Prime Minister's visit to the US supports sustainable trade connection

Market Report

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Prepared by: Washington Embassy

Summary

- The Prime Minister and Minister for Trade and Export Growth visited the United States from 24-31 May. The visit
 highlighted that New Zealand is reconnecting with the world following the pandemic and reopening our borders to
 American tourists.
- The accompanying business delegation engaged in a range of events during the visit that underscored New Zealand's innovative and sustainable products and services in the US market.
- New Zealand and the US' shared values were emphasised throughout the visit and acknowledged as a strong basis for future collaboration between the business communities.

Report/ findings

• Prime Minister Jacinda Ardern and Minister for Trade and Export Growth Damien O'Connor visited New York, Boston, San Francisco and Seattle from 24-31 May. They were accompanied by a 15-person New Zealand business delegation focused on tech, tourism and agricultural, as well as a 9-person media delegation. The visit had three key themes: that New Zealand is open for business, New Zealand products and services are good for the world, and the US and New Zealand are partners with aligned values.

Theme 1: Open for Business

- A central theme of the visit was the Prime Minister and Minister signalling that New Zealand is open for business including welcoming US visitors again for tourism with the lifting of COVID-19 border restrictions. Prior to the pandemic, the United States was New Zealand's third largest market by arrivals. American visitors comprised 10% of total arrivals and 13% of all visitor spend at more than \$1.5 billion. Over 2019, 69% of American visitors came to New Zealand for a holiday.
- The Prime Minister and Minister delivered this reconnecting message at a roundtable event in New York with editors from key tourism publications such as the New York Times and Travel Weekly. Air New Zealand Chief Executive Greg Foran also attended this roundtable ahead of the launch of the new direct route between Auckland and New York in mid-September. During the visit, American Airlines announced that they would resume direct flights to New Zealand with a daily service between Dallas Fort Worth, Texas, and Auckland from October to March.
- The Prime Minister also appeared on the Late Show with Stephen Colbert. During the interview, the Prime Minister invited Colbert to her wedding using an Inflight magazine advertisement for Air New Zealand's direct flights to New York and encouraged American tourists to come and make the country "whole again".
- In Seattle, the Prime Minister continued to delivered strong remarks on the importance of tourism and reconnecting with New Zealand to a diverse audience of local officials and senior business leaders, including executives at Boeing, Alaska Airlines, Starbucks, Bank of America and Microsoft.

Theme 2: Good for the World

- The second theme of the visit was leveraging the Prime Minister's profile to make announcements about innovative and sustainable New Zealand products and services in the US market. The Prime Minister emphasised that New Zealand companies are focused on providing solutions not just the best in the world, but also the best for the world
- In New York, the Prime Minister and Minister attended the launch of Silver Fern Farms new Net Carbon Zero Angus Beef product. Silver Fern Farms works with farmers and how they operate to utilise 'inset' carbon credits to offset

- the emissions of the product. The <u>Toitū Enviromark Diamond</u> certified product went on sale in New York and Los Angeles stores in April. The product is aimed at American consumers who are becoming increasingly more interested in sustainability; one study showed that 48 per cent of US consumers are now more concerned about sustainability than before the pandemic began in 2019.
- In San Francisco, the Prime Minister met with California Governor Gavin Newsom and witnessed the signing of a Memorandum of Cooperation (MOC) between New Zealand and California formalising greater cooperation in tackling climate change. During the meeting, NZ Merino and a group of Silicon Valley tech entrepreneurs signed a partnership agreement to measure and certify agricultural emissions reductions targets, starting with wool but moving to other sectors with the intent of being globally scaled. The Prime Minister also highlighted to Governor Newsom the recent deal by NZ Company Parkable and US Company META to manage traffic flow and reduce emissions at their network of global offices, and the work of NZ business the Better Packaging Company in using recycled ocean plastic waste in their products.

Theme 3: Partners with Aligned Values

- The final theme of the visit was strengthening the collaboration between the New Zealand and US business communities and how our aligned values make us ideal partners.
- In San Francisco and New York, this values discussion included the increasing focus on Environmental, Social, and corporate Governance (ESG) issues. ESG asks organisations to go beyond a focus on maximising profits and look at achieving certain environmental and social goals. In San Francisco, the delegation heard about the impact of ESG on a firm's bottom line and the need for businesses to include price sustainability in their business models. In New York, ESG was one of the topics that was discussed during an investment roundtable hosted by BlackRock Chief Executive Larry Fink and US Chamber of Commerce Executive Vice President Myron Brilliant.
- Sustainability more generally, was also a focus for engagements with Microsoft and Amazon Web Services in Seattle. While obviously tech-heavy in nature, both companies stressed the importance of aligned values with New Zealand, especially on investing for good into New Zealand and to reducing their carbon impact and footprint.
- In Boston, the Minister of Trade and the business delegation visited the Massachusetts Institute of Technology's (MIT) Langer Lab and met with MIT Institute Professor Dr Bob Langer and VitaKey founder Catherine Reynolds. Since November, Fonterra and VitaKey have been utilising their shared values to work on unlocking the benefits of the co-operative's probiotics, combining Fonterra's Research and Development Centre in Palmerston North's large collection of dairy cultures with MIT's academic biomedical engineering lab.
- More information about other aspects of the visit, including the Prime Minister's meeting with President Biden can be found here.

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