

Proactive Release

Date: 20 July 2020

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

Report on Overseas Travel: Rt Hon Winston Peters and Hon David Parker
(CAB-20-MIN-0262 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;
- 6(e)(vi): to avoid damage to the New Zealand economy by the premature disclosure of decisions relating to entering into of overseas trade agreements;
- 9(2)(ba): to protect the supply of confidential information by a third party;
- 9(2)(f)(iv): to protect the confidentiality of advice tendered by Ministers of the Crown and Officials.



Cabinet

Minute of Decision

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.

Report on Overseas Travel: Rt Hon Winston Peters and Hon David Parker

Portfolios **Foreign Affairs / Trade and Export Growth**

On 8 June 2020, Cabinet **noted** the report from the Rt Hon Winston Peters and Hon David Parker under CAB-20-SUB-0262 on their travel, from 25 to 28 February 2020, to New Delhi and Mumbai, India, for a bilateral visit.

Michael Webster
Secretary of the Cabinet

Proactively released by the Minister of Foreign Affairs and the Minister of Trade and Export Growth

Chair

Cabinet

REPORT ON OVERSEAS TRAVEL: RT HON WINSTON PETERS AND HON DAVID PARKER: INDIA, 25-28 FEBRUARY 2020

I recommend that Cabinet note this report on travel by me and Trade and Export Growth Minister, Hon David Parker, to New Delhi and Mumbai for a bilateral visit, from 25 – 28 February 2020. We were accompanied by Parliamentary Private Secretary for Ethnic Communities Priyanca Radhakrishnan and a business delegation.

Report

Trade and Export Growth Minister, Hon David Parker, and I co-led a successful visit to India from 25-28 February 2020. It was the most significant New Zealand visit to the world's most populous country on almost three years.

2 India was the geopolitical centre of the world during the week of our visit: US President Donald Trump visited Gujarat and Delhi early in the same week, and Australia's Trade Minister and Myanmar's President were also present. s6(a)

3 Despite these challenges, we achieved our visit objectives, and met a wide range of political and business interlocutors in Delhi and Mumbai, including our their direct counterparts. We also undertook media and public speaking engagements and assisted the business delegation to connect with key Indian economic bodies and corporates. The result was a visit that effectively enhanced the political and economic relationship at a time when New Zealand is looking to lift the relationship.

4 The visit also reinforced for the New Zealand businesses involved the value of engagement in cooperation with government and partners in India, s6(a)

and focused them on positioning their offerings for the Indian market as it is. With businesses facing challenges in other markets, s6(a)

s6(a) we expect to see a revival of business interest in contributing to NZ Inc plans for India.

Ministerial Meetings: Rt Hon Winston Peters

5 My key engagement was a bilateral meeting and dinner with my counterpart, Minister of External Affairs Subrahmanyam Jaishankar. Our opening remarks were framed as New Zealand and India being two members of the Indo-Pacific with similar principles applied to our regional engagement. We noted the importance of the Pacific and ASEAN, welcomed India's engagement in the region and highlighted the importance of listening to Pacific views in shaping projects. We also advocated for the strategic aspects of India's participation in the Regional Comprehensive Economic Partnership (RCEP) and our aspiration for a quality trade outcome in either RCEP or a bilateral FTA.

s6(a)

s6(a)

8 On the Pacific, Minister Peters outlined the principles and practicalities of engagement in a contested region, and the importance we placed on partnerships with Pacific nations and others, including India. s6(a)

9 Our dinner with Minister Jaishankar, s6(a)

s6(a)

s6(a)

12 I was also received at the highest levels of the opposition **Indian National Congress Party (INC)**, by President Sonia Gandhi, former Prime Minister Manmohan Singh, and Deputy Leader Anand Sharma. s6(a)

13 My meeting with the **Chief Minister of Delhi, Arvind Kejriwal, and his senior Aam Aadmi Party (AAP) cabinet members and advisers** focused on the factors in their landslide second term win in February 2020 elections. s6(a)

They noted an interest in doing more with New Zealand, including on ease of doing business, mental health/wellness and education.

14 I also met with **Bhagat Singh Koshyari**, Governor of the State of Maharashtra. It was a cordial s6(a) meeting and it was clear that New Zealand enjoyed goodwill in India's economic powerhouse state. The Governor discussed cricket, the success of Indian representatives in the New Zealand parliament, and highlighted how many New Zealand companies were doing business in India and vice versa.

Ministerial Meetings: Hon David Parker

15 Minister Parker's meeting with **Minister of Commerce and Industry Goyal** initially focused on India's participation in RCEP and options for engagement outside of it. s6(a), s6(e)(vi)

s6(a), s6(e)(vi)

s6(a)

s6(a), s6(e)(vi)

18 On multilateral trade issues, Minister Parker highlighted the need to support the WTO and welcomed India's leadership on climate change and solar energy, noting New Zealand's interest in joining the International Solar Alliance (ISA). Minister Parker then outlined New Zealand's work on Fish Subsidies, Fossil Fuel Subsidies Reform and the Agreement on Climate Change, Trade, and Sustainability. s6(a), s6(e)(vi)

19 Minister Parker's meeting with **Minister of Finance Sitharaman** focused on New Zealand and India's shared economic outlook. Minister Sitharaman's attention was on ensuring that monetary and fiscal settings managed inflation and encouraged growth. She noted India's measures to attract foreign investment and highlighted progress on Ease of Doing Business. Minister Sitharaman also took an interest in environmental issues, emphasising India's major expansion in solar energy, its work on biofuels, and its incentives for electric vehicles. s6(a)

20 On trade, Minister Parker emphasised that New Zealand would welcome India's participation in RCEP and that we would keep the door open. s6(a)

21 **Environment Minister Javadekar** was interested in cooperation on oceans and marine conservation. Minister Parker highlighted New Zealand's large Exclusive Economic Zone, and Pacific Island Countries' issues regarding sustainable use of marine resources. s6(a)

22 Minister Javadekar welcomed New Zealand's interest in joining the International Solar Alliance (ISA), when the ISA's rules allowed. The Ministers discussed the renewable energy aspirations of both countries, shared views on transition from coal to wind and solar energy. s6(a)

Public Engagement

23 My delivery of the prestigious 32nd Sapru Lecture to the Indian Council of World Affairs on the Indo Pacific: From Principles to Partnerships to a full house of academics, journalists, foreign policy practitioners, politicians, and students provided an opportunity to lay out New Zealand foreign policy perspectives to an influential group of Indians. Questions from the room touched among other topics on the Indo Pacific, relations with China, ASEAN, RCEP, India's membership bid for the Nuclear Suppliers Group, and New Zealand's approach to 5G.

24 Minister Parker delivered a speech on *New Zealand and India working together for mutual prosperity* to the **Federation of Indian Chambers of Commerce and Industry (FICCI)**. In a Q&A session compered by FICCI President Dr Sangita Reddy, Minister Parker was able to expand on a range of themes, including the potential for trade and cooperation in dairy, prospects for future trade agreements, Trade for All, trade and environment, and support for international institutions.

Media

25 Ministers Parker and I also undertook feature interviews with senior Indian journalists (from *The Times of India*, *The Hindu*, and *India Economic Times*) and the visit garnered significant and positive attention in the Indian media. Social media was active throughout, providing good penetration into the New Zealand Indian community in particular, with the visit to the Gandhi Raj Ghat memorial attracting high community approval.

Business Delegation Engagements

26 The business delegation accompanying the Ministers comprised nineteen representatives from the food and beverage, aviation, technology, finance, think tank and education sectors. They were helped to leverage new and existing business opportunities, including at New Zealand-themed receptions hosted by the High Commission in New Delhi and the Consulate-General in Mumbai. These were used to project New Zealand's key messages and to help visitors establish relationships with key business, political, official, and expert contacts.

27 In Delhi, the delegation's programme included both regulatory and business meetings. It began with a macro scene setting meeting at government think tank NITI Aayog (the National Institute for transforming India), led by CEO and 2017 Sir Edmund Hillary Fellow Amitabh Kant and his senior leadership on the comprehensive range of projects underway across the government of India. Kant gave broad insights into reforms of banking, taxation, services and investment, and the scale of public information collection being made available for AI research and development.

28 Industry specific visits took place on IndiGo Airlines, including the announcement of s9(2)(ba) of New Zealand commercial deals for flight training delivered in India and in Whanganui over a number of years, senior Indian hotel industry representatives, and the Food Safety and Standards Authority of India. Minister Parker joined the business delegation on a visit to the Azadpur fruit and vegetable market, the largest such distribution centre in Asia and a key set of relationships for New Zealand apple and kiwifruit exporters. In Mumbai, businesses met with major Indian corporates Mahindra & Mahindra Group and Future Group, as well as foreign policy think-tank Gateway House.

29 The delegation recognised the massive opportunity that India presents with high growth rates, huge market size and population, a young demographic, and high rates of reform underway. The opportunities present themselves differently across different sectors including wood, horticulture (apples), kiwifruit, services (aviation, education) and technology (fintech) each requiring a deliberate strategy and approach, based on a highly informed knowledge of the niche. In particular there are opportunities to partner where there is a value to add to India, in areas such as cool chain, fintech, aviation, genetics and agritech.

30 Such opportunities often call for a change in mind-set from s6(a) to “partnering to add value in India”. In this business model New Zealand companies can do well to seek in-country partners (eg Mahindra, Future Group), who take them into their platforms or offerings to mutual advantage. The key here is for arrangements to be secured that are not only beneficial to India, but also commercially advantageous to New Zealand. Overall New Zealand needs to think beyond commodities to add services, technology and technology transfers focused on solving dilemmas in the Indian market, to its offering for India.

32 s6(a)

Comment

33 The visit enabled New Zealand to send an important message about our intention to increase our investment in our relationship with India, a country s6(a). There is a significant reservoir of goodwill for New Zealand in India, and this was underscored in several discussions, and by the time that Minister Jaishankar, in particular, committed to the visiting delegation.

s6(a)

35 On return to New Zealand, Minister Parker initiated a meeting with officials to discuss next steps in the New Zealand-India trade and economic relationship. s9(2)(f)(iv)

Proactive Release

36 I plan to release this paper in part within 30 business days. All redactions will be made in line with the Official Information Act 1982.

Recommendation

37 I recommend that Cabinet **note** this report.

Approved for lodgement

Rt Hon Winston Peters
Minister of Foreign Affairs

Proactively released by the Minister of Foreign Affairs and the Minister for Trade and Export Growth