end of November. It is likely that both sides consider a joint study at a date after the New Zealand election.

To ensure that it builds as full picture as possible of the interests and priorities of New Zealand businesses engaged or thinking of engaging with Chinese Taipei, NZCIO welcomes submissions from companies, organisations and individuals on priority areas for inclusion in an economic cooperation agreement.

Contributions can be emailed to the Director of NZCIO, Stephen Payton, on [nzcio.tpe@msa.hinet.net](mailto:nzcio.tpe@msa.hinet.net) - marked as **"Submission on priorities for a future ECA"**.

**Deadline for Submissions** is 31 December 2011.



## BUSINESSLINK SURVEY

We want to hear your views on BusinessLink. It's time to take a fresh look at this publication's design and delivery to make sure that it meets your needs. Your opinions will shape any changes.

We are running a survey to capture your thoughts and ideas. If you received this issue of BusinessLink by email, please click on the link in that email to complete the anonymous survey. Otherwise you can access the survey at:

[www.mfat.govt.nz/businesslink](http://www.mfat.govt.nz/businesslink)

You are also welcome to email thoughts to [cmd@mfat.govt.nz](mailto:cmd@mfat.govt.nz)

## RUSSIA, BELARUS, KAZAKHSTAN FTA UPDATE

Round Three of free trade negotiations between New Zealand and the Russia-Belarus-Kazakhstan Customs Union was held in Geneva on 2-3 September. Negotiations are progressing well and remain positive and focused. Initial discussions were held on technical barriers to trade and intellectual property. Negotiations also continued across most of the chapters that were covered in the earlier Rounds, including SPS, goods, ROO and services/investment.

For further information, contact David Lilly, Trade Negotiations Division, [david.lilly@mfat.govt.nz](mailto:david.lilly@mfat.govt.nz) or 04 439 8611.

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## PACIFIC CRUISE INDUSTRY SET TO DEVELOP

At the 42nd Pacific Islands Forum, recently held in Auckland, Prime Minister John Key announced that the New Zealand Government will enter into a public-private partnership with cruise operator **Carnival Australia** to help further open up the burgeoning cruise industry in the Pacific.

"The cruise industry is the fastest-growing segment of global tourism, with average annual growth at 8.7 percent for the past decade, and the South Pacific is one of the fastest-growing markets," Mr Key said.

Carnival Australia is working with the community in Aneityum, Vanuatu, on a pilot shore tour programme. New Zealand will support elements of this programme, which is designed to assist the Aneityum community develop this venture. The pilot will start towards the end of the year.

"There's a huge opportunity for Pacific communities and businesses to benefit from the rising popularity of cruise holidays. The Government's partnership with Carnival Australia is a solid step towards growing this market, and feeds into our wider support for tourism in the region," Mr Key said.

**The New Zealand Aid Programme** is working with other countries to upgrade tourism infrastructure, including the redevelopment of airports in Kiribati, the Solomon Islands and Tonga, and the development of an alternative marine jetty in the Cook Islands.

**Maritime New Zealand** is also working with Pacific Governments to improve maritime safety, which complements New Zealand's effort to build on the Pacific's potential to attract cruise visitors.

"The Pacific has some magic holiday destinations, and we expect these initiatives will help open up the region to the rest of the world," says Mr Key.

> For further information contact Adham Crichton, Communications Division, [adham.crichton@mfat.govt.nz](mailto:adham.crichton@mfat.govt.nz) or 04 439 8137.

## LEVERAGING OPPORTUNITIES FROM THE RUGBY WORLD CUP

Rugby World Cup 2011 offered an unprecedented opportunity for New Zealand to showcase itself on the world stage.

Visitors may have been here for the rugby, but they were also tourists and business people. The **REAL New Zealand Festival** and the **REAL New Zealand Showcase** demonstrated New Zealand's unique talents in food & beverage, culture, business innovation, creativity, and industry to the world. This is the first time a Rugby World Cup host nation has staged a nationwide showcase and festival alongside the tournament.

Amongst the thousands of visitors were an unprecedented number of high-level government and business guests. The Ministry of Foreign Affairs and Trade, working closely with the **NZ2011** Office, **NZTE** and other agencies worked to ensure that we made the most of these people's time. Visiting politicians and business people came to support their teams - but we were able to set up programmes for these visitors between the games, allowing them to network with senior New Zealand ministers and business people, and to make specific business calls while they were here.