

Proactive Release

Date: 22 March 2024

The following Cabinet paper has been proactively released by the Minister for Trade

Title	Reference
Report on Overseas Travel: Hon Todd McClay - December 2023	CAB-24-MIN-0014
REPORT ON OVERSEAS TRAVEL: HON TODD MCCLAY – December 2023	

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Cabinet

Minute of Decision

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Report on Overseas Travel: Hon Todd McClay - December 2023

Portfolio

Trade

On 30 January 2024, Cabinet **noted** the report from Hon Todd McClay under CAB-24-SUB-0014 on his travel, from 18 to 21 December 2023, to Delhi, India and Singapore for bilateral meetings, and to strengthen New Zealand's economic partnerships.

Rachel Hayward
Secretary of the Cabinet

Proactively Released
by the Minister for Trade

[Restricted]

Office of the Minister of Trade
Chair, Cabinet

REPORT ON OVERSEAS TRAVEL: HON TODD MCCLAY – December 2023

I recommend that Cabinet note this report on my travel to India and Singapore from 18–21 December 2023 in my capacity as Minister for Trade.

Report

India

1. The primary purpose of my trip was to strongly signal the strategic priority the government placed on its relationship with India through an early meeting with my Indian counterpart.

Indian Commerce Minister Goyal

2. The meeting with Commerce Minister Goyal focused on opportunities to lift bilateral economic relations. Minister Goyal gave an update on India's FTA agenda, s6(b)(i)

We also discussed opportunities for supporting investment between the two countries, including opening education and working opportunities for young people.

3. s6(b)(i)

MPI and the Department of Agriculture and Farmers Welfare had arrived at a solution to enable log exports to India to resume. s6(b)(i)

4. Minister Goyal and I s6(b)(i)

5. We agreed to meet again during the WTO Ministerial meeting (MC13) in Abu Dhabi MC13 at the end of February, if not before.

Keynote speech

6. I gave a speech moderated by India's G20 Sherpa Amitabh Kant, a trusted adviser to the Modi government, in a conversation about how the economic partnership could be taken forward. This was a lively and engaging event in front of a broad audience of 180 business people, officials, journalists, members of the diplomatic corps and High Commission contacts.
7. It was noteworthy to hear Kant offer support to the vision for more broad-based relations between India and New Zealand. In his view, New Zealand and India should prioritise agriculture cooperation, encouraging strategic partnership between India's National Dairy Development Board and Fonterra, and supporting the kiwifruit initiative to deliver support to India's kiwifruit growers in exchange for seasonal tariff reduction. Kant also supported the effort to encourage direct flights between India and New Zealand, and noted that India should be reducing its import duties to encourage the flow of components into India, facilitating its growth as a manufacturing and export hub. Kant said India should think seriously about an FTA with New Zealand.

Direct Air Services

8. I had the opportunity to meet with Air India CEO Campbell Wilson to discuss Air India's plans for expansion and prospects for a direct air service between Delhi and Auckland. Wilson said that the US and Europe would be prioritised for new routes due to the volume of business travellers, followed by Australia and New Zealand s9(2)(b)(ii)
9. Wilson also raised visa processing times which affected travel preferences from India including for education and tourism. s9(2)(b)(ii)

Meetings with Businesses and Investors

10. I also took the opportunity to meet with a range of business stakeholders while in Delhi including:
 - NZTE customers and India-New Zealand Business Council (INZBC) members Companies including Quality New Zealand, Valocity, Mainfreight, Rakon, STAAH, and Zespri shared insights into the opportunities and challenges in India, underscoring the need for patience in the India market, and the value of NZTE's support.

- Indian companies and stakeholders with trade and investment interests in New Zealand including Tata Consultancy Services and HCL Tech, and the Federation of Food Importers which has a close understanding of the opportunities and barriers for New Zealand food exporters.
- I also visited Le Marche, a high-end supermarket in Delhi, showcasing New Zealand products.
- Engagements with a small and medium business group, the 'MSME Business Forum', and with education agents and alumni.

Singapore

Singapore Trade Minister Gan

11. My meeting with Minister Gan provided an opportunity to agree the areas of focus for trade and the economic relationship going forward. s6(a)

12. Gan mentioned Singapore's development of green shipping lanes, including with the EU and Japan. Renewable aviation fuel was another area of interest, with Singapore Airlines and Changi Airport both 'very keen' to do more. Gan had been impressed during his trip to New Zealand in July by the innovative companies he had seen – in particular s9(2)(b)(ii) and the work being done on biofuels. I noted our desire to explore decarbonisation of New Zealand's transport fleet and speed up the regulatory process for the adoption of new technologies.

13. On supply chain resilience, we discussed the ongoing close partnership between New Zealand and Singapore and the support provided to one another during the pandemic.

14. We also agreed in the importance of more investment between Singapore and New Zealand. Gan said Singaporean companies are keen to invest in New Zealand, s6(b)(i)

Gan also noted that Singapore wanted to buy more food from New Zealand and was keen to encourage New Zealand companies to set up regional headquarters in Singapore.

15. On regional trade architecture, we agreed on the need for the CPTPP accession process to be fair, objective and transparent. We exchanged views on some of the challenges ahead in the WTO, including finding agreement on the dispute settlement process and agriculture.
16. On IPEF, Singapore had been very pleased to conclude the supply chains agreement, and substantial conclusion of the clean economy and fair economy agreements.
- s6(a)

Geo-economic trends

17. I was also briefed by the Economist Intelligence Unit s9(2)(ba)(i) laid out the key features of the current regional geo-economic environment – supply chain realignment, companies moving away from China (including PRC businesses looking to diversify), India's rise as a manufacturing power, Indonesia's growing power, the permanence of the China/US split and growth prospects for the Chinese economy.

Business engagement

18. I met senior executives from Beca, Comvita, ANZ, Transparently AI and NESTE. All pressed the need for New Zealand to be ambitious on the international stage and showcase the strong level of innovation in the New Zealand economy. There was much New Zealand could learn from Singapore on how to compete on the world stage, including by backing innovative research and aggressively attracting talent in sectors of strategic importance – AI and pharmaceuticals being two examples.
19. I also visited two New Zealand companies who have recently opened their first physical stores in Singapore – Rodd & Gunn and Comvita. The visits, supported by NZTE, were an opportunity for both companies to share their success stories entering the Singapore market and plans for expansion across the region.

Recommendation

I recommend that Cabinet note this report.

Authorised for lodgement

Hon Todd McClay

Minister of Trade