

The Treasury

Report on Overseas Travel Information Release

November 2019

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

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Final Cost of Travel

\$37,103.30 (including GST)

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Chair

Cabinet

Report on Overseas Travel: Hon Shane Jones: Singapore & Hong Kong 17- 23 March 2019

I recommend that Cabinet note this report on my travel to Singapore and Hong Kong from 17 to 23 March to accompany the Infrastructure New Zealand delegation on week one of their 'Building Cities' trip to learn the role of infrastructure planning to support economic development in the Asia context.

The trip also allowed me to conduct targeted meetings with Infrastructure Ministers, officials and investors.

The details of my key meetings are outlined below.

Singapore

1 I visited Singapore from 17-19 March 2019. I was accompanied by Jo Tyndall, New Zealand's High Commissioner for Singapore, Mark Blackmore, Senior Treasury Representative - Singapore and South East Asia and Jon Grayson, Deputy Secretary, Treasury, who also travelled with me to Hong Kong.

Minister for National Development, Lawrence Wong

2 In a warm bilateral meeting on 18 March,^[26]

3 [1]

1 The application of the Concept Plan and Master Plan to plan, design, and build high quality housing and transport infrastructure was demonstrated in the various Infrastructure NZ Delegation meetings.

Chairman GYP Properties and former Minister for National Development Mah Bow Tan

4 I also had an enjoyable meeting with Mah Bow Tan which began with a moment's silence at Mr Tan's request to acknowledge the events in Christchurch.

5 [26]

Temasek

6 I used the opportunity of being in Singapore to meet with Stephen Forshaw, Temasek's Head, Public Affairs; Managing Director, Australia & New Zealand, and other representatives of Temasek. Temasek is a significant global investor, and Mr Forshaw heads its Australia and New Zealand investment activity; it was also a good opportunity, in my capacity as Associate Minister of State Owned Enterprises to understand the Temasek model of managing sovereign shareholdings, which is regarded as one of the most successful in the world. [26]

Infrastructure Asia

7 I also met with Seth Tan, Executive Director, and other representatives of Infrastructure Asia. Infrastructure Asia is currently in its start-up phase. It was announced in February 2018 in the Budget, with the Executive Director starting in October, with the purpose of advising Government agencies across Asia on infrastructure procurement models and connecting them with key infrastructure players on its panels (developers, financiers, professional services). Infrastructure Asia therefore performs a broker role designed to reinforce Singapore's role as a financial hub in the region. Its role is therefore closest but slightly different to the transactions function of the New Zealand Infrastructure Commission - Te Waihanga, and Infrastructure Asia is very open to considering New Zealand firms that wish to qualify for its panels and to exploring areas of collaboration with Te Waihanga going forward.

Meeting with ANZ - inward investment climate

8 In a meeting with ANZ's David Green, Chief Executive Officer, Head of South East Asia, India & Middle East and ANZ's other Directors of Investment in the Asia Pacific region, I provided an update on opportunities for inward foreign

direct investment ^[25]

9 ^[26]

10

Hong Kong

11 I visited Hong Kong from 20-23 March 2019. I was accompanied by Carl Worker, Consul-General, and Shannon Tau, Deputy Consul-General for Hong Kong.

Secretary for Development, Michael Wong Wai-lun

12 ^[1]

[1]

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15 Two minutes' silence were observed in relation to the Christchurch terrorist attack at 8.32am on 22 March during the breakfast meeting with the Secretary.

Sino Land

16 At a meeting with Daryl Ng Win Kong, Executive Director of Sino Land Co Ltd, (son of Robert Ng Chee Siong, the head of the family controlling one of Hong Kong's largest listed property development companies with a market capitalisation over US\$10 billion) ^[26]

17

18

Sun Hung Kai Properties

19 I had a dinner meeting with Dr Raymond Kwok Ping-luen, Chairman and Managing Director of Hong Kong's largest property company, Sun Hung Kai Properties Limited (SHK,) and his son Edward Kwok Ho-lai. ^[26]

20 [26]

CK Infrastructure Holdings – HL Kam

21 My meeting with CK Infrastructure Holding's (CKI) Group Managing Director (and brother-in-law of CKI Principal and preeminent Hong Kong business figure Li Ka Shing) HL Kam [26]

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Lunch with New Zealand investment and business constituency in Hong Kong

26 Beginning with a minute's silence for the Christchurch terrorist attack, I also had the opportunity to address a round table lunch discussion with 12 senior Hong Kong-based business people with investments in or other significant interests with New Zealand.

27 The participants included:

- Brett Butcher, Chief Executive of Langham Hotels, who confirmed the project underway to expand the Cordis Hotel in Auckland to 625 beds by mid-2020
- Raphael Ding, CEO of Greenheart Group (controlled by the very prominent Cheng family of New World Development) which owns 13,000 hectares of forest in New Zealand
- Danny Lee, Partner, Blue Pool Capital, which manages the private investment interests in New Zealand of the principals of Alibaba
- Niwas Jhunjhnuwala, the senior member of the family that owns the fast expanding Sudima Hotels chain in New Zealand
- [23]
- Peter Churchouse, New Zealander long-term Hong Kong based economist, businessman and investor who currently with his son Tama Churchouse has established one of the world's most successful block chain technology companies worth US\$4 billion
- Merle Hinrich, long-term Hong Kong based Nebraskan who has [23] and investor with large trade facilitation business in Hong Kong, Principal of Hinrich Foundation.

28 The thrust of comments were strongly welcoming of my message that New Zealand remained committed and open to high quality international capital and other partnerships in line with New Zealand's development priorities, and Asia and China continued to be a high priority for expanding and deepening mutually profitable business.

29 Participants considered that New Zealand's modern trajectory under successive governments had positioned it well to capitalise on the benefits of Asia's and China's rapid development and a key part of this was the confidence that had been built up over time in New Zealand's broad economic direction and settings, including commitment to a constructive relationship with China. [1]

30 Participants invested in the forestry and farming sectors outlined challenges being confronted in sourcing staff and workers and expressed support for new measures to boost rural workforce supply and quality.

Meeting with Alibaba

31 I held a courtesy meeting with Maggie Wu, Chief Financial Officer and Partner, Alibaba, and Michael Yao, Senior Vice President, Corporate Finance, in the Alibaba Hong Kong Office. This provided the opportunity for Alibaba to reiterate its regard for New Zealand and its continued interest in pursuing the establishment of an Electronic Trade Platform (eWTP) hub in New Zealand.

32 [34 and 38]

33 [26] and [38]

Summary

34 The fact the New Zealand Infrastructure sector sent a 50-strong, senior delegation to Hong Kong, Singapore, Beijing and Shanghai, with my attendance in the first two centres notwithstanding the recent tragedy in New Zealand, sent a clear message in terms of the seriousness of New Zealand's interest and outreach to this part of the world. It was a useful opportunity to network with senior New Zealand infrastructure sector executives as well as understand different infrastructure planning and delivery models in the various jurisdictions. While those models do not have direct application as a result of different institutional arrangements, the learning from each of the jurisdictions was the importance of long term strategy and planning to underpin good infrastructure outcomes. This was good reinforcement of our decision to create the independent New Zealand Infrastructure Commission, Te Waihanga.

35 Through my additional meetings, it was clear that New Zealand remains in high regard as a stable, high quality potential long term investment destination and partner and there was strong interest to learn more about the deliberate policy in the forestry sector to support foreign participation. There are however areas we need to work on and provide clarity – particularly our acceptance of overseas investment.

Proactive release

- 1 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

I recommend that Cabinet note this report.

Authorised for lodgement

Hon Shane Jones