
REPORT 2
(1215/11/IM)

MAYORAL VISIT – SHANGHAI, BEIJING, XIAMEN AND TIANJIN JUNE 2010

1. Purpose of Report

To seek Council approval for the Mayor to travel to China in June 2010 to:

- lead a business and cultural delegation to the Shanghai World Expo and
- visit our sister cities Beijing and Xiamen and our partner city Tianjin.

2. Executive Summary

New Zealand's relationship with China has become one of our most valuable. In August 2009 two-way trade exceeded \$10 billion for the first time, with China surpassing the United States to become New Zealand's second largest trading partner. China is also a major source of students (1st), migrants (3rd), and tourists (4th), making China extremely important country to New Zealand on many levels.

The Shanghai World Expo being held from May to October 2010 will be the largest World Expo in history. It is expected to draw 70 million visitors over the six months it will be open. Up to 200 nations will participate and the total budget for the event is USD\$4 billion. The Expo presents an exciting opportunity for New Zealand to create a positive impression among a huge audience in the largest city in China, one of the world's fastest growing economies.

The Expo and the New Zealand Pavilion offer Wellington an ideal opportunity to position itself within the New Zealand context as a creative, innovative, international capital city. It is recommended that the Mayor lead a delegation to the expo to enable us to maximise those opportunities. The focus for the Wellington Delegation would be on generating quality jobs in Wellington business in the fields of innovation, film and gaming technology, education and healthcare. These areas were identified following an assessment of innovative Wellington business strengths with links or potential in China. In taking a delegation of business leaders in these areas to Shanghai, the Mayor would be able to use her status to help open doors, create opportunities and help to build relationships with Chinese partners.

While the Mayoral delegation is in China, it would be cost effective to visit Beijing, Xiamen and Tianjin to:

- maintain our sister and partner city relationships
- sign an MOU on the Wellington Chinese Garden
- hold business meetings on healthcare, education and earthquake technology.

3. Recommendations

It is recommended that Council:

1. *Receive the information.*
2. *Agree to the Mayor representing Wellington City Council on a visit to Shanghai, Beijing, Xiamen and Tianjin from 5 June to 14 June 2010, with the costs to be met from the International Relations budget (COST01 and C145).*
3. *Note that officers are reviewing the Committee schedule to ensure that the Shanghai Expo and the Annual Plan deliberations do not overlap.*
4. *Note that a report-back will be presented to the appropriate Committee meeting in accordance with Council Policy.*

4. Background

4.1 Shanghai Expo 2010

The first World Expo was held in the Crystal Palace in Hyde Park, London, in 1851. Nearly 160 years later the biggest World Expo ever is to be held in Shanghai from 1 May to 31 October 2010.

With an expected attendance of 70 million people, the participation of up to 200 nations and a budget of over USD\$4 billion, the Shanghai World Expo 2010 will be an event of unprecedented scale.

The theme of the Expo is “Better City, Better Life” and will focus on new thinking, new technologies and new practices for achieving healthy and sustainable urban living.

4.2 The New Zealand Pavilion

The New Zealand Government is emphasising the presence of nature in New Zealand’s urban life and the benefits of living in our cities. The New Zealand Pavilion theme is “Cities of Nature, Living between Land and Sky”.

The budget for the New Zealand Pavilion is \$30 million. With one of the best locations at the Expo site, it is expected to host eight million visitors over six months. VIP guests will be able to secure free entrance into the Pavilion and use

the VIP experience hospitality area to host guests. To encourage use of the Pavilion, the Government is covering all hosting costs.

Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise officials have strongly encouraged Wellington City Council to take advantage of this opportunity. The days of 10 and 11 June 2010 have been reserved for a Wellington delegation to make use of the New Zealand Pavilion VIP area.

Delegations from other cities and regions in New Zealand, including Waitakere City, the Bay of Plenty, Hawke's Bay, Canterbury and Dunedin, are already confirmed to visit Shanghai Expo and the New Zealand Pavilion.

Appendix A contains more information on Shanghai Expo and the New Zealand Pavilion (**attached**).

4.3 The Opportunity for Wellington

To position Wellington within the New Zealand context, it is proposed that the Mayor lead a large, high profile delegation primarily comprising business leaders and potential leaders in innovation, film and gaming technology, education and healthcare sectors.

Shanghai Expo 2010 and the New Zealand Pavilion would provide the delegation members with an ideal opportunity to build and develop relationships in one of the most important business cities in the world.

4.3.1 The Significance of Shanghai and Shanghai Expo 2010

Shanghai is China's biggest city and its financial capital. China has the largest population and second largest gross domestic product¹ in the world. Shanghai is set to become an even greater presence on the world stage with the Chinese Government's intention to turn Shanghai into an international financial and shipping hub by 2020².

Like the 2008 Beijing Olympics, the Shanghai Expo is a huge event for China. The USD\$4.19 billion Expo budget is nearly twice that of the Beijing Olympics (USD\$2.3 billion)³ and extensive daily media coverage began many months ago.

4.3.2 Relationship building

In China, the building of strong relationships is a crucial aspect of business. For New Zealanders, such relationships take time to develop, usually involving a number of trips to China⁴. Given the significance of the Expo to the Chinese people, and the major investment by the New Zealand Government to ensure

¹ http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP_PPP.pdf

² http://www.hangseng.com/ermt/eng/fxmv/pdf/ecof_e_2009jun.pdf

³ http://news.xinhuanet.com/english/2009-07/27/content_11778095.htm

⁴ For more on doing business in China and the concept of *guanxi* see:

<http://chinafta.nzte.govt.nz/solutions/culture/culture-and-business-protocols.html>

that the New Zealand Pavilion will be a success, the Expo is a unique opportunity for Wellington businesses and organisations to strengthen relationships with China.

4.3.3 *The Significance of the Mayor in China*

The position of Mayor is held in extremely high regard in China, and the Mayor of the capital city of New Zealand can carry significant influence, opening doors Wellington businesses in China that would have otherwise remained closed. Several Wellington businesses have already requested the Mayor's support for their business activities in China.

4.3.4 *The Wellington Mayoral Delegation*

Given the opportunity that the Shanghai Expo provides, it is proposed that the Mayor leads a large delegation of Wellington businesses. The Mayoral Delegation would seek to boost the long-term economic growth of Wellington by helping Wellington businesses to build and develop relationships with their Chinese counterparts. The Mayor would also lead the delegation on trips to Wellington's sister cities Beijing and Xiamen and our partner city, Tianjin, to take advantage of our connections in those cities.

To date, 39 business and cultural delegates have confirmed they would like to be part of the delegation. Delegates would be expected to meet their own travel expenses.

5. Discussion

The main purpose of the trip would be to visit Shanghai to take advantage of the opportunities presented by the Shanghai Expo and the New Zealand Pavilion. Visits would also be made to Wellington's two sister cities – Beijing and Xiamen – where a number of business meetings have been planned. A day would also be spent in Tianjin.

5.1 *Draft itinerary*

5 June	Depart Wellington
6 June	Beijing
7 June	Beijing
8 June	Tianjin
9 June	Shanghai
10 June	Shanghai
11 June	Shanghai
12 June	Xiamen
13 June	Xiamen
14 June	Return to Wellington

5.1.1 Shanghai

Activities in Shanghai would be centred around the use of the New Zealand Pavilion hospitality area where a series of functions and events would be held. The following activities are proposed for Shanghai:

- Sister Cities and Sustainable Cities Forum
- Sister Cities lunch event hosted by the Council
- Young Leader's Forum
- VIP Function – New Zealand Film Night
- Business workshops
- Business lunch event hosted by the Mayor
- A cultural showcase evening

The Mayor would also meet with the Shanghai Bureau of Culture, Film and Radio to discuss the potential signing of an MOU on cultural and film cooperation between the two cities.

5.1.2 Beijing

In Beijing, the Mayor would meet with the New Zealand Ambassador and attend a banquet hosted by the Beijing Government, where an MOU on the Wellington Chinese Garden would be signed. The MoU will also be signed in Xiamen, as it is important for the success of the project to have the resources and support of both Beijing and Xiamen.

The Mayor would support Wellington businesses in the film and healthcare sectors in business meetings in Beijing, and visit the All China Youth Foundation and the Yizhuang Industry Park.

5.1.3 Tianjin (day trip from Beijing)

The Tianjin Government would host the Mayor for a lunch. The Mayor would attend business meetings to discuss projects in film, healthcare, earthquake engineering and investment in Tianjin Port.

5.1.4 Xiamen

The Xiamen Government would host the Mayor for lunch and business meetings. Topics for discussion would include the New Zealand Centre at Xiamen University, the Wellington Garden and Wellington Hospital doctor exchanges. The Xiamen Government would host the Mayor at a welcome banquet at which both sides would sign the Wellington Chinese Garden MOU.

5.2 Timing of visit

The Mayor would be away from New Zealand for 10 days from Sunday 5 June to Monday 14 June. These dates were chosen because the Council has secured use

of the New Zealand Pavilion at the Shanghai Expo on 10 and 11 June. The Mayor would miss the 8 June Strategy and Policy Committee meeting.

The Annual Plan deliberations are currently scheduled to start on 8 June. Officers are reviewing the schedule to ensure this can be rearranged to avoid an overlap with the proposed trip.

5.3 Consultation and Engagement

In planning the trip, Council officers consulted extensively with key national, regional and local stakeholders including: New Zealand Trade and Enterprise (NZTE), the Ministry of Foreign Affairs and Trade, Grow Wellington, Education Wellington, Film Wellington, Positively Wellington Tourism, the Wellington Regional Chamber of Commerce, Victoria University of Wellington, and the Asia New Zealand Foundation.

Council officers also held a Shanghai Expo Workshop in the Council Chamber on 26 February to discuss the proposed Wellington delegation with the business community. A total of 67 people attended the workshop.

5.4 Financial Considerations

5.4.1 Travel Costs for the Mayor

The estimated cost for the Mayor to travel to China is \$10,000. This includes airfares, accommodation, land transport and a daily allowance in accordance with Council policy. Wellington's sister cities would meet all of the Mayor's costs while she is in Beijing and Xiamen respectively.

Subject to availability, officers are investigating the use of the Mayor's current balance of Council-earned airpoints to offset the costs of travel. If they are able to be used, this would reduce the Mayor's air travel costs by approximately \$2,775.

5.5 Climate Change Impacts and Considerations

The Mayor's travel would result in approximately 2.5 tonnes of CO₂ emissions. The cost of offsetting these emissions is approximately \$83. This amount has been included in the estimated travel costs above.

5.6 Long-Term Council Community Plan Considerations

There are no Long-Term Council Community Plan Considerations. The proposed budget for the delegation would be met within existing 2009/10 budgets.

6. Conclusion

The Shanghai Expo is an opportunity for China to introduce itself to the world, as it did at the successful 2008 Beijing Olympics. It will be a huge event for China, with 70 million visitors anticipated. In recognition of this, the New

Zealand Government is investing heavily in the Shanghai Expo to position New Zealand in China.

The Shanghai Expo is an exciting opportunity to showcase Wellington and its businesses as a key part of the New Zealand profile. A Mayoral Delegation of prominent Wellingtonians to Shanghai and our sister and partner cities would maximise leverage off this unique opportunity.

Contact Officer: *Teena Pennington, Director Strategy, Planning and Urban Design.*

Supporting Information

1) Strategic Fit / Strategic Outcome

The recommendations in the paper support the Council's overall vision of Creative Wellington – Innovation Capital and the travel supports the Council's international relations strategy.

2) LTCCP/Annual Plan reference and long-term financial impact

The travel will be funded out of the International Relations Budget.

3) Treaty of Waitangi considerations

No direct implications for Treaty of Waitangi considerations.

4) Decision-Making

This is not a significant decision.

5) Consultation

a) General Consultation

Council officers have consulted extensively with key national, regional and local stakeholders including: New Zealand Trade and Enterprise (NZTE), the Ministry of Foreign Affairs and Trade, Grow Wellington, Education Wellington, Film Wellington, Positively Wellington Tourism, the Wellington Regional Chamber of Commerce, Victoria University, and the Asian New Zealand Foundation.

b) Consultation with Maori

No specific consultation with Maori.

6) Legal Implications

No legal implications.

7) Consistency with existing policy

The recommendations in the report are consistent with existing policy.

APPENDIX A

Overview of Shanghai Expo

What is the World Expo?

The World Expo is a large-scale, global, non-commercial Expo. The hosting of the World Expo must be applied for by a country and approved by the international World Expo Committee. Expo aims to promote the exchange of ideas and development of the world economy, culture, science and technology, to allow exhibitors to publicise and display their achievements and improve international relationships. Accordingly, the World Expo with its 150-year history is regarded as the Olympic Games of the economy, science and technology sectors⁵.

Shanghai Expo 2010

The Shanghai Expo will be held on a 528-hectare site located on both sides of the Huangpu River in Shanghai. The theme of the Expo is “Better City, Better Life” and the new thinking, technologies and practices for achieving healthy and sustainable urban living. To date 192 countries and 50 international organisations - NGOs and companies - are confirmed to participate. The anticipated attendance of more than 70 million visitors will make this the largest expo ever held.

For further information please visit the official Expo 2010 website:

<http://en.expo2010.cn/>

The New Zealand Pavilion

The theme of Expo 2010, “Better City, Better Life” is highly suited to New Zealand given that 86 percent of New Zealanders live urban areas and our cities are rated highly for quality of life.⁶

The New Zealand Pavilion will “present a welcoming vision of a nation that is striving to bring its cities into a sustainable balance with nature; a country in which natural beauty, the inspiration that it brings, and the lifestyles that it permits, can exist alongside and contribute to a modern and innovative first world economy.”⁷

The New Zealand Pavilion has the theme: “Cities of Nature, Living between Land and Sky”, and takes inspiration from the Maori creation story in which the god Tane separated his parents, the Sky and the Earth, to create space both for the natural world and for human beings. The visitor experience will focus on the constant presence of nature in New Zealand’s urban life and the benefits it brings.

⁵ <http://www.expo2010.cn/expo/expoenglish/awe/we/index.html>

⁶ <http://www.mercer.com/qualityofliving>

⁷ <http://shanghaiexpo2010.nzte.govt.nz/pavillion.asp>

APPENDIX A

A team of project management specialists, architects, visitor experience specialists, quantity surveyors, garden designers and engineers is designing and building the New Zealand Pavilion, which will have capacity for up to 40,000 visitors per day. In the shape of a wedge, it will cover approximately 75 percent of a 2000-square-metre corner site, close to the China Pavilion and the main elevated walkway.

The Pavilion will comprise four visitor experience areas:

Welcome Space

- The front entrance is a welcoming veranda, a lofty canopy supported by a forest of pillars interspersed with shorter *pou* (pillars), many of them interactive, which shelter visitors watching cultural performances and queuing for entry.

Cities of Nature experience

- Inside, visitors will walk through a 'day in the life' of a composite New Zealand city in a natural setting: from the sea, through the suburbs to the city centre and out towards the mountains. A series of sequences consisting of audio-visual projections, graphics, lighting and set elements will look at different aspects of our 'cities of nature'.

Garden and wild places walk

- Visitors will exit the Cities of Nature experience near the top of the wedge, and then walk back down towards the veranda area through a garden planted with New Zealand trees and flowers.

VIP experience hospitality area

- The hospitality area includes an elegant mezzanine hospitality area located on the east side of the pavilion capable of hosting up to 40 guests for formal dining, or 110 for cocktail functions
- Catering will be provided by Ruth Pretty (and paid for by New Zealand Trade and Enterprise)
- It will also include a separate meeting/dining room for up to 12 people.

For further information please visit the official New Zealand Pavilion website:
<http://shanghaiexpo2010.nzte.govt.nz/default.asp>

Appendix B: New Zealand Pavilion Photos



4 www.expo2010china.com

Newsletter No. 7, September 5 2008

Innovative, amazing pavilions



Australia Pavilion (Zone B)
Theme: Mastering the Challenges — Australia's smart solutions for our urban future
Highlight: Deep red arc



UK Pavilion (Zone C)
Theme: Pavilion of Ideas
Constructor: Heatherwick
Highlight: Glimmering plate



Poland Pavilion (Zone C)
Theme: People Create the City
Architect: Wojciech Kawowski
Highlight: Papercut

Expo 2010 will have its 600-day countdown on September 8. When the curtain is finally lifted, visitors will be dazzled by a host of unique, exotic pavilions. Here is a glimpse of some of them.



Germany Pavilion (Zone C)
Theme: Balancity
Highlight: Suspension in the air, golden lock on the stage



Canada Pavilion (Zone C)
Theme: The Living City — inclusive, sustainable, creative
Constructor: Quilam
Highlight: Impression of maple



Luxemburg Pavilion (Zone C)
Theme: Small Is Beautiful Too
Highlight: Mini forest and castles



Nepal Pavilion (Zone B)
Theme: Tales of Katmandu City — seeking the soul of a city; exploration and speculation
Highlight: Soul of alien territory



UAE Pavilion (Zone A)
Theme: Energy of Development — past, present and future of UAE
Highlight: Energy-saving technology



New Zealand Pavilion (Zone B)
Theme: Cities of Nature — living between land and sky
Constructor: Coffey
Highlight: Flying wings



Spain Pavilion (Zone C)
Theme: "Remodelling of Communities in the City" through the "Innovation of Science and Technology"
Highlight: Impression of an oasis



France Pavilion (Zone C)
Theme: The Sensual City
Architect: Jacques Ferrier
Highlight: A floating garden



Holland Pavilion (Zone C)
Theme: Happy Street
Highlight: 17 houses, 17 kinds of fun



Italy Pavilion (Zone C)
Theme: The City of Man
Architect: Gianpaolo Imbrighi
Highlight: Function modules



Visit www.expo2010china.com