



CANZBC
新中商会

CHINA AND NEW ZEALAND BUSINESS COUNCIL

CHAIRPERSON ANNUAL REPORT FOR THE PERIOD TO SEPTEMBER 2009

Introduction

In the past 12 months to September 2009, CANZBC has witnessed a variety of remarkable events in New Zealand and China.

Notably, the long-awaited FTA has been effective from October 2008 between the two countries, the first ever by China under the WTO framework. Its implications for businesses between New Zealand and China are enormous. The business opportunities will abound and provide huge potential for CANZBC to explore.

Then the 60th anniversary of PRC attracted continual attention from the rest of the world. China has once again showed its dynamic power and aspiration to further open up to the outside world. As an honoured representative of CANZBC and New Zealand overseas Chinese, I was invited by the China government to participate in the 4-day gala held from 28 September to 2 October 2009.



Looking back, the first 2 years of CANZBC activity were fully occupied with facilitating business events and promotions in the lead up to the signing of the China-NZ FTA in 2008.

These included:

- Providing support to the inaugural Air NZ direct NZ-China Flights
- Appointment as NZ's sole agent for the 102nd Canton Fair
- Organizing the formal dinner at NZ Government House to celebrate 35 years diplomatic relations NZ-China
- Providing a full & customized service to NZ Maori Tourism businesses engaging with Chinese tourism businesses in China
- Participating in the lead up to and the signing ceremony for the China-NZ FTA in Beijing

In contrast to the first two years, this 3rd year of operation of CANZBC has been a year of consolidation. The new Board consisting of Linda Zhang (Chairperson), Tony Gan (Deputy Chairperson), Johnny Edmonds (Secretary), Frank Zhang (Treasurer), John Stanley, Sophie Zeng, Richard Babbage and Chris Gollins were elected in September 2008.

The new Board focused on the development of CANZBC's longer term planning, policies, procedures and operating systems, to enable it to continue to play an important role in assisting businesses in NZ and China to leverage business opportunities following the signing of the China-NZ FTA.

This resulted in the Board completing work in the following areas:

- Exploring the initiatives to extend network in mainland China
- Seeking partnerships with Chinese societal organizations and business circles
- Reviewing its membership support activities
- Developing its key stakeholder relations

- Improving information distribution
- Reviewing its strategic plan for 2008-2011
- Developing operational policies
- Meeting compliance requirements

Exploring the Initiatives to Extend Networks Into Mainland China

With the commercial activities picking up volume and speed between the two countries, we've seen a growing demand from both sides to further understand each other so as to bring the trade and investment to the next level. It's particularly true for those Chinese who are eager to trade and invest outside of China market. New Zealand businesses are equally eager to know more about China's huge market potential so that they can profit from its exponential growth in the next 20 years.

Given that China is 35 times of the size of New Zealand, it makes good business sense for us to extend our network to the heart of this massive land. During the last 42 days of my stay in China, I've talked with municipal and business leaders who have keen and genuine interest in becoming local partners or members of CANZBC. I believe we should speed up the internal review process so that we can start to carry out the proposed cooperation after the AGM. The cities I am proposing that CANZBC set up branches in are as follows, selected due to their strategic significance and strong local support for business development.

- Beijing – capital city
- Wuhan – heart of Central China
- Shanghai – commercial hub city of East China
- Shenzhen – neighbour of Hong Kong, biggest port in South China
- Shenyang – commercial hub of North China

The potential field for business development ranges across trading, investment, tourism, education, professional training, immigration, cultural exchange etc. We anticipate an increasing number of visitors coming from these areas in the years ahead, which will provide increased opportunities for our New Zealand members.

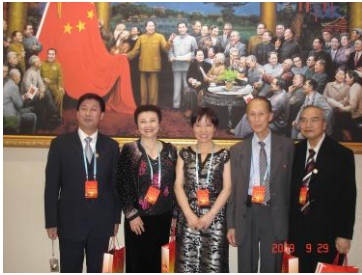
Seeking partnerships with Chinese societal organizations and business circles

Over the past years, we have come to realize that it is imperative to locate and leverage off resourceful organizations in China, not only in big cities but also in small towns. In this regard, I believe there is no better

partner than the China Council for the Promotion of International Trade (CCPIT), which comprises VIPs, enterprises and organizations representing the economic and



trade sectors. Also called the China Chamber of International Commerce (CCOIC), it is the most important and the largest institution for the promotion of foreign trade in China. (See Appendix I for details about CCPIT).



During my recent trip to Beijing, I managed to pay two visits to CCPIT and meet their officials to discuss future cooperation. With 15 provincial sub-councils, 23 industrial sub-councils and around 500 county-level sub-councils, CCPIT will be the ideal partner for our business promotion and marketing initiatives. CCPIT can deliver the information and data we provide to them to the targeted places and audience very efficiently and effectively.

As a result of the meeting, CCPIT has agreed to cooperate with CANZBC in the following fields:

- Permit access to their business data warehouse
- Participate in the eight yearly high end business forums
- Provide local business and trade leads
- Promote the brand consciousness of CANZBC among sub-councils

CCPIT has also agreed to sign a strategic partnership agreement with CANZBC towards end of the 2009 and to allow CANZBC to participate in its November 2009 forum.



Reviewing Member Support Activities

In 2008/09, particular attention has been given to the administration of its membership. An updated members' register was completed which revealed that at the end of the financial year our membership comprised some 78 businesses which cover a wide range of tertiary sector industries. These included:

- Import/export
- Business management
- Education services
- Marketing
- Financial/Legal services
- Screen production
- Local Government and NGOs

Most of our members are NZ-based and are located in Wellington, Auckland, Napier, Palmerston North and Christchurch. While only a few current members are based in China, it is apparent that there is a huge potential to increase membership in China. However, this needs to be done in a manner that is consistent with the constitution of CANZBC.

The Board commenced a process for deciding how to evaluate proposals and select partners for growing membership. It subsequently developed and adopted guidelines for assessing the potential merits of CANZBC branches in NZ and in China.

The Board also initiated a new system for the annual renewal of membership to both increase administration efficiency and increase the responsiveness of service to members' needs. The annual membership renewal process now enables all membership renewals to be completed on a common anniversary date and also enables members to provide advice on the support services they would like to see provided by CANZBC. Advice provided by members will be used by the Board to help set its planning priorities for 2009/10.

Developing Key Stakeholder Relations

The Board completed a review of its key stakeholder lists and established email-out schedules to business, government and non-government organizations based in both NZ and China.

The key stakeholder lists includes organizations based in:

- NZ comprising
 - 61 – NZ businesses
 - 36 - Government Ministers & Officials
 - 14 – NGOs with Asia connections
 - 13 – NZ Maori business leaders
 - 9 – Education organisations
 - 7 – Local Government Authorities
 - The Embassy of the Peoples Republic of China in Wellington
- China comprising
 - 28 – Business corporates
 - 24 – Government organisations
 - 2 – NGO Friendship Associations
- Australia comprising
 - 7 – Companies with interests in NZ and China

The Board took the opportunity provided by the 2008 New Zealand Government elections to reaffirm contact with politicians in their new roles of government and opposition.

Support was again provided to the Embassy of the People's Republic of China. Meetings were held with Embassy personnel and visiting officials. The Board collaborated with the New Zealand Maori Tourism Council to enable the Ambassador to attend the VIP visit to the New Zealand Tourism Trade Show.

Board members also represented CANZBC at functions hosted by other organisations in Wellington and Auckland.

During the year, CANZBC Chairperson and Board members met with or received advice from China business interests from Xiamen, Leshan City, Beijing, Sichuan and Hubei. In addition, NZ Business interests seeking advice from or audience with the Board included national sporting, freight transportation, education and banking organisations.

Improving Information Distribution

The Board made a concerted effort to improve the flow of information out to members and key stakeholders.

The Board revitalised the CANZBC e-Newsletter and emailed out information on a wide range of issues relevant to the NZ-China trade environment. On average 4 newsletters were distributed each month between September 2008 to March 2009.

In addition the CANZBC website was refreshed and additional information provided by CANZBC was able to be accessed off the web site.

Reviewing the Strategic Plan 2008-2011

The Board completed a comprehensive review of strategic directions and produced the CANZBC Statement of Intent for 2008 – 2011 following consultation with both CANZBC members and a selection of key stakeholders. The Board presented the draft Statement of Intent to a Special General Meeting on 10 March 2009 and also emailed it to all members and key stakeholders for feedback. Following review of feedback, the Board resolved to base its forward activities to give effect to the following 4 strategic priority areas:

1. *To identify and connect with businesses in China and NZ who want to do business together*

2. *To understanding what the China and NZ businesses need to be able to develop successful businesses together*
3. *To assist the China and NZ businesses to access quality support services that meet their specific needs*
4. *To provide a business structure that delivers results for the China and NZ businesses*

The Statement of Intent provided the basis for the development of CANZBC's annual plan for 2009/10.

Developing Operational Policies

The Board progressed the development of its operational policies necessary for the proper development of CANZBC and to meet regulatory compliance requirements. The most significant policy development was the review of CANZBC Revenue and Purchasing policy procedures to assist with the achievement of an unqualified audit of its financial statements.

However, considerable work was also completed in the preparation of an Induction Manual for all Board members to ensure they were aware of duties and responsibilities as governing body for CANZBC. The manual explains the role of the Board, the obligations of the Board, the fiduciary duty of Board members, requirement to disclose conflicts of interest, personal liability of Board members, guidelines for financial reporting, powers/discretions provided in the CANZBC Rules and a Board position description.

Meeting Compliance Requirements

In accordance with the Rules of CANZBC and the Incorporated Societies Act 1908, the Board:

- Filed previous financial statements and advised changes of Board members and Office address to the Registrar of Incorporated Societies
- Met monthly to conduct the business of CANZBC.

Linda Zhang
Chairperson
CANZBC

Appendix One

Nature and Functions of CCPIT

Established in May 1952, China Council for the Promotion of International Trade (CCPIT) comprises VIPS, enterprises and organizations representing the economic and trade sectors in China. It is the most important and the largest institution for the promotion of foreign trade in China.

The aims of the CCPIT are to operate and promote foreign trade, to use foreign investment, to introduce advanced foreign technologies, to conduct activities of Sino-foreign economic and technological cooperation in various forms, to promote the development of economic and trade relations between China and other countries and regions around the world, and to promote the mutual understanding and friendship between China and peoples and economic and trade circles of all nations around the world, in line with law and government policies of the People's Republic of China.

With the approval of the Chinese government, the CCPIT started to adopt a separate name China Chamber of International Commerce (CCOIC)- in 1988, which is used simultaneously with the CCPIT. The CCPIT admits new members from among enterprises in all parts of China and promotes trade through its functions of information consultation, exhibition, legal assistance, etc.