



NEW ZEALAND PRIME MINISTER JOHN KEY'S MARCH 2013 LATIN AMERICAN TOUR IN REVIEW

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Prime Minister John Key led a very successful Trade Mission to Latin America in March which has opened new doors for New Zealand businesses.

Latin American economies have outperformed their North American and European counterparts for the last three years. The region's growing middle classes have substantial buying-power which was the Trade Mission's Holy Grail. On the downside high import and general taxes, subsidized industries and rampant bureaucracy are issues that must be addressed to access Latin American markets.

In the company of the Hon. Guy Nathan, Minister of Primary Industries and a delegation of leading business people Mr Key strengthened bi-lateral and trade agreements with Mexico & Chile and broke new ground in Colombia where a free trade agreement was mooted by the Colombians. In Brazil progress in air services, tourism and education was made.

Mr. Key's visit to a Sao Paulo sports ground to meet Brazilian Rugby players and their New Zealand coaches received saturation press coverage and did a lot to promote Rugby which languishes in the shadow of Soccer in Brazil.

A common misconception about Trade Missions is that they are all cocktail parties and State Dinners. In this case the business delegation held 134 meetings in four countries on a grueling nine-day official schedule with 14 flights covering 45,000 km.

Export Education is a multi-billion industry in New Zealand and it was in this area that the Trade Mission achieved a great deal of success with the Chilean Government announcing during the Prime Minister's visit the extension of their 'Penguins without Borders' Scholarship Programme which will place hundreds of Chilean students in New Zealand secondary schools and President Santos of Colombia announced 150 Colombian farmers will be sent to New Zealand for up-skilling in October.

NZTE chief executive Peter Chrisp in an interview with journalist Marie McNicholas who travelled with the Prime Minister said the trip had exceeded expectations and Kiwi businesses had never made so many inroads so quickly, which he put down to the clout of a prime ministerial delegation. There had been 49 new leads out meetings in four countries.

Trade officials who organized the 22 businesses who travelled with the Prime Minister have pronounced the trip a trail-blazer for exporters which exceeded expectations and that Kiwi businesses had never made so many inroads so quickly, attributable to the Prime Minister's presence which opened many hitherto closed doors.

Of the most advanced, Peter Chrisp cited Air New Zealand Gas Turbines which specialises in overhauling General Electric's aviation gas turbines receiving a purchase order to overhaul engines in Colombia. Scott Technology was exploring leads to supply its innovative lamb meat x-rays to Chile and Mexico.

Under incentives offered by Colombia, NZ Pharmaceuticals was exploring collection and refining cattle bile there for use in its drug manufacture operation in Palmerston North. Silver Fern Farms was following new supply distribution a channel, and blueberry sorting firm, Waikato's BBC Technology, had identified a partner in Mexico. .

Mr. Chrisp said the leads might not affect the companies' bottom lines for a few years. "It's all about building the market up." There would also be a rub-off for other exporters not part of the delegation but interested in the region. The delegation had been surprised by the pulling power of New Zealand wherever it went. "New Zealand is a country people love to love," Mr. Chrisp said.

Prime Minister Key told Marie McNicholas businesses could not always get access to markets without political backing. Making personal contact with other leaders helped advance New Zealand interests and he attributes Brazilian president Dilma Rousseff's surprise undertaking to seriously consider New Zealand's bid for a place on the United Nations Security Council to his visit.

Mr Key stressed that the point of the string of visits – or speed dating as one wag described it –

was not to make a “commodity play” but to explore investment opportunities, through collaboration or joint ventures with local firms, or selling expertise and technology, particularly linked to agriculture.

Sources who sat in on meetings in the four separate presidential palaces reported a big shift in interest whenever Mr Key talked about the business people he’d brought with him looking to invest. New Zealand trade with Latin America is already worth about \$1.3 billion.

Chile and Mexico have warm long-established ties with New Zealand and are already well down the free trade track with selected trading partners and are poised to join New Zealand in sealing the

Trans-Pacific Partnership involving the United States late this year. Brazil is slowly making economic reforms, but its dairy tariffs and anti-dumping penalties remain a barb in the relationship and its maze of company taxes are discouragingly steep.

The Latin America New Zealand Business Council (LANZBC) represents over 90 New Zealand corporations and individuals doing business with Latin America and serves as a forum for the development and promotion of policies to foster trade and business opportunities with Latin America. Which can practically assist New Zealand businesses engage with Latin American markets.

LANZBC has been very encouraged by the Trade Mission’s positive outcomes and fully supports the New Zealand Government’s commitment to increase bi-lateral and trade contact with Latin America which it says have greatly enhanced prospects since Mr. Key and his delegation’s visits to the region.

LANZBC was represented on the Prime Minister’s Trade Mission by its President Mrs. Clare Callow who met with LANZBC’s counterpart organizations in Mexico, Colombia, Brazil & Chile to facilitate closer ties and the provision of practical assistance to New Zealand exporters visiting those markets.