

From: [BALLANTINE, Colin \(NAD\)](#)
To: [xxx.xxxxxxxxxxxx@xxx.xxx.xx](#); [Robert Muir](#)
Cc: [Emma Miles-Buckler](#); [xxxxxx.xxxx@xxx.xxx.xx](#); [COGHILL, Lucy \(BEI\)](#); [Simon Gallagher](#)
Subject: World Bank conference - follow-up
Date: Monday, 11 November 2019 3:07:01 p.m.
Attachments: [YE June 2019 NZ - China Trade - Summary \(FINAL DRAFT BEI\).pdf](#)
[Chinese protocol.docx](#)
[DB Conference Agenda Nov 22 version Nov 8.docx](#)

Hi Ross and Robbie (and Simon)

It was great to have you at MFAT on Friday. We are really looking forward to you going to China next week.

I have attached our latest bilateral trade stats (in case you want to refer to these in small-talk with officials), as well as an etiquette and protocol guide (which is much more detailed than you will need – just remember to bring lots of business cards). I have also attached the latest version of the programme.

We have also just received confirmation of a fourth panellist from New Zealand. Jamie Thompson of Customs has accepted an invitation to speak on the 'Trading Across Borders' indicator. Jamie has a long history with China and with trade negotiations, and will be a great addition to the group. He will be travelling to Beijing from Hanoi for the conference. Jamie will be staying at Hotel Jen, where I believe both of you will be too.

A few further points for you:

- Passports/visas

Ross and **Simon** – could I please get from you by COP Wednesday your passport details (i.e. the bio page)? This is for security requirements to let you into the conference on the Friday. Also:

- o **Ross** – please send me your visa when it comes through so I can make sure you've got the right visa (and fix it if it's incorrect).
- o **Simon** – let's meet up this week and I can get your visa application lodged at the Embassy.
- o **Robbie** – I'll lodge your application at the same time as I do Simon's (and Ross' changes, if needed).

- Presentations

As we said on Friday, we will take your guidance on what you think would be good to include in the speeches. Aside from explaining the law changes needed to get to where we are, as well as cutting edge tech we use in delivering our services, Ross' point about the culture shift also sounds good.

Other key points on presentations:

- o We need your PowerPoints by this Friday, to be translated in time.
- o In terms of acknowledgements, we are following this up. The full list of VIPs has not yet been revealed to us, and may not be until the conference itself, particularly if Premier Li is speaking as is rumoured.
- o It would be great if you could insert some New Zealand-China relationship lines into your speeches – these could be:
 - Quoting the Prime Minister who has said many times that New Zealand's relationship with China is one of our most important and far-reaching.
 - Noting that as our largest trading partner, and our largest export market,

China is crucial for the prosperity of New Zealanders – a good business environment in China is good for New Zealand, and that is why we are so engaged with China on improving its ‘Ease of Doing Business’ performance.

- We do not think you need to insert any Chinese language phrases into your speeches, but if you wanted to, you could use:
 - Dah Jia Hao (dah jah how) – hello everyone (in the introduction)
 - Xie Xie (shear shear) – thank you (in the conclusion)

- Bios

We have also just received a request to provide biographies of the speakers to the organisers. Can you please provide this by COP Wednesday? Just a few paragraphs.

- Other programmes

We are working to get you both a pull-aside or meeting with the World Bank’s China team. There will also be a chance to meet with Clare (our Ambassador) and Ben King, likely for dinner on Friday night after the conference. In addition:

- **Ross** and **Simon** – Rachel and I will be in touch separately about your IP programme.
- **Robbie** – given you are now arriving on the Thursday morning, we are investigating a possible call for you on the Ministry of Natural Resources on the Thursday afternoon (you are only meeting the think-tank in Wellington on the Wednesday – not the actual Ministry).

Also, in case I haven’t already introduced you on emails, **Lucy Coghill** (CC’d) will be your key point of contact on the ground in Beijing. She is a Second Secretary in our Embassy there. Lucy has arranged your airport transfers. Her mobile is + [s 9(2)(a)]

If you have any queries, let me know.

Kind regards

Colin

Colin Ballantine

Policy Officer
North Asia Division
New Zealand Ministry of Foreign Affairs & Trade | Manatu Aorere

T + [s 9(2)(a)] E [.@..](mailto:..@..)

"The information contained in this email message is intended only for the addressee and is not necessarily the official view or communication of the Ministry. It may be legally privileged. If you are not the intended recipient you must not use, disclose, copy or distribute this message or the information in it as this may be unlawful. If you have received this message in error, please email or telephone the sender immediately."

NEW ZEALAND - CHINA TRADE - KEY FACTS & Year to June 2019

KEY FACTS

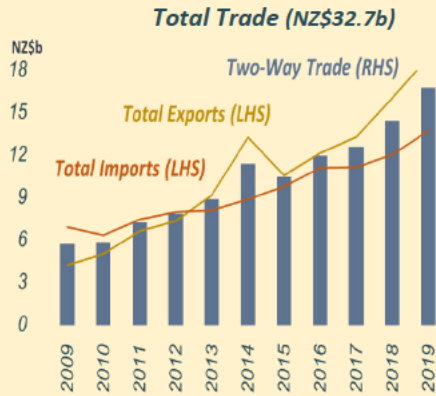
China is New Zealand's

#1 **#1** **#1**

Trading partner Source of imports Export market

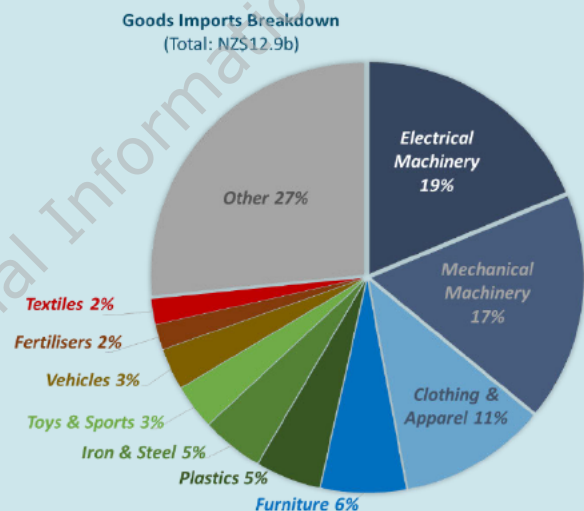
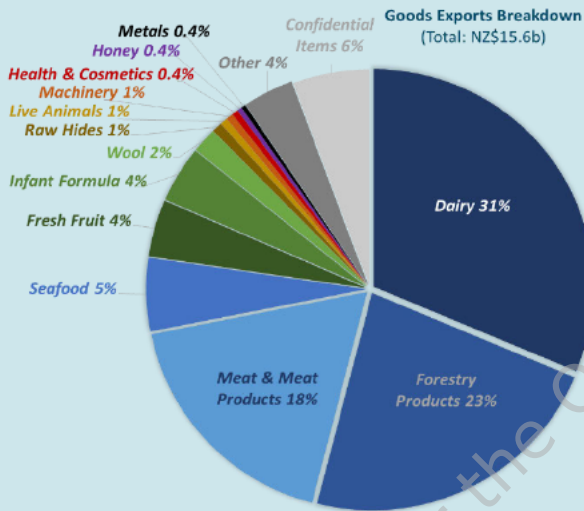
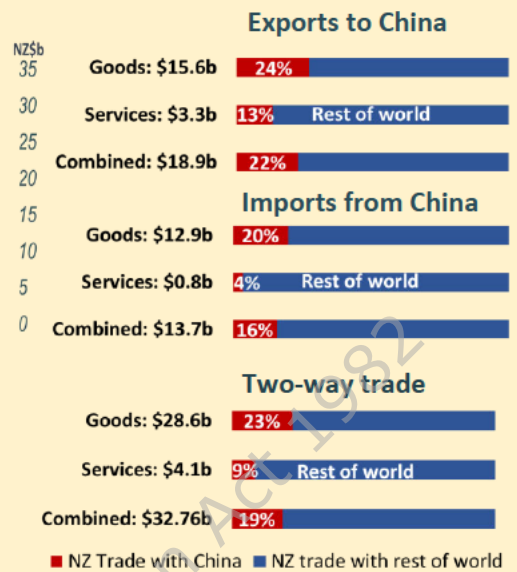
#1 **#2** **#4**

Source of foreign students Source of visitors Travel destination for NZers



Two-way trade more than **TRIPLED** ...since the FTA in 2008

Total NZ exports grew more than **SIXFOLD** ...since the FTA in 2008



SUMMARY OF RECENT TRADE FLOWS

China is New Zealand's largest trading partner, at 19% of our total trade. In the past year, we traded \$3 billion more with China than our next-largest partner, Australia.

Total exports to China grew 18% in the last year

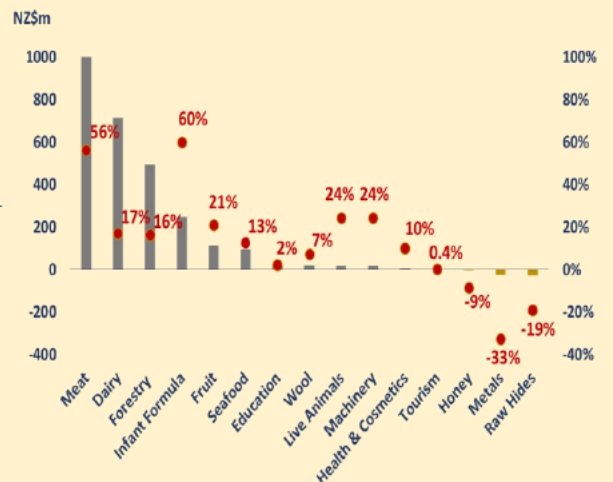
Goods exports grew 23% to \$15.6 billion, driven by consistent growth in dairy exports and a new peak in forestry and meat exports.

Services exports fell 2.5% to \$3.3 billion, due to slower growth in tourism and a small decline in education, the two largest components of services trade.

Total imports from China grew 14% to \$13.7 billion. Service imports grew 13% to \$0.8 billion. China remains a small (4%) source of New Zealand's total services imports.

New Zealand's **trade surplus** with China widened again over the last year, due to a large (\$1.4 billion) increase in the goods trade surplus.

Export Sectors: Largest Growth or Decline in Dollar Value and Percentage



Overall Trade Balance	Goods Balance	Services Balance
+\$5.20bn	+\$2.68bn	+\$2.53bn



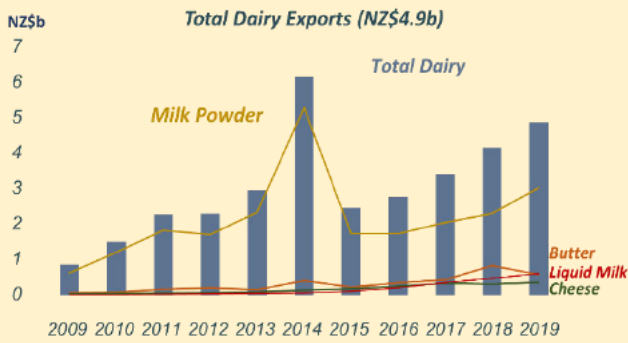
SNAPSHOT OF GOODS

The profile of New Zealand goods exports to China continues to be dominated by **primary products**. **EXPORTS**

Dairy grew 17% in the last year and is the largest single industry exporting to China (31%, \$4.9 billion).

Milk powder exports alone grew 32% to \$3.1 billion, showing above trend growth. Other dairy exports dropped slightly (1%) due to a sharp fall in butter exports:

- **Liquid milk & cream** grew 26% to \$617 million;
- **Butter** fell 29% to \$593 million;
- **Cheese** grew 18% to \$371 million.



Separately, the value of **infant formula** exports reached a new high, up 60% to \$658 million. But the actual trade may be far higher. China's 2019 import statistics recorded \$1.7 billion in infant formula imports from New Zealand. The \$1.0 billion discrepancy could be due to product re-exported through a third country or traded via cross-border e-commerce.

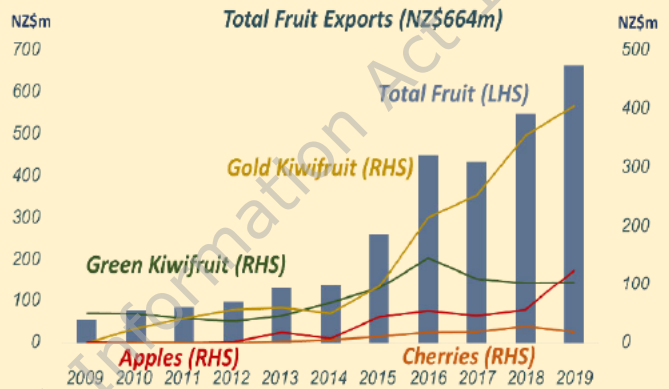
Forestry exports increased 16% to \$3.5 billion. This export is dominated by **untreated logs**, which grew 19% to \$3.0 billion. **Paper and Paperboard** grew 50% to \$50 million. **Sawn timber** fell 3.1% to \$148 million. China is our top forestry market at 52% of exports.

Meat and meat products grew strongly, up 56% since 2018. **Lamb and mutton** drove much of this growth, increasing 39% to \$1.4 billion (49% of our meat trade).

Beef exports have grown dramatically since 2012 (from \$21 million to \$1.2 billion). They now constitute 43% of meat exports to China. At \$2.8 billion, China is our largest market for meat, \$1.1 billion ahead of the US, and meat products are New Zealand's third-largest export to China.

Seafood grew 13% to \$850 million. Crustaceans, mostly crayfish plus prawns and shrimp, make up our largest seafood export (\$364 million and 41% of the total). China takes 95% of New Zealand's crustacean exports.

Fruit exports grew 21% to \$664 million. **Golden kiwifruit** remain the largest fruit export (\$406 million, 14% growth) – more than four times more valuable than in 2015 (\$97 million). **Green kiwifruit** exports grew 1% to \$104 million. China (\$510m) is our third largest kiwifruit export market, \$75m lower than Japan. **Apples** exports grew 123% to \$126 million. **Cherry** exports fell 33% to \$19 million.



Wool exports rebounded somewhat, up 7% to \$292 million, but remain \$181m less than their peak in 2015. **Animal hides** fell 19% to \$118 million. Export of **metals** dropped 33% to \$51 million, with our largest metal export, **iron & steel**, falling by 43% to \$35 million. **Honey** exports dropped 9% to \$54 million. China is one of our largest honey markets, alongside Australia, the UK and the US. **Wine** exports grew 5% to \$39 million.

Health and cosmetics exports saw 10% growth to \$73 million continuing rapid growth since 2014.

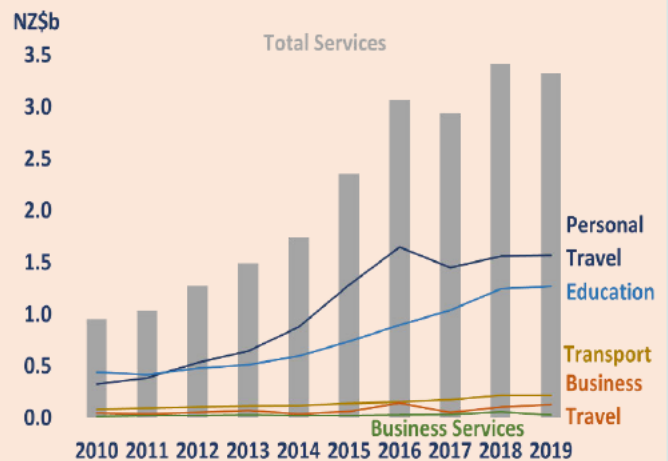
SNAPSHOT OF

Services exports (\$3.3b) account for 18% of New Zealand's overall exports to China (\$18.9b). Tourism (other personal travel) and education make up the 85% of services exports.

Tourism expenditure grew 0.4% to \$1.6 billion despite visitor arrivals falling 6% to 421,113 from a 2018 peak of 449,024. This represents a levelling off from the remarkable growth in both expenditure and tourists up to 2016. China's outbound tourist market has grown more competitive as more Chinese tourists choose short haul or domestic travel.

Education services exports growth slowed to 2% reaching \$1.3 billion. Declining first-time visa numbers reflects a shift in market demand, increasing competition within the Chinese market, and a drop in first time student visas in the institutes of technology, polytechnics and private training enterprise sector. China is New Zealand's largest source of international enrolments (32% in 2018).

Services Exports to China (NZ\$3.3b)



GUIDE TO CHINESE ETIQUETTE AND PROTOCOL

General

- Chinese **non-verbal communication** speaks volumes. Directness is considered culturally inappropriate, so facial expression, tone of voice and posture are considered key indications of how someone feels. Frowning while someone is speaking is interpreted as a sign of disagreement, so most Chinese maintain an impassive expression when speaking.
- When responding to requests, it is **considered rude to come out with a flat “no”**. A Chinese person will avoid saying “no”, preferring instead to respond with “it’s not convenient”, “we will consider this”, or something similar. A quiet follow up after a meeting might elicit more information if unclear.
- A nod or a **“yes” can mean “yes, we’ve heard your concerns”**. It does not necessarily mean “yes, we agree with you”.
- **Business cards** are exchanged after initial introductions. Hold your card in both hands when offering it, Chinese side (if applicable) facing the recipient. Treat business cards received respectfully: examine before placing on the table next to you, or in a business card case; and never write on someone’s card unless so directed.
- **Using an interpreter** is still the norm for Chinese senior officials and Ministers, particularly for more formal or technical discussions, even though these days most do have a good level of English. Interpretation is an extremely difficult skill, and an interpreter has to remember what you are saying and then translate it with both accuracy and meaning. When using an interpreter, remember to pause often to allow for interpretation. It is also helpful to give the interpreter a heads up on any technical terms or statistics, if possible, and to avoid Kiwi colloquialisms (e.g. “let’s kick for touch on that issue”).
- **Business attire** in China is conservative and modest. In a formal setting, men would normally wear dark coloured, traditional suits with a tie. Women are expected to wear business suits or dresses with a high neckline. Anything dressier (or more casual) than a business suit is rarely required, unless attending a function organised by the foreign community.

Meetings

- Please remember to arrive promptly. The Chinese consider tardiness to be very rude.
- Rank is extremely important and should be kept in mind when communicating.
- When arranging meetings between ‘counterparts’ Chinese and New Zealand sides need to take into account the differences in our systems of government. On comparison, there are not natural counterparts for many positions across the New Zealand and Chinese bureaucracies (e.g. A New Zealand Secretary/CEO calls on a Chinese Vice Minister, even though the nominal head of the department would be the Minister themselves.) Also, Senior Chinese Party Members, regardless of role, will often outrank Chinese Ministers.
- Greetings are formal and the most senior person is always greeted first, so delegations should enter a room in protocol order to avoid confusing the host. Normally Chinese prefer a handshake which is present, but relatively light in pressure and short in duration (but long enough to allow a “grip-and-grin” photo opportunity).
- If hosting, it is polite to meet your guest at the meeting room door, or sometimes just outside the room. After the initial greeting, the head of the delegation may choose to introduce the rest of the members. Follow their lead.
- Seating follows protocol order. In many formal situations, only the two heads of the respective parties will speak. The other members of the Chinese side will not normally speak unless invited to do so by their senior.

- Address the person by an honorific title and their surname. Just using the title is perfectly fine, although it is best to drop “deputy” or “vice” when addressing someone as a sign of courtesy, e.g. a Deputy Minister is addressed as “Minister”.
- In a formal meeting, the host will speak first, in general terms, for about five minutes before inviting the guest to respond. The guest should then speak for about the same length of time, thanking the host, noting the importance of the relationship and outlining the reasons for the visit, and introducing their team.
- The western way of getting down to business immediately is viewed as impatient and considered impolite.
- Following introductory exchanges, the host will speak again, in more detail. After that, it is the guest’s turn again, and an opportunity to get into more detail.
- Sensitive issues can be raised frankly, but in such a way as not to put Chinese interlocutors on the spot, and require an immediate response, for example “we are very different countries with different systems, but I appreciate that we have the chance to communicate on issues where our perspectives differ.”
- Difficult subjects or tough negotiations are best raised in a strategic manner, so that the Chinese delegation knows they are important to New Zealand, before being referred for further work by ministers and officials.

Hosted meals

- Arrive on time or, if hosting, well in advance, to ensure you are ready to greet your guest, even if they arrive early
- Wait to be told where to sit. The guest of honour will be given a seat facing the door. If you are hosting, you should show the guest of honour to his seat. Typically, the more junior the member of the delegation, the closer they sit to the doors/entrance. The more senior the guest, the further from the door they should sit
- Be observant to other peoples' needs, especially when using a lazy Susan (turn-table). Don't rotate the turn-table without checking if someone is trying to get food. If you are the host, make sure your guest of honour always has food in their bowl.
- Chopsticks should be returned to the chopstick rest after every few bites and when you drink or stop to speak. There is usually a set of chopsticks or serving spoons for dishing food into your plate. The chopsticks which you use to eat with should never be used to dish food for yourself, unless it's a family meal.
- If chopsticks pose difficulties, simply use the Chinese spoon that is usually provided at the place setting. (Usually, either wait staff or the host will notice this, and you will be provided with a fork, or it is fine to ask wait staff for one.)
- The host offers the first toast. The guest should respond with a toast, either straight away or after a period.
- As a sign of respect, Chinese people will try to ensure their glass is slightly lower than the other person's when clinking them. You should do the same, if possible, but without making a fuss.
- The host should then invite guests to begin their first course. This should be the same for each new course – guests will wait for a cue from the host.
- During a meal, Chinese guests will eat politely to show appreciation. Guests will also place utensils down to listen to the host speak, so breaks in the flow of conversation will allow them to eat.
- Never eat the last piece from the serving tray.

- You don't have to finish all the food in your bowl. If you don't like something, sample a bit and leave it. The waiting staff will clear it away.
- Depending on seniority, the group will mostly want to maintain a single discussion throughout, generally led by the host and the guest of honour. Smaller, separate conversations can happen before and after the meal, and on the way to the door, for example.
- As a guest at a meal, it is a nice gesture to prepare small gifts or good wine.

Gifts

- Gift giving etiquette can vary from region to region. In general, the further south (especially Guangdong), the more particular the Chinese are about gift-giving rules and etiquette. Younger, westernised Chinese are more relaxed about what sort of gift is being presented. It is good to check with host or visiting delegation in advance as to whether gifts are required, and even to provide advance notice of the type of gift intended, to allow the other side time to find something comparable.
- Always present gifts with two hands. Gifts are generally not opened when received, although in the case of an official gift exchange, they may be opened.
- Four is an unlucky number so do not give four of anything (or anything with the digit four in it e.g. 14, 24 etc). Eight is the luckiest number, so giving eight of something brings luck to the recipient. A photo of the gift exchange may be expected.

Do not:

- Give scissors, knives or other cutting utensils, as they indicate the severing of the relationship (note: a Māori *mere* would come into this category).
- Give clocks, handkerchiefs or straw sandals, as they are associated with funerals and death. White flowers are also associated with funerals.
- Give an empty ornamental box, even if it is the box itself that is the gift.
- Wrap gifts in white, blue or black paper. Red is a happy colour (but not for writing text).

Released under the Official Information Act 1982

Improving the Business Environment for a More Dynamic Economy of China and the World

A High-level International Conference on Doing Business Practice and Reforms

Beijing, November 22 and 23, 2019

Conference jointly organized by the Ministry of Finance of China, People's Government of Beijing Municipality and the World Bank Group

Co-sponsors: Development Research Center of the State Council and China Council for the Promotion of International Trade

Venue: National Conference Center

Outline: In recent years, China has vigorously pushed forward with reforms that delegate power, improve regulation, and upgrade services to improve the business environment. With a special focus on the World Bank's Doing Business Report, China has been learning from international good experience and has been fostering a better business environment based on market principles, rule of law and compliance with international standards. This high-level conference jointly held by China and the World Bank Group aims to promote international knowledge exchange on improving the business environment for a more dynamic economy of China and the world by presenting China's reform experience and sharing international good practice.

Friday, November 22

08:20 - 9:00 Registration of Guests

Session 1: Plenary Session

Chair: Wang Hong, Deputy Mayor, Beijing People's Municipal Government

9:00 - 9:10 Cai Qi, Party Secretary, Beijing People's Municipal Government

9:10 - 9:30 XXX, the State Council of China

9:30 - 9:50 XXX, the World Bank Group

9:50 - 10:20

Tea break

Session 2:

Keynote Speeches

Chair: Zou Jiayi, Vice Minister, Ministry of Finance of China

10:15-10:30

Liu Kun, Minister, Ministry of Finance of China

10:30-10:45

Chen Jining, Mayor, Beijing People's Municipal Government

10:45-11:00

Nena Stoiljkovic, Vice President, International Finance Corporation

11:00-11:15

Aunporn Moniroth, Deputy Prime Minister and Minister of Economy and Finance, Cambodia (tbc)

11:15-11:30

Mr. Myagmarsuren Bayarmagnai, Acting Deputy Chief of Cabinet Secretariat, Mongolia

11:30-11:45

Ben King, Deputy Secretary of the Ministry of Foreign Affairs and Trade, New Zealand

11:45-12:00

Vu Tien Loc, Chairman of the Vietnam Chamber of Commerce and Industries, Vietnam

12:00 - 13:00

Lunch break

Session 3:

Technical Sessions on Global Experience in Doing Business Reforms

(10 mins for each presentation and 30 mins for Q&A)

13:00-14:30

Building a More Open Economy: Trading and Investing Across Borders

Chair: Martin Raiser, China Country Director, the World Bank

A representative from the Ministry of Commerce of China on recent reforms on FDI regulation

A representative from the General Administration of Customs of China to present China's reforms in facilitating Trading Across Borders (TAB)

A representative from Shanghai on Free Trade Zone and TAB

A representative from Singapore on TAB (tbc)

A representative from New Zealand on TAB (tbc)

William Gain, Senior Private Sector Specialist, the World Bank to present international good practice on TAB

Q&A (30 min)

14:30 -14:45

Tea Break

14:45-16:15

Strengthening the Rule of Law: Contract Enforcement and Investor Protection

Chair: Wencai Zhang, Director General, Department of International Economic and Financial Cooperation, Ministry of Finance, China (tbc)

A representative from NDRC on the Ordinance on Improving Business Environment, including Investor Protection

A representative from the Supreme Court of China on Intellectual Property Rights protection

Andres Martinez, Senior Financial Sector Specialist, the World Bank, to present international good practice on Resolving Insolvency and Getting Credit (10 mins for each topic)

Shinichiro Abe, Attorney at Law, International Insolvency Institute, Japan, to present on Japan's experience in Resolving Insolvency

Ms. Madeleine Szeluch, Head of Investor Relations, Department for Business, Energy and Industrial Strategy, United Kingdom, to present on UK's experience in Protecting Minority Investors

Q&A (30 min)

16:15 -16:30

Tea Break

16:30-18:00

Streamlining Business Regulation: Paying Taxes, Dealing with Construction Permits, Starting a Business and Registering Property

Chair: Sylvia Solf, Senior Private Sector Specialist, the World Bank

A representative from Beijing

Ross Van Der Schyff, Registrar, New Zealand Companies Office, on Starting a Business

Robbie Muir, Registrar-General of Land for New Zealand, on Registering Property

Kim Lovegrove, World Bank Consultant, on Construction Permits

Q&A (30 min)

Saturday, November 23

9:00-10:30 Parallel Session I: Discussion on the direction for future reforms with representatives from the business community

Opening Remarks by Vice Chairman, China Council for the Promotion of International Trade (tbc)

Chair: Michael Wang from CGTV (tbc)

Panel Discussion: Six or seven representatives from domestic and foreign firms and foreign chambers of commerce in China to discuss the business environment in China and direction for future reforms

9:00-10:30 Parallel Session II: Discussion on the direction for future reforms with representatives from the academia

Chair: Zhang Junkuo, Vice Minister, Development Research Center of the State Council (tbc)

Six representatives from the academia to discuss the business environment in China and direction for future reforms:

Lin Yifu (林毅夫 tbc), Peking University

Liu Shijin(刘世锦 tbc), China Development Research Foundation

Gao Peiyong (高培勇 tbc), China Academy of Social Science

Yang Kaifeng (杨开峰), Renmin University

Martin Raiser, China Country Director, the World Bank

Marcin Piatkowski, Senior Economist, the World Bank

10:40-11:15 Closing remarks

Martin Raiser, China Country Director, the World Bank

Wang Hong, Vice Mayor of Beijing (tbc)