
REPORT 1
(1215/52/IM)

MAYORAL DELEGATION TO CHINA AND JAPAN JULY 2011 – REPORT BACK

1. Purpose of Report

To report back on the Wellington business delegation that Councillor Jo Coughlan and Mayor Celia Wade-Brown led to China and Japan in July 2011.

2. Executive Summary

From 18 July to 27 July 2011 we led a delegation of 31 people to Sakai in Japan and Beijing, Tianjin, Xiamen, Guangzhou and Hong Kong in China.

A key objective of the delegation was to realise the economic development opportunities that arise through Wellington's city-to-city connections. These international connections allow Wellington businesses to build the political and commercial relationships they need to do business in China and Japan.

In 2010 the New Zealand and Chinese Governments agreed on a target of doubling two-way trade from \$10 billion to \$20 billion by 2015. The New Zealand Government recognises the importance of local government in delivering on this objective and is very supportive of Mayoral business delegations.

Another major objective of the delegation was to foster Wellington's sister city relationships. A large delegation, led by a new Mayor and a City Councillor, signals to our sister cities that we place a high value on the relationships.

An open process was used to identify businesses to join the delegation with information circulated by the Council, the Chamber of Commerce, New Zealand Trade and Enterprise and Grow Wellington. Twenty four business people representing more than a dozen sectors joined the delegation.

The delegation achieved numerous positive outcomes during the ten-day programme.

City Outcomes

The delegation strengthened our sister city relationships with Sakai in Japan and Beijing and Xiamen in China. I signed, on behalf of the city, a "Friendship City" agreement with Tianjin, which formalises the relationship after several years of close interaction.

Business Outcomes

The feedback received from business delegates has been unanimously positive. In a follow up survey conducted by officers one hundred percent of respondents said the trip was worthwhile for their business. Delegates recognised the value of joining a Mayoral delegation, citing the access they had to high level government officials as a key advantage. Businesses achieved the goals of making new contacts and strengthening existing relationships. Several businesses are following up on actions from the trip in order to formalise business relationships and opportunities.

Future actions

The mayoral business delegation was a success and highlighted the importance of our sister city relationships in China and Japan. Businesses would like the city to further strengthen the relationships through increased overseas delegations and the hosting of visiting delegations in Wellington.

Businesses have also called for the establishment of a Wellington business network where businesses who were on the trip can continue to share experiences amongst themselves. Officers are in discussions with the Chamber of Commerce regarding this idea.

Overseas Chambers of Commerce expressed a desire to form direct relationships with similar business organisations in Wellington so I have raised this with the President of the Wellington Employers and Manufacturers Chamber of Commerce.

We intend to share information on sister city delegations, business contacts and further visits by local or central government and their agencies so we can take a fully informed and coordinated approach.

Delegates and elected members agreed that it is important to concentrate on a few links and do them well. Having a capital-to-capital sister city relationship also opens the door for business and cultural relationships with other cities.

Many places we visited showed significant efforts and investment being made in environmental management. I was heartened to see and hear of renewable energy projects, smart technologies, tree planting and water conservation. There was a wide acceptance of the reality and pressure of anthropogenic climate change and the need for a vigorous global and local response.

Council's draft Economic Development Strategy also identifies a range of initiatives under Wellington: the connected capital, which will assist Wellington businesses on and offshore.

See the Appendix for a detailed overview of the programme.

3. Recommendations

It is recommended that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note that on 22 September the Strategy and Policy Committee approved for consultation the draft Economic Development Strategy, which sees an alignment of international relations activity with economic development.*

4. Background

On 25 May Council approved Councillor Coughlan (Economy Portfolio) and I to lead a delegation to Japan and China. Twenty four business people, representing eighteen organisations joined the delegation.

Sister city relationships in China and Japan

Sister city relationships are very important in China and Japan and the level of formality is high. Visiting sister city delegations are treated very warmly by host cities. A visiting mayoral delegation is a significant event, with 'VIP' treatment given to the Mayor and accompanying delegation members. Our hosts were fascinated by "the coolest little capital in the world".

By accompanying the Mayor on a business delegation to one of Wellington's sister cities, businesses are able to build the commercial and political relationships they need to do business in China and Japan.

China

China is New Zealand's second largest trade partner and is also a major source of migrants, students and tourists for New Zealand. Therefore, New Zealand's relationship with China is one of our most important.

The delegation visited Wellington's sister cities Beijing, China's capital, and Xiamen, a thriving port city of nearly four million people in south-east China. In 2011 Beijing and Wellington celebrate their fifth anniversary as sister cities, while in 2012 Xiamen and Wellington will celebrate 25 years as sister cities. A visit by a new Mayor demonstrated Wellington's ongoing commitment to these relationships. In Beijing we met the State Oceanic Administration regarding marine energy.

The delegation also visited the Tianjin Municipality, a port city of 12 million in northern China. In recent years Wellington has built a close relationship with Tianjin, based on healthcare and television business and earthquake information exchange.

The delegation also visited Guangzhou, following an invitation to visit from the Chairman of China Southern Airlines, who visited Wellington in April 2011. The main purpose of the visit to Guangzhou was to promote Wellington as a long-

haul destination. China Southern Airlines commenced direct flights to Auckland in April.

The final destination for the delegation was Hong Kong. The Wellington-Hong Kong relationship is based on digital technology and education cooperation. The delegation visited Hong Kong to strengthen the business relationship in these areas and the wider New Zealand-Hong Kong business community.

The Hong Kong administration has invited me to spend a further week sharing civic planning and information in Hong Kong.

Japan

Japan is New Zealand's third largest export market and major source of students and tourists for New Zealand. The relationship between the two countries has grown closer through the mutual support provided following the countries' respective natural disasters.

The Wellington-Sakai relationship was established in 1994. Since then we have actively cooperated on education, sports, arts and cultural exchanges.

Recently Sakai donated \$16,000 to support Christchurch relief efforts. The Wellington Sakai Association and Council – through Wellington Sushi day – raised money to support Japan's disaster relief efforts. The visit to Sakai provided an opportunity to present this money in person to the Mayor of Sakai.

5. Key Outcomes

The feedback received from business delegates has been unanimously positive. In a follow-up survey conducted by officers one hundred percent of respondents said the trip was worthwhile for their business. Survey respondents also expressed extremely high levels of satisfaction around the logistics (94%), communication (94%), support (94%) and quality of meetings (100%) and events (94%).

Delegates recognised the value of joining a Mayoral delegation, citing the access they had to high level government officials as a key advantage. Businesses have said that they achieved their goals of making new contacts and strengthening existing relationships.

The following four sections detail the key outcomes achieved by the delegation.

5.1 Building strong city-to-city relationships

The Wellington delegation furthered Wellington's strong relationships with sister cities Beijing, Xiamen and Sakai, and partner city Tianjin.

- In Beijing the two cities celebrated five years as sister cities with Beijing Mayor Guo Jinlong gifting Wellington 100 bicycles to mark the occasion.
- In a meeting with the new Mayor of Xiamen, Mr Liu Keqing, an invitation was extended him to visit Wellington in 2012 to celebrate the 25th anniversary of that relationship. The invitation was warmly received and accepted.
- An invitation was also extended to the Mayor of Sakai Osami Takeyama to visit Wellington in support of the 2012 Japan Festival of Wellington in September. Mr Takeyama accepted the invitation and said that Sakai will support the Festival. The Wellington Sakai Association and I, on behalf of Wellington City, presented cheques totalling 503,000 yen (8030 NZD) to support Japan's disaster relief efforts.
- Wellington further enhanced its close relationship with Tianjin. I signed, on behalf of the city, a "Friendship City" agreement, which formalises the relationship. Under the agreement the two sides will strengthen cooperation in healthcare, earthquake prevention and disaster reduction, culture, education, the economy and trade, science and technology, financial cooperation and city management. We also invited Tianjin Mayor Huang Xingguo to visit Wellington.
- The official and business delegates were well supported by Bill and Donas Nathan of Ngati Poneke. At each major event Bill and Donas led the Wellington delegation in performing waiata.

5.2 Promoting Wellington as a smart green place to do business

- In Beijing, Tianjin and Xiamen, in conjunction with our partner cities, we co-hosted business seminars. At each event Councillor Coughlan and I promoted the merits of Wellington as a place to live and do business. Presentations were also given by the Wellington business delegates and local Chinese leaders. The seminars were well attended by local business people and senior officials.
- In Hong Kong I gave an address to the New Zealand Chamber of Commerce in Hong Kong at a business breakfast. The event also doubled as the opening of the New Zealand Food Festival in Hong Kong. Therefore, it was a great opportunity to promote Wellington, not only as a great place to do business, but also as New Zealand's cuisine capital.
- In Sakai we met the President of the Sakai Chamber of Commerce to discuss ways the two cities can work together. We agreed to connect the Wellington Employers' Chamber of Commerce with the Sakai Chamber.
- A Wellington promotional DVD was available (in Mandarin) at each business seminar and networking event.
- In Tianjin and Xiamen I was interviewed by a variety of media organisations across the television and print media. The Wellington delegation also received wide media coverage across the Chinese media.

- In Guangzhou, the largest city in Southern China and one of China's economic powerhouses, we met the Vice Mayor, Chen Mingde, in the first meeting at this level. We discussed Wellington and Guangzhou's respective business strengths and areas for cooperation.
- We also met China Southern Airlines Chairman Si Xianmin and promoted Wellington has a great destination to live, visit and do business. We received very positive feedback; Chairman Si said that after Auckland, Wellington is China Southern Airlines' next New Zealand target destination.

5.3 Creating opportunities for Wellington businesses

- Wellington business delegates attended official Mayoral functions and banquets, where they were able to network with high ranking officials and business people.
- Council officers arranged meetings for delegates with local officials and business people. When possible Councillor Coughlan and I attended the meetings to support the business delegates. Several businesses are following up on actions from the visit. For example:
 - Following opportunities to demonstrate its interactive video installation the Gibson Group is pursuing opportunities in the visitor attraction and museum areas in mainland China and Hong Kong. They are also working on TV series that the co-production agreement facilitates.
 - As a result of discussions with Tianjin officials, Healthcare New Zealand can now begin the design phase of their community home health services.
 - Following discussions with Xiamen University, Diane Brand of Victoria University coordinated expressions of interest from New Zealand architectural companies interested in working on projects in Xiamen, especially green building design.
- Networking functions at the New Zealand Ambassador's residence in Beijing and the Canton Club in Guangzhou were organised for the Wellington delegation. New Zealand Government officials invited local business people in appropriate sectors to attend and network with Wellington businesses.
- At the National Museum and the Palace Museum (Forbidden City), in support of Te Papa Museum, we discussed opportunities for exhibition exchanges between Wellington and Beijing.

5.4 Exchanging knowledge on best practice

- In meetings with the Mayors of each city we exchanged ideas on city planning, public transport, economic development, climate change and other topics. We promoted Wellington's toward 2040 strategy and learned about our sister cities' own strategies, such as Sakai's "Cool Sakai" low-carbon metropolis initiative.
- At Sakai's "Mega Solar Power Plant", Tianjin's "Green-Collar Low Carbon Innovation Park", Beijing's Urban Planning Museum, and the China

- In Hong Kong we were briefed by:
 - Cyberport on how it supports “start-up” digital companies located at the technology cluster
 - Create Hong Kong on how Hong Kong plans to grow its creative digital sector
 - Invest Hong Kong on Hong Kong’s strategy for attracting foreign direct investment
 - ANZ Bank’s Head of Economic Research on the economic forecast for Greater China
 - The Chairman of the New Zealand Chamber of Commerce (HK) on potential cooperation between Wellington and Hong Kong.

5.5 Travel costs

The travel costs were within the budget estimate reported to the Council meeting on 25 May 2011.

6. Future Actions

The successful delegation has highlighted the importance of our sister city relationships in China and Japan. In feedback from business delegates they have said they would like the city to further strengthen the relationships through increased overseas delegations.

The delegation increased our understanding of cultural protocols, so the hosting of visitors is able to be carried out well.

During the visit to Beijing, the Council was invited to send a delegation to the Beijing International Fair for Trade Services in May 2012. Professional services are an area of strength for Wellington. Officers will liaise with the Ministry of Foreign Affairs and Trade (MFAT) and New Zealand Trade and Enterprise (NZTE) regarding a New Zealand presence at this event.

Business delegates have also said they are interested in opportunities to network with official delegations to Wellington. Two senior delegations from Beijing and Tianjin visited Wellington in October. On each occasion Wellington businesses were provided opportunities to be participate in the visiting officials’ programmes.

In 2012 Wellington expects to host delegations led by the Sakai Mayor and President of the Chamber of Commerce. Officers are in discussion with the Wellington Employers’ Chamber of Commerce on the possibility of linking international Chambers, such as that of Sakai, with the Wellington Chamber.

Businesses have also called for the establishment of a Wellington business network where businesses who were on the trip can continue to share experiences amongst themselves. Officers are also working with the Wellington Chamber on the business network idea.

As Mayor, I intend to ensure that there is liaison between central and local government and our agencies, business organisations and tertiary institutions to build good cultural and economic ties.

7. Conclusion

The relationship between Wellington and its sister and partner cities in China and Japan has been significantly enhanced by mayoral delegations in 2010 and 2011.

Wellington businesses have recognised the value of Wellington's international connections by choosing to join mayoral business delegations in big numbers.

As the economies of Asia grow, the New Zealand economy will become increasingly dependent on the region for its own economic growth.

Through its international connections Wellington is in an ideal position to help businesses to take opportunities presented by Asia's strong economic growth.

Mayor Celia Wade-Brown and Councillor Jo Coughlan

Supporting Information

1) Strategic Fit / Strategic Outcome

The delegation's trip to China and Japan supported the Wellington Regional Strategy and the Council's vision for strong economic, cultural and academic relationships.

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

Not applicable

3) Treaty of Waitangi considerations

Not applicable

4) Decision-Making

This report does not seek a decision

5) Consultation

a) General Consultation

Not applicable

b) Consultation with Maori

Not applicable

6) Legal Implications

Not applicable.

7) Consistency with existing policy

This delegation and travel was consistent with the aims of, and approval processes required under, our International Relations Policy. As agreed by SPC Committee, this paper complies with the requirement to report back to the Strategy and Policy Committee on the outcomes of the delegation.

Appendix: Highlights of the programme

Sakai – 19 July

Meeting with the Mayor of Sakai, Mr Osami Takeyama

Attendees: Wellington delegates to Japan

The two Mayors discussed the Smart Green Wellington strategy. Mayor Wade-Brown invited Mr Takeyama to visit Wellington in 2012 to attend the Japan Festival of Wellington. Mr Takeyama said Sakai will send a civic delegation and some performance groups to participate in the festival. The Wellington Sakai Association and the Mayor, on behalf of Wellington City, presented cheques totalling 503,000 yen (8030 NZD) to support Japan's disaster relief efforts.

Meeting with the Chairman of the Sakai City Council

Attendees: Wellington delegates to Japan

Mayor Wade-Brown and Chairman Nobuyuki Baba discussed the planning for the 2011 and 2019 Rugby World Cups to be held by New Zealand and Japan respectively.

Meeting with the Sakai Chamber of Commerce and Industry Chairman

Attendees: Wellington delegates to Japan

Mayor Wade-Brown and Chairman Yoshikazu Nakao discussed establishing a relationship between the Wellington and Sakai Chambers of Commerce. Chairman Nakao will visit Wellington in 2012.

Visit to the Sakai Women's Center

Attendees: the Wellington delegation to Japan

Mayor Wade-Brown addressed an audience of 400 Sakai women.

Visit to the Mega Solar Power Plant

Attendees: Wellington delegates to Japan

The mega solar power plant, built on industrial waste land, is the largest solar plant in Japan.

Reception hosted by the Sakai Wellington Association

Attendees: Wellington delegates to Japan

The Sakai Wellington Association hosted a reception for the Mayor and delegation. More than 100 people, including a group of high-school students, attended the reception. The high-school students visited Wellington on a short-term English language study trip following the Mayoral delegation.

Beijing – 20-21 July

Visit to the Beijing Urban Planning Exhibition Hall

Attendees: Wellington delegates to China

The Beijing Urban Planning Exhibition Hall tells the story of the Chinese Capital's history and looks at the city's plans for the next 50 years. A highlight of the museum is the extraordinarily detailed scale model of the city that projects what the Chinese capital will look like in the year 2020, and covers some 300 square metres.

Meeting with the Palace Museum (Forbidden City)

Attendees: the Mayor, Councillor Coughlan, the Gibson Group and Te Papa

In this meeting the two sides discussed exhibition exchange and cooperation possibilities.

Welcome reception for the Wellington delegation

Attendees: Wellington delegates to China

New Zealand Ambassador Carl Worker hosted the Wellington delegation for a welcome reception at the New Zealand Embassy. A number of Beijing-based kiwi and local business people attended this function to network with the Wellington delegation.

Meeting with the Chinese Ministry of Health

Attendees: the Mayor, Councillor Coughlan, Healthcare New Zealand Ltd

This meeting was hosted by the Chinese Vice Minister of Health. The main topic of discussion was Healthcare New Zealand's age-care project with Tianjin.

Meeting with the China State Oceanic Administration (SOA)

Attendees the Mayor, Councillor Coughlan, and John Huckerby, Chairman of AWATEA

This meeting was hosted by the Party Secretary and Director of SOA Mr Liu Cigui. Mr Liu is the former Mayor of Xiamen, Wellington's sister city. The topics of discussion were wave and tidal energy. During the meeting Director Liu also informed the delegation of a Chinese manned deep-sea submarine reaching a record depth of more than 5000 metres.

Visit and meeting with the National Museum of China

Attendees: the Mayor, Councillor Coughlan, the Gibson Group and Te Papa

The Director of the National Museum of China hosted the Wellington group for a tour of the museum and a working lunch to discuss exchange cooperation.

Wellington business seminar

Attendees: Wellington delegates to China

The business seminar was attended by approximately 100 people, including: Beijing Vice Mayor Cheng Hong, who gave a speech; senior directors of the Beijing Government; and local Beijing business people. Mayor Wade-Brown and Councillor Coughlan gave presentations to promote Wellington as a place to do business.

Meeting with Mr Guo Jinlong, Mayor of Beijing

Attendees: Wellington delegates to China and the New Zealand Ambassador to China

The two sides discussed the sister city relationship. After the meeting a ceremony was held for Mayor Guo to donate 100 bicycles to Wellington to celebrate the fifth anniversary of the relationship. Mayor Guo then hosted a formal welcome dinner for the Wellington delegation. Mayor Guo invited a Wellington delegation to attend the Beijing International Fair for Trade in Services in May 2012

Tianjin – 22-23 July

Visit to the Tianjin Green-Collar Low-Carbon Innovation Park

Attendees: Wellington delegates to China

The delegation was briefed on new green-technology development in Tianjin.

Meeting with Mr Huang Xingguo, Mayor of Tianjin

Attendees: Wellington delegates to China

The two cities formalised their relationship through the signing of a "Friendship Cities" agreement. Under the agreement the two sides will strengthen cooperation in healthcare, earthquake prevention and disaster reduction, culture, education, the economy and trade, science and technology, financial cooperation and city management. Following the meeting, Mr Huang hosted a formal lunch for the Wellington delegation.

Wellington-Tianjin business seminar

Attendees: Wellington delegates to China

The business seminar was attended by senior directors of the Tianjin Government, and local business people. Mayor Wade-Brown and Councillor Coughlan gave presentations to promote Wellington as a place to do business.

Meeting with the National Ocean Technology Center

Attendees: the Mayor and John Huckerby, Chairman of AWATEA

The two sides briefed each other on developments in marine energy and discussed potential future cooperation.

Gibson Group networking function

Attendees: the Mayor, Councillor Coughlan, and the Gibson Group

Mayor Wade-Brown and Councillor Coughlan supported the Gibson Group at this function, held by the Gibson Group for their Tianjin business partners.

Interview by Tianjin Media

Attendees: the Mayor

Twelve organisations from the print and television media interviewed Mayor Wade-Brown on the Wellington-Tianjin sister city relationship.

Xiamen – 23-25 July

Wellington-Xiamen business seminar

Attendees: Wellington delegates to China

The business seminar was attended by senior directors of the Xiamen Government, and local business people. Xiamen Deputy Mayor Zhan Canzhou, Mayor Wade-Brown, Councillor Coughlan, and New Zealand Consul-General to Guangzhou Pat English also addressed the audience.

Interview by Xiamen Media

Attendees: the Mayor

Four organisations from the print and television media interviewed Mayor Wade-Brown on the Wellington-Xiamen sister city relationship.

Meeting with Mr Liu Keqing, Mayor of Xiamen

Attendees: Wellington delegates to China

This meeting was hosted by the new Mayor of Xiamen. Mayor Wade Brown invited Mayor Liu to visit Wellington in 2012 to celebrate the 25th anniversary of the sister city relationship. Mayor Liu accepted the invitation.

Visit to Xiamen University

Attendees: Wellington delegates to China

Xiamen University has a close relationship with Victoria University through the Confucius Institute of Wellington. Mayor Wade-Brown was met by the Vice-President of the university and given a tour of the facilities.

Guangzhou - 25-26 July

Meeting with the Vice Mayor of Guangzhou Chen Mingde

Attendees: Wellington delegates to China

The meeting was the first between Wellington and Guangzhou at a Mayor/Deputy Mayor level. The two sides discussed their respective cities' strengths and potential areas for cooperation.

Networking Function at the Canton Club

Attendees: Wellington delegates to China

The function was organised by New Zealand Trade and Enterprise and attended by Guangzhou business people in sectors matching those of the Wellington delegation.

Meeting with the Chairman of China Southern Airlines

Attendees: Wellington delegates to China

The meeting was hosted by the Chairman of China Southern Airlines Mr Si Xianmin, who visited Wellington as part of a large China Southern Airlines delegation in April 2011. Mayor Wade-Brown was invited to visit Guangzhou and meet China Southern Airlines during that visit. The two sides discussed the possibility of China Southern Airlines one day flying from Guangzhou to Wellington directly.

Hong Kong 26-27 July

Guided Tour of Cyberport

Attendees: Wellington delegates to Hong Kong

Cyberport Chief Operating Officer Mark Clift gave the Wellington delegation a guided tour of Cyberport's facilities. Cyberport is cluster of technology and digital content companies.

Wellington Business Breakfast

Attendees: Wellington delegates to Hong Kong

The breakfast, hosted by the New Zealand Chamber Commerce of Hong Kong, was attended by business people, including New Zealanders based in Hong Kong and local businesses people.

Meeting with Create Hong Kong

Attendees: the Mayor, Councillor Coughlan, the Gibson Group and Te Papa

Mayor Wade-Brown and the Head of Create HK Jerry Liu discussed increased cooperation in the creative sector between Wellington and Hong Kong.

Meeting with Invest Hong Kong

Attendees: the Mayor and Councillor Coughlan

Andrew Davis briefed the civic delegation on Hong Kong's strategy for attracting investment and the Hong Kong business environment for foreign companies.

ANZ Business Lunch

Attendees: Wellington delegates to Hong Kong

ANZ gave the Wellington delegation a briefing on the economy of greater China (including Hong Kong and Macao).

Meeting with the Chairman of the NZ Chamber of Commerce

Attendees: the Mayor and Councillor Coughlan

Mayor Wade-Brown, Councillor Coughlan and Chairman David Whitwam discussed the strengthening of the Wellington-Hong Kong relationship.

Meeting with Mr H L Kam, Group Managing Director of Cheung Kong Infrastructure Holdings

Attendees: the Mayor and Councillor Coughlan

Cheung Kong bought the Wellington electricity network in 2008. In this meeting Mayor Wade-Brown, Councillor Coughlan and Mr Kam discussed infrastructure investment opportunities in Wellington.