

China-New Zealand Initiatives, Announced 27 March 2017

Trade and Economic

FTA Upgrade:

What? Announcement of the first round of the China-New Zealand Free Trade Agreement (FTA) upgrade negotiations, to be held from 25-27 April in Beijing, China.

Why? The upgrade creates an opportunity to help grow exports to \$30 billion by 2020 by ensuring the FTA remains relevant to the modern trade, investment, and business relationships between China and New Zealand.

New Market Access:

What? Signature of a Memorandum of Cooperation to begin a six month trial period for New Zealand chilled beef, goat and sheep meat exports to China, with a commitment to seek to expand trade following the trial period; and a Memorandum of Cooperation agreeing an export plan for Chinese onions to New Zealand.

Why? China is our second largest market for sheep and cattle meat products, worth over NZ\$980 million. Access for chilled meat will provide new opportunities for higher value products in China building on the already strong reputation of New Zealand meat. China is the world's largest exporter of onions, but to date this has not included to New Zealand.

"Trusted Exporters" Mutual Recognition:

What? Signature of an Arrangement on customs cooperation to ensure mutual recognition of New Zealand's Secure Exports Scheme, and China's Enterprise Credit Management Programme (otherwise known as "Trusted Exporters"), to be implemented as of 1 July 2017.

Why? The scheme will streamline processes for New Zealand exporters recognised under the Secure Exports Scheme, which already account for around half of goods exports to China.

E-commerce Cooperation:

What? Signature of an Arrangement on Cooperation on Electronic Commerce.

Why? E-commerce is already a significant platform for commerce, but it is one that is continuing to rapidly evolve, allowing exporters to sell directly to consumers. This arrangement will establish high level principles for further cooperation between New Zealand and China on business-friendly, secure cross border e-commerce.

Belt and Road Initiative:

What? Signature of a Memorandum of Arrangement on Strengthening Cooperation on the Belt and Road Initiative, China's flagship initiative driving its global interconnectedness.

Why? The Belt and Road Initiative is a significant and ambitious project that will likely present commercial opportunities for New Zealand companies. New Zealand can also add value in areas such as regulatory harmonisation, trade facilitation, and trade rules architecture that will complement China's strengths in infrastructure. The Memorandum of Arrangement provides a way for New Zealand to engage in China's key regional integration strategy in a way that makes sense to the shape of both economies.

Climate Change, Environment, and Pacific

Climate Change:

What? Adoption of an Action Plan to enhance bilateral climate change cooperation and share expertise.

Why? This plan will assist both countries in meeting their obligations under the Paris Agreement. As China rolls out its domestic emissions trading scheme (ETS), the Action Plan will provide for technical exchanges on carbon markets and ETS, as well as agricultural greenhouse gas mitigation.

Environmental Cooperation:

What? Signature of an Environmental Cooperation Framework between the NZ Institute of Environmental Science and Research Ltd (ESR) and the Chinese Research Academy of Environmental Science (CRAES).

Why? This supports New Zealand's environmental stewardship, and scientific and innovation goals. The focus on freshwater quality supports both countries' freshwater quality policy priorities.

Sustainable Fisheries:

What? Signature of a Communiqué to promote sustainable fisheries governance and to combat Illegal, Unreported and Unregulated (IUU) fishing.

Why? Both countries have an interest in the sustainable management of fish stocks. It is also critically important to the Pacific, with fisheries being an important aspect of many Pacific nations' economies.

Development Cooperation:

What? Signature of an Arrangement for strengthening exchanges on international development cooperation, including in the Pacific.

Why? This will provide a framework for New Zealand and China to work together to identify further projects for cooperation in the Pacific and better understand each other's engagement in the region.

Agriculture

Agricultural Growth Partnership:

What? Announcement that, China and New Zealand will establish a new programme of activities focused on animal health.

Why? This is one of a number of activities under the Agricultural Growth Partnership, which is designed to help advance our agriculture priorities with China.

AgResearch:

What? Announcement of two arrangements – biosecurity and plant protection research cooperation between AgResearch and Institute of Plant Protection-China Academy of Agricultural Sciences (IPP-CASS); and establishment of a Joint International Research Centre for Food Science between AgResearch, COFCO Nutrition and Health Research Institute (NHRI), and China Agricultural University (CAU).

Why? These arrangements will provide strengthened academic links and potential for commercial links in agriculture, which is a priority sector for China and New Zealand.

Legal and Judicial

Law enforcement cooperation:

What? An announcement that China and New Zealand agree to strengthen cooperation on judicial and law enforcement issues, to jointly fight corruption and transnational crime.

Why? This is an important area, and China and New Zealand already cooperate closely on justice and law enforcement. Closer cooperation will increase efficiency, and allow a greater focus on key law enforcement priorities.

Movement of People

Air Services:

What? Announcement of an increase in the maximum number of direct flights per week between China and New Zealand under the Air Services Agreement. The flight cap will rise from 49 to 59 immediately, with an additional 11 flights later in the year pending a further discussion between agencies.

Why? Tourism is a key driver of growth. Increased flight frequencies facilitate greater ease for two-way people movements, and increased airfreight capacity for New Zealand products to China.

Movement of People:

What? A series of announcements supporting the movement of people: five year business/tourist visas; the use of SmartGate for Chinese passport holders; the use of Chinese system 'UnionPay' for online visas.

Why? These initiatives to ease of the movement of people across borders will encourage growth through the flow of tourists and businesspeople. The five year visa encourages return tourist visits, which typically involve more extensive itineraries to new areas, helping support growth in the regions. SmartGate will facilitate the smooth flow of visitors, improving the overall experience. China is the first country to be added to SmartGate facilitation since 2014.

Tourism:

What? Announcement of 2019 as a China-New Zealand Year of Tourism.

Why? Tourism is a driver of both economic growth and cultural understanding for both our countries. The Year of Tourism will allow China and New Zealand to work together to develop this sector in line with our respective priorities and interests.

People-to-People Links

Education Cooperation:

What? Renewal of an Agreement on Cooperation in Education and Training, which covers bilateral cooperation from basic through to higher, applied and distance education.

Why? China and New Zealand have close education ties, including students from each country studying in the other's country. Currently nearly 35,000 Chinese students are studying in New Zealand. The arrangements underline both sides' commitment to an education relationship based on mutually beneficial partnership and cooperation.

Mayoral Forum:

What? Announcement that the second New Zealand-China Mayoral Forum will be held on 4 December 2017 in Wellington.

Why? To further develop a platform for exchange and cooperation between cities and regions of the two countries, recognising the important role played by local government in the development of bilateral relations.

Cultural Centre:

What? Announcement that Auckland Council and the Chinese Ministry of Culture have agreed to establish a new China cultural centre in Auckland.

Why? Cultural centres allow for greater cross-cultural understanding, and enhance activities such as education, languages, arts and culture. One already exists in Wellington, and New Zealand will be the first country in the world to have two China cultural centres.

Youth Forum:

What? Announcement that the third China-New Zealand Young Leaders' Forum will be held in New Zealand in late 2017.

Why? The Forum will provide an opportunity to facilitate dialogue, connections and partnerships between young leaders from New Zealand and China who are interested in leadership, business, education, technology, innovation and entrepreneurship.

Science and Innovation

Science and Innovation Cooperation:

What? Announcement of an intention to develop a new plan for cooperation on science and technology, during the fifth China-New Zealand Joint Commission on Science and Technology to be held in 2017.

Why? Science and innovation is a key driver of economic growth and international competitiveness, and China is an important strategic science and innovation partner for New Zealand. The new plan will provide a framework for this partnership, at the government level.

Health Research Cooperation:

What? Signature of a Health Research Arrangement on blue skies health research cooperation between the New Zealand Health Research Council and China's National Natural Science Foundation.

Why? The arrangement will establish focused themes for future investment in biomedical research collaboration, and facilitate scientific exchanges, which will be of benefit to New Zealand

Intellectual Property Cooperation:

What? Renewal of an existing arrangement on Intellectual Property (IP) operational cooperation.

Why? To assist both countries in developing IP systems in both countries; the Arrangement provides a platform for operational cooperation.