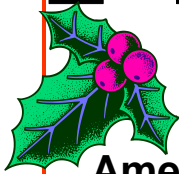


AMCHAM NEWS



American Chamber of Commerce in New Zealand

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Volume 9 Issue 11

December 2010

Positive Outcome from Fourth Round of Trans-Pacific Partnership Negotiations

From USTR

The United States and the other Trans-Pacific Partnership (TPP) countries – Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam – concluded the fourth round of negotiations in Auckland, New Zealand today, continuing to make steady progress across the range of issues under discussion.

Noting that President Obama and the other TPP Leaders instructed them to conclude the negotiations as swiftly as possible, the negotiators pressed ahead in the 24 negotiating groups. The teams advanced their work to develop the legal texts in each area that will detail the rights and obligations each country will assume, covering the full scope of commercial and trade-related issues between the countries. They also finalized technical details necessary to prepare initial goods market access offers, which countries plan to exchange in January.

In addition, the TPP countries made solid progress in further framing the new horizontal, cross-cutting issues that will feature in the TPP Agreement. These include such issues as promoting connectivity to deepen the links of U.S. companies to the emerging production and distribution networks in the Asia-Pacific; making the regulatory systems of TPP countries more compatible so U.S. companies can operate more seamlessly in TPP markets; helping small- and medium-sized enterprises, which are a key source of innovation and job creation, participate more actively in international trade; and supporting development.

The negotiating teams received input during the week by more than 100 stakeholders from business groups, NGOs and academics from five TPP countries. The ongoing engagement between the negotiators and stakeholders on key issues has informed the negotiations and provided concrete proposals on how to facilitate balanced trade and advance issues of common interest to the nine TPP countries.

The teams left Auckland with a full agenda of work that they agreed to complete ahead of the next round in Santiago, Chile in February. The U.S. team will continue its close consultations with Congress and stakeholders as it prepares to undertake this work and as we seek to craft an agreement that addresses the issues that U.S. businesses and workers are facing today.

During the round AmCham hosted the US negotiators at a reception and would like to thank Minter Ellison Rudd Watts for the use of their offices; Medicines NZ, NZICT, Manpower & Baldwins for sponsoring it. We would also like to thank GE NZ, 3M, Chevron, Manpower, Minter Ellison Rudd Watts & Simpson Grierson for providing a briefing to the labour team.



Mark Fitzgerald AmCham President with Barbara Weisel Assistant U.S. Trade Representative for South East Asia and the Pacific

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From MFAT

At the final Stakeholder briefing Lead Negotiator Mark Sinclair said "there is a good level of satisfaction" and he was "really happy with what has been achieved"

Auckland has been something of a transitional round as negotiators in most areas have been assembling proposals and attempting to complete draft text that captures the positions of all the countries at the table. These drafts will be the raw material for the shift into a more intense negotiating phase that gets underway in 2011.

While there are still diverse positions on many issues across the agenda, good progress has been made in Auckland in developing and refining texts and improving understanding of the underlying policy issues.

A feature of the week's work has been the progress made on 'horizontal issues' – a set of issues that lie at the heart of the group's goal of making TPP an effective platform for regional integration. There has been strong technical input from industry experts on what a TPP agreement should offer to small and medium enterprises wanting to be part of the regional marketplace and from suppliers wanting to be niche suppliers in a regional production or supply chain. This technical input from industry has also included some ideas on what TPP negotiations should be doing to improve coherence across the negotiating agenda. The plan is to take this conceptual discussion into a more practical format at future rounds.

Over the week, there has been a high level of interest from stakeholders. The stakeholders' programme that has been operating alongside the negotiations throughout the week has provided opportunities for engagement with negotiators across issues as diverse as the depletion of fisheries resources, illegal logging, trade in environmental goods and services, geographical indications (a form of intellectual property), labour provisions in trade agreements, key issues for services trade, development goals and investment regulation. Over 100 stakeholders participated in this programme during the course of the week.

The New Zealand negotiating team will be assessing the results of the Auckland round in coming weeks and looking ahead to preparations for next year. In light of the high level of public and stakeholder interest evident in Auckland, part of that review will involve the question of consultative process for key issues in the TPP negotiating agenda for 2011. The Ministry of Foreign Affairs and Trade's (MFAT) team would welcome further input from stakeholders on this point. This can be made either direct to team members or through MFAT's website.

Presentations from the stakeholders are being collected and will be available on MFAT's website.

From Medicines NZ

Medicines New Zealand advises that New Zealand-based pharmaceutical companies are watching developments with interest. Media reports that the industry wants to see the PHARMAC model dismantled as part of an agricultural trade-off are mischievous and incorrect. The industry seeks an environment where PHARMAC is more accountable, transparent and more open to innovative medicines.

The industry works constructively with bulk purchasing agencies all around the world. It is hoped that the negotiations will lead to a high

quality, comprehensive agreement that scores wins for all the parties and brings significant patient benefits. And the pharmaceutical industry will relish the opportunity to help New Zealand get such an agreement through Congress in the U.S. – when the time comes.

US Chamber's Testimony on the Trans-Pacific Partnership Trade Agreement

On November 19, the Chamber's Senior Director for Southeast Asia, Murray Hiebert, [testified](#) before the Office of the U.S. Trade Representative on "Negotiating Objectives: Malaysia Participation in Proposed Trans-Pacific Partnership Trade Agreement." He said: "The Chamber strongly supports Malaysia's participation in the TPP talks, which we believe are an important step in expanding trade with the Asia-Pacific, one of the world's fastest growing regions. Malaysia, the 18th largest trading partner of the United States, has long been an important partner for trade and investment of U.S. companies. Malaysia's participation will help promote the domestic economic reforms launched by Prime Minister Najib Razak and open up sectors to U.S. companies -- such as financial services and government procurement -- long closed to American firms."

NCAPEC-APCAC Report: Leveraging APEC to Create New Jobs through Increased Trade and Economic Growth Report to the Asia-Pacific Economic Cooperation (APEC) Forum

The U.S. National Center for APEC and the APCAC have revised their jointly developed report, "Leveraging APEC to Create New Jobs through Increased Trade and Economic Growth" to communicate U.S. private sector priorities to government officials and business leaders throughout the 21 APEC member economies. Steve Okun, AmCham Singapore Chair, presented the report at APEC on behalf of APCAC.

U.S. business leaders have high expectations for the Asia-Pacific Economic Cooperation (APEC) forum as the leading multilateral organization in the Asia-Pacific region. It is important for APEC member economies to drive a sustained common agenda by developing concrete initiatives that build momentum from year to year so as to deliver more tangible benefits to businesses, workers and their families. Such initiatives would promote trade and investment and create needed jobs.

The U.S. National Center for APEC (NCAPEC) and the Asia-Pacific Council of American Chambers of Commerce (APCAC) jointly developed this report as a way to effectively communicate U.S. private sector priorities to government officials and business leaders throughout the 21 APEC member economies. NCAPEC is focused exclusively on facilitating U.S. private sector input to the APEC process and serves as the Secretariat for the three U.S. executives who are appointed members of the APEC Business Advisory Council. APCAC is an association of the 27 American Chambers of Commerce located in the 21 economies spanning Asia Pacific and serves to share best practices and address policy issues of mutual concern.

The members of NCAPEC and APCAC consider APEC to be very important and jointly offer 56 policy recommendations for concrete action in six priority areas:

- (1) Promoting Regional Economic Integration and Liberalizing Trade and Investment;

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**Logistics for
the future NOW**



(Continued from page 2)

- (2) Modernizing and Harmonizing Financial Services and Investment;
- (3) Promoting Health and Innovation in Life Sciences;
- (4) Supporting New Energy and Environmental Technology;
- (5) Accelerating Infrastructure Development and Supply Chain Connectivity; and
- (6) Promoting Development of the Internet Economy.

Implementing these recommendations would help APEC member economies achieve their domestic goals of promoting sustainable economic growth, increasing exports of goods and services and generating new jobs related to trade.

For a full copy see <http://www.amchamvietnam.com/download/1412>

U.S. Chamber's International Agenda

In the wake of November's historic mid-term elections, the outlook has improved for a productive U.S. trade agenda in 2011. President Obama and Republican leaders in the House and Senate have endorsed the goal of making trade an area of bipartisan cooperation in the year ahead. In fact, presumptive House Speaker John Boehner, Treasury Secretary Tim Geithner, and U.S. Trade Representative Ron Kirk all voiced this hope when they addressed the Chamber's board two weeks ago.

Some outstanding news came last Friday when President Obama and South Korean President Lee Myung-bak announced they had effectively resolved lingering concerns regarding bilateral trade, opening the door for Congressional approval of the Korea-U.S. (KORUS) Free Trade Agreement. The accord has already secured a significant degree of bipartisan support.

The House of Representatives that takes office in January will be led by trade champions including incoming Speaker Boehner, House Ways and Means Committee Chairman Dave Camp, and Trade Subcommittee Chairman Kevin Brady. In the Senate, Republican Leader Mitch McConnell, Finance Committee Chairman Max Baucus, and Ranking Member Orrin Hatch will share the objective of harnessing trade to boost growth and jobs.

In short, the new year could find Congress and the White House in closer alignment on trade policy than they have been in years - with a president who says he wants to win approval of pending trade agreements and legislative leaders committed to the same goal. Incoming Speaker Boehner has gone so far as to say he'd like to approve trade promotion authority for the president.

The path ahead won't be easy. Bashing trade has become a prominent feature of U.S. electoral politics. The election campaign was marred by anti-trade rhetoric from many Democratic (and a few Republican) candidates for Congress. Despite its laudable goal of doubling U.S. exports, the White House spent the final weeks of the campaign decrying outsourcing and supposed tax credits for firms that move U.S. jobs overseas.

In the Chamber's [analysis](#), bashing trade failed to win votes, but anti-trade rhetoric definitely has an impact. Public support for trade agreements has declined.

Trade with China, in particular, has become a lightning rod. Rising concerns among U.S. political and business leaders about China's currency practices and other industrial policies threaten to cast a pall over any trade policy action. Pressure to enact the House-approved currency legislation in the lame duck session or a new version in the 112th Congress will continue absent a sustained and meaningful appreciation of the yuan. [Read the Full Text Here.](#)

Joint Report Shows Economic Impact of H-2B Visa Program

Contrary to critics' claims, America's H-2B visa program does not take away jobs from Americans or depress wages of U.S. workers in similar occupations, according to a new report released by the U.S. Chamber of Commerce and ImmigrationWorks USA. [Read and respond.](#)

US launch the Smart Traveler Enrollment Program (STEP)

The State Department (DOS) recently launched the Smart Traveler Enrollment Program (STEP). It allows U.S. citizens to record foreign trip and residence information that DOS can use to communicate with and assist citizens in an emergency.

U.S. citizens who travel or reside abroad can also access this site. We invite you to enrol yourself and your family and become acquainted with STEP. If you are already registered with this Embassy/Consulate, please enrol using STEP to update your records. STEP for U.S. citizens allows you to enrol and update your own records, making it easier for you to keep your information current. This also includes your travel itineraries. The data you provided is completely secure, and is held behind DOS firewalls, accessed only by cleared personnel in Embassies, Consulates, and DOS, and releasable only under provisions of the Privacy Act. [find out more about STEP](#)

U.S., Participants Finalize Anti-Counterfeiting Trade Agreement Text

From USTR

Participants in the Anti-Counterfeiting Trade Agreement (ACTA) negotiations announced today that they have finalized the text of the Agreement, after resolving the few issues that remained outstanding after the final round of negotiations in Tokyo.

The participants are now publishing the finalized text of the agreement. Following legal verification of the drafting, the proposed agreement will then be ready to be submitted to the participants' respective authorities to undertake relevant domestic processes.

Participants in the negotiations include Australia, Canada, the European Union (EU) and its Member States, represented by the European Commission and the EU Presidency (Belgium), Japan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland and the United States of America.

ACTA aims to establish a comprehensive international framework that will assist Parties to the agreement in their efforts to effectively combat the infringement of intellectual property rights, in particular

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Pernod Ricard New Zealand proud supporter of AmCham.

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the proliferation of counterfeiting and piracy, which undermines legitimate trade and the sustainable development of the world economy. It includes state-of-the-art provisions on the enforcement of intellectual property rights, including provisions on civil, criminal, border and digital environment enforcement measures, robust cooperation mechanisms among ACTA Parties to assist in their enforcement efforts, and establishment of best practices for effective IPR enforcement. You can view a copy of the text [here](#).

Mine Tragedy at Pike River Coal Mine, West Coast New Zealand

US Secretary of State Hillary Clinton's statement "On behalf of the people of the United States, I offer heartfelt condolences to the families of the miners who died in the Pike River Mine explosion, and all those affected by this tragedy. New Zealand has lost 29 brave and hard-working men who will be mourned around the world. Earlier this month I visited New Zealand and I saw the famous Kiwi strength and spirit for myself. You have come through adversity before, and I know you will do so again. Today, our thoughts and prayers are with you".

OTHER NEWS BRIEFS & SUCCESS STORIES WITH USA

[NZ\\$5.28 million grant recognises R&D potential](#)

[EMC wins backup and storage deal at NZ Defence Force](#)

[Oracle NZ reports 42 per cent revenue increase – Buy of Sun Microsystems boosts results for local subsidiary](#)

[Americans snap up six NZ resort hotels](#)

[MBA course offers Vista novel way to US strategy](#)

[Russell Investments expands New Zealand operations](#)

[Tourism Holdings enters RV market in US, buys JJ Motorcars' 450-vehicle Road Bear](#)

[Hyperfactory offers marketers two-week US jaunt](#)

[Pacific Channel start-up company sold to New Image Group](#)

[Aquaflow signs agreement with Impulse Devices USA](#)

[UN and US military sign up to Kiwi SaaS product](#)

[NZ Space Company Rocket Lab Secures Major US Contract](#)

[Omnilab Media, Oktobor Open Animation Studio](#)

[NHNZ's New Production Facilities Officially Opened](#)

["Sweet spot" for NZ software](#)

[Hart's Rank Group gets into U.S. car parts](#)

[First Time that NZ Farmers Take Finished Product to USA](#)

[Books In Homes Programme Expands in USA with Grant from AT&T](#)

[Online sales trainers move into US and Aus markets](#)

[New US distributor targets "sweet spot" for NZ software in post-recession American market](#)

[Harcourts opens doors in the US](#)

[US Expansion, Domestic Growth for Hamilton's Business Edge](#)

[DuPont Innovation Awards seeks Kiwi entries](#)

[Students to build a sustainable Kiwi bach for US competition](#)

US organic food sector forecast to grow over 12% in next four years from Organics Aotearoa NZ

With increasing awareness of organic food health benefits plus government support, the United States' organic food sector is expected to see double digit growth from 2010 to 2014. Research company RNCOS, in its latest "US Organic Food Market Analysis", says the organic food sector has been growing strongly in the US, on the back of increasing awareness regarding health, environment protection, food safety, and animal welfare reforms.

Despite the economic slowdown, the organics industry posted 5.1% year on year growth in 2009, which was well ahead of overall food industry growth in the US. By analysing existing and upcoming market trends, the report predicts the industry will achieve 12.2% growth during 2010-2014.

The research identifies fruit and vegetables as the most dominant segment among organic foods in the US. In 2009, this segment accounted for 38% of the total organic food market.

US Ambassador's blogs

November 23, 2010 - Science Day

From U.S. Ambassador Huebner's Blog: As you may already have picked up, I am a science aficionado. When given a choice, I tend to gravitate toward telescopes, formulae, experiments, science fiction, fossils, and volcanoes rather than some of the other recreational choices available to humans. I have never outgrown my childhood love of outer space, dinosaurs, and atoms. I think Albert Einstein was, and is, cool. I think kids who like science and technology are cool .. in fact, far cooler than some of the types who usually rule the roost during adolescence.

[\[read more\]](#) [\[photos\]](#)



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bulletPR

PUBLIC RELATIONS

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US Ambassador spies Massey's robotics 'rock stars'

United States ambassador David Huebner calls the robotics teams from Auckland secondary schools the "rock stars" of their era.

Mr Huebner visited the Albany campus to meet pupils testing robots for the latest VEX robotics competition, which culminates in an international final in at the Disney Resort near Orlando, Florida, next April. They are training with mentors who are staff and students from the University's School of Engineering and Advanced Technology.

There was brief, joking mention of sabotage and guerrilla warfare as Mr Huebner discussed tactics with enthusiastic pupils preparing for regional competitions. Among them are the home-schooled team, Free Range Robotics, who are the current VEX robotics world champions.

Mr Huebner told them they were "the real rock stars" of their era for embracing the fun, challenging, international game that enables them to meet and befriend other robotics teams from all over the world.

"It's really cool that you get to play against kids from so many other countries. It's about people to people – you not only get to build robots but you meet different people who like building robots and to discuss building robots. It's much harder to discriminate, to hate and to oppress others when you know them by name."

Mr Huebner and the robotics team members spoke via video conference with rivals from Los Angeles' Chaminade College Preparatory who are coming to New Zealand at the end of the month to compete in the Auckland regional competition at the Albany campus.

Terry Allen, a parent and teacher with Free Range Robotics, says children gain an array of skills from participating in the robotics programme. A team consists of a [robot] driver, designer and builder, strategist, programmer as well as webpage designer, and public relations and fundraising person.

"Before VEX, they thought engineering was only about building bridges and roads," Ms Allen said. "The competition has opened up a whole new world to them. They realise why maths and physics are important, not disconnected from real life. These young people are the future innovators for our world. Massey has seen the value in this and grasped the vision."

College of Sciences regional director Professor Ian Maddox led the introduction of the competition in New Zealand after being inspired by a similar international robotics world championship he attended in Atlanta in 2008. He says beyond the fun, drama, action and adrenalin of robotics contests is a deeper philosophy of promoting education and skills in technology, science, engineering and mathematics as well as problem-solving, team work and creative thinking.

TRADE, BUSINESS and INVESTMENT OPPORTUNITIES

Commercial News USA

The November/December issue of Commercial News USA, the official export promotion magazine of the U.S. Department of Commerce, is currently online at http://thinkglobal.us/pdf/2010_10_nov_dec.pdf

Trade Events in the USA <http://www.buyusa.gov/newzealand/en/usevents.html>

See also www.exporyellowpages.com

Distribution Partnership sought in NZ

Seeking the right partner for the distribution of Hyland's products, specifically in our infant, baby and toddler categories. Hyland's is the leading American company in the manufacture and commercialization of homeopathic (100% natural) medicines in the United States under the rules, regulations and supervision of the U.S. Food and Drug Administration (FDA). For detailed information, please visit our site at www.hylands.com Contact: Ben Singer, BSinger@hylands.com

Bicycle products and accessories for American

In Auckland from the United States working as a transport consultant for the new super city council he happened to mentioned that aside from his consultancy business he runs a successful internet site. This site is for the selling cycle goods and accessories. He would be interested in hearing from New Zealand companies that produce products from the bicycle market. [Click here](#) to enquire further.

Tapware for the USA

A Visitor today in the Trade Centre spent time looking through a number of the engineering type exhibits showing particular interest in tape-ware from companies such as Felton Mix. He believed that the quality of products available here in New Zealand were such that they could do well in particular US markets. [Click here](#) to enquire further.

Kea launches Kea Job Community

Kea is excited to announce the launch of the Kea Job Community - an online recruitment portal that gives candidates access to a wide range of jobs both at home and around the world, and gives employers increased access to the highly skilled Kiwi expat community. [Read more.](#)

The Importance of a US Network for Kiwi Entrepreneurs

While in New York recently, Kea Chairman Stephen Tindall spoke about North America being an increasingly important market and the importance of having a network in the US for Kiwi entrepreneurs wanting to break into the market. [Watch video](#)

NZVCA - www.nzvca.co.nz



Private Equity Investment returns more than double

Private equity in New Zealand returned \$1.72 billion on investments of \$675 million between 1994 and 2010, according to new research undertaken by the New Zealand Venture Investment Fund.

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Supporting Amcham

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The research analysed investments made by New Zealand and Australian private equity funds into New Zealand companies over the last 16 years. Eleven funds invested \$675 million was invested into 74 companies. The research measured the value of the returns following the realisation of those investments. [Read more](#) from NZVIF

From NZBio – www.nzbio.org.nz

Position Available for NZBIO Chief Executive

NZBIO is now entering a new phase of its existence, with a relatively new and diverse board which has recognised the emergence of a different operating environment. The board seek an influential, proven leader of change to take NZBIO forward. This may be a part time of full time role. For more information [click here](#)

NZBIO 2011 Conference: Enabling Successful Bio Enterprise 21-23 March 2011 | SKYCITY Convention Centre, Auckland. For more info & early-bird registrations www.nzbio2011.co.nz

Biofuel company **LanzaTech** is to work with the US Department of Energy. Lanzatech is working with America's Pacific Northwest National Laboratory (PNNL) on converting some of LanzaTech's products to "drop in" jet fuel. Drop in means the products can be blended into other fuels and then used in existing jet engines rather than needing a new type of engine. [Read more at NZBIO.](#)

BLIS Technologies revenues have grown despite a tough international market and an increase in deficit over the previous corresponding year trading by increasing revenue significantly in the United States. [Read more at NZBIO.](#)

New Zealand biopharmaceutical company **Neuren Pharmaceuticals**, has completed an additional safety study, this time in women with traumatic brain injury, paving the way for its Phase 2 to be expanded to co-ed recruitment. The Phase 2 trial is being funded by the US Army and the country's National Health and Medical Research Council. [Read more at NZBIO.](#)

pacifasia

NEW ZEALAND CULTURAL AND TRADE MISSION TO HAWAII, UNITED STATES OF AMERICA IN JULY 2011

Expressions of interest are sought from companies engaged in international trade in participating in a unique Cultural and Trade Mission to Hawaii in July 2011.

This opportunity should be of interest to exporters, importers, tourism and other service providers seeking to expand their business footprint into not only Hawaii but the US mainland.

The proposed Mission will include a significant cultural aspect. The Auckland Symphony Orchestra is planning to travel with us in support of the Mission. The Orchestra of 75 players plan to perform 2 concerts in Honolulu during the week of the Mission.

Please Register Your Interest with either:

Robyn Bartram, Export Consultant, Phone 04 478 9004, Email: hampton48@xtra.co.nz

Charles Broad, Meridian Developments Limited, Phone 04 9387140, Email: cbroad@paradise.net.nz

PacifAsia Foundation Limited, P.O. Box 11 064, Manners Street, Wellington 6142

MEMBER NEWS

ACE celebrates 25 years

ACE Insurance Limited in New Zealand is a member of the ACE Group of Companies®, one of the leading global providers of insurance and reinsurance. 2010 marks the company's celebration of 25 years of insuring progress.

Established in 1985 by 34 founding corporate sponsors, ACE started life in Bermuda delivering hard-to-find excess liability and directors and officers' coverage.

No one could have predicted the remarkable growth and success that would follow. Back in 1985, ACE Bermuda offered just two products. Today, the ACE Group has a diverse portfolio of property and casualty, accident and health, life and personal lines products, and is recognised as a global leader in insurance and reinsurance. With more than 15,000 talented and dedicated employees, ACE has a physical presence in 53 countries and commercial and individual customers in more than 170 countries.

In a wide range of traditional and specialty lines, ACE has the right depth of analytical skills, the breadth of resources and global reach to deliver quality products and exceptional service.

Local expertise in business travel and product liability

In New Zealand, among a wide range of expertise, ACE underwrites two policy coverages which may be of particular interest to AMCHAM participants: business travel and product liability.

Business travel policies generally have far wider scope than leisure travel policies and cover business-related property and pre-existing medical conditions.

One important cover that has been topical lately is for natural disasters. Some businesses found to their cost after the Icelandic volcanic ash eruption, that their travel insurance policy had natural disaster exclusions. ACE's business travel insurance policy covers such incidents. ACE's New Zealand arm paid out about 160 claims worth \$500,000 directly related to the ash-cloud fiasco.

Similarly in product liability, ACE offers worldwide coverage to protect business from legal liability arising out of bodily injury and property damage. ACE's global network and reach ensures your business is protected wherever your product ends up.

Financial strength and a clear focus

There have been a number of significant changes in ACE over the past 25 years, but insurance has been and remains its only business. Its differentiating factors are its claims excellence, underwriting discipline, specialty product orientation and a strong balance sheet.

ACE Limited (NYSE: ACE) performed exceptionally well during the global financial crisis. Operating income in 2009 was a record US\$2.8 billion, arising from 2009 gross premiums written of US\$19.2 billion and net premiums written of US\$13.3 billion.

ACE's strong capital base, financial stability, diversified earnings

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25 years of
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aceinsurance.co.nz

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stream and multinational operating platform are strong indicators that it is strategically well positioned for future growth and development.

ACE's Property & Casualty combined ratio for 2009 was 88.3 per cent – a world-class result. In terms of capital efficiency, ACE achieved an operating return on equity for the year of 16.2 per cent.

For more information and to access up to date financial strength information about ACE Insurance Limited, New Zealand visit www.aceinsurance.co.nz

Hyatt hosts 12th Annual New & Sustaining Member reception

The Hyatt Regency Hotel recently hosted the 12th annual new & sustaining member reception.

AmCham would like to thank General Manager Franz Mascarenhas and the team at the Hyatt for their ongoing support.

New Zealand Prime Minister opens new glassmaking furnace

O-I Committed to New Zealand's Beer and Wine Industries

New Zealand Prime Minister John Key today officially opened O-I New Zealand's new US\$85 million glassmaking furnace to support the country's renowned beer and wine industries.

O-I NZ is New Zealand's only local glass packaging manufacturer and has been supplying the local food and beverage industries since 1922. The investment at O-I NZ's Auckland plant created 38 new jobs and will increase manufacturing output by 90,000 tonnes of glass packaging per annum.

The new furnace will also enable O-I NZ to almost double its recycling of post consumer glass - called cullet – from 84,000 to 154,000 tonnes per annum. This provides a significant reduction in carbon emissions and waste going to landfill.

O-I NZ General Manager, Steve Bramlage, said the new furnace would increase the availability of locally-made glass packaging, ensure security of supply, and provide shorter lead times and freight efficiencies for customers.

"O-I's new furnace uses the latest in global glass manufacturing technologies to produce quality glass packaging to meet the short-term and long-term needs and expectations of our customers as well as New Zealand consumers," Mr Bramlage said. "The new furnace uses narrow neck press and blow technology to further lightweight bottles, providing a significant reduction in energy use while maintaining bottle proportions and premium design cues. This significant investment in our Auckland plant highlights our commitment to supporting the future growth of New Zealand's food and beverage industries."

Hairy Lemon features in Bloomberg Businessweek

Christchurch web solutions company featured in Bloomberg's Businessweek magazine which has a circulation of 4.8 million readers under the "The Corporate Name Game" As written in the article, "Like those who named Twitter and Google, the people behind HairyLemon simply had to stay in touch". The final summation of the article is that when choosing a name, "The best approach, in fact, may be to trust serendipity. Or HairyLemon".

Alumni Association Chair on exchange to US

The Fulbright New Zealand Alumni Association's founding Chairperson, Graham Cochrane, was one of 63 leaders of alumni associations for US government exchange programmes selected to take part in a recent for Alumni Association Leadership Development in the US. Graham participated in the second of two group International Visitor Leadership Programmes organised by the US Department of State's Bureau of Educational and Cultural Affairs, which ran from 25 September-16 October. <http://www.fulbright.org.nz/news/quarterly/1011-grahamcochrane.html>

AMCHAM OVER CHRISTMAS

The AmCham office will be closed for the Christmas holidays from 5.00 pm on Friday 17th December through to 9.00 am on Monday 10th January 2011.



We would like to thank all our members for their support over the last year and wish you all a very Merry and safe Christmas.

New Members (Photo's Page 11)

DSH Systems Ltd, Napier - **Ian Walton**, Commercial Sales Manager - Napier based engineering company which produce dust management solutions (DSH Hopper) for the industrial bulk loading of dry goods installed worldwide. The DSH Hopper is sold throughout the world either via our distributors in main centers or direct from our New Zealand Head Office. www.dshsystems.com

Stephens Lawyers, Wellington - **Michael Stephens**, Managing Director - Lawyers specialising in: Entertainment Law, Film Production, Commercial & Corporate Property & Trusts, Venture Capital, Telecommunications, Publishing and Media Intellectual Property, Public & Administrative Law, Parliamentary Submissions, Litigation support, Alternative Dispute Resolution. www.stephenslawyers.co.nz

TSM Corporation, Wellington – **Dr Joseph Rousseau** - TSM Corporation is in the business of creating and supporting state of the art Training, Logistics, Engineering and Technical Support Systems. Its Career Development Systems assist managers to be effective leaders, who are aware of their individual strengths, weaknesses, and abilities and how they impact on their organisation's ability to achieve its Mission. Dr Joe Rousseau has relocated to NZ and is open to discussing your leadership training programmes. www.tsmcorporation.com

Woburn International Ltd, Wellington – **June Ranson**, Managing Director - When it comes to crossing borders and cultures no one goes further to help you than Woburn International. Whether global or domestic Woburn International's 20 years of experience ensures a positive transition for individuals, companies and their employees. Their approach is unique concentrating on sincere care, complete understanding and going the extra mile to ensure that clients are genuinely satisfied with the services offered. They excel in assisting organisations and individuals in every aspect of making the right move from any country in the world. Their broad range of services cover, New Zealand Immigration and Emigration, International Human Resources, Personal Policy Support, Assignment Management, International Remuneration Advice, Skilled Migrant Sourcing and Support, Cross Cultural Awareness Briefing and the entire range of Relocation Services. Woburn International has a dedicated team of specialists and New Zealand government

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appointed immigration advisors. Their flawless reputation for service delivery earned them the top global service provider Supreme Award in the USA for Entire Assignment Management Service in 2008. www.woburn.co.nz

People on the move

Dunedin businessman **Philip Broughton** has been elected as the national president of **BusinessNZ**

Phill Keefe has retired from **Avon New Zealand**. **Stephen Ford** is the President & General Manager, Australia & New Zealand Avon Products Pty Limited

Kevin Obern left Office Max in July with Dean Butchers being appointed as Head of Country.

The **Communication Agencies Association of New Zealand** (CAANZ) is pleased to announce that **Greg Whitham** has been elected chair of the CAANZ Digital Leadership Group (DLG).

American Women's Club President **Mindy Anne Vinther** has resigned and will be returning back to the USA. **Shellee Roberts** will be taking over as President until the beginning of the year.

Michael Redman is Chief Executive for **Auckland Tourism, Events and Economic Development**, reporting directly to a new board, chaired by **David McConnell**. The new tourism unit is led by **Lynette Murray**, other business unit managers: **Rachael Dacy**, Manager Events; **Clyde Rogers**, Manager Business and Sector Development and **Grant Jenkins**, Manager Corporate Services.

US Consul **Nick Greanias** has finished his term in NZ. **Dana Deree** recently arrived to take the position.

Gregg Anderson has returned to the US to take up a new role - GM, North America & Europe, overseeing our US and UK offices and based in Los Angeles for **Tourism New Zealand**.

Simpson Grierson has appointed **James Caird** and **Gerald Lanning** to the partnership.

HSBC has appointed **Gary Cross** as Head of Trade & Supply Chain.

Stephen Layburn as joined **Hesketh Henry** as a Partner.

DDB Group CEO, **Sandy Moore** has been elected President of **CAANZ**.

David Greenland, Managing Director of **Carlson Wagonlit Australia** now has the responsibility for New Zealand.

Harcourts USA has appointed **Aaron Hodson** as CEO.

PricewaterhouseCoopers has appointed **Jim Tabak** as a Business Transition Executive Director.

BUSINESS TRAVEL

News, views and information for Amcham business travellers from **Grant Bevin**, Managing Director Business World Travel.

Business World Travel is a member of the **American Express Travel Service Network**.

It is a busy time of the year AND we will return in 2011 with more news of relevance to business travelers. Meantime Business World Travel send all members of AmCham their very best wishes for Christmas and the New Year. Enjoy the season.



TRAVEL

Houston to Auckland route delayed

Continental Airlines' plan to start a Houston to Auckland flight has been delayed. The Houston Chronicle says the service was supposed to start in November next year but it'll now commence some time in 2012.

It says the airline has pushed out the date as it expects an additional delay in the delivery of Boeing's 787 Dreamliner planes.

US Service Security Update

US sites to see for updated information visit www.dhs.gov and www.safetravel.govt.nz

<http://www.tsa.gov/travelers/index.shtm>

DHS announces Pre-Travel Authorization Program for U.S.-Bound Travelers from Visa Waiver Countries

Beginning on September 8, a fee of US\$14 will be introduced for a new or renewed electronic travel authorization (ESTA). Please [click here](#) for further information and [here](#) for FAQs.

Check out our website at www.bwt.co.nz

Reviewing your Corporate Travel? Call our Team:

Jane Higgie Business World Travel Wellington 04-470 6044 jhiggie@bwt.co.nz

Grant Bevin Business World Travel Auckland 09-529 3700 gbevin@bwt.co.nz



EVENTS & SERVICES

FOR YOUR DIARIES

25th Feb 2011 AmCham Auckland Golf Tournament, The Grange.

23rd March Employee retention/Change management forum with Kim Seeling Smith, Mark Spring, Alan Casey, in Auckland.

US NZ CONNECTIONS IN NEW ZEALAND

OSAC New Zealand

Membership of OSAC New Zealand is **free** for US companies and provides members with advices of Special Notices re security warnings, threat analysis and other security advisory services. For more info on OSAC see www.ds-osac.org (there is also a New Zealand county specific site at this website) or contact OSAC New Zealand Secretariat, Mike Hearn on tel: 09-309-9140 or email mike@amcham.co.nz

Kiwi Expat Association – www.keanewzealand.com

American Club – Auckland <http://www.americanclub.org.nz/>

American Women's Club – Auckland www.awcauckland.com

New Zealand-American Association – Wellington
www.nzaa.org.nz

Wanganui New Zealand American Association
donnarush@clear.net.nz

American Women's Network – Wellington www.awn.co.nz

American Club of Christchurch – www.american-club-chch.org

Seeking Work/Contacts

Bill Feldman - former U.S. Naval Officer with an extensive background in Naval warships, port security and military logistics. Additionally, I have been a licensed (U.S.Coast Guard) mariner in the United States for the last 5 years while serving in the U.S. Coast Guard Reserve. I have had over two decades of maritime training and international experience in logistical support and maritime security.

I am now here in New Zealand where I am in the process of migrating by offering my professional credentials to New Zealand's Defence Forces or maritime industry in any aspect. Contact: bill.feldman@gmail.com

Jim Myers - I am an America, living in Boulder, Colorado, who has New Zealand Visa. Our intention is to live in New Zealand in a few years. We have owned a Torbay, Auckland based home for 10 years.

I am seeking a Business Development/Sales opportunity that takes advantage of my skills in the areas of Business Development, Consultative Selling, Alliance Building, and Executive-level Relationship Building. I want to assist a New Zealand organization/business in the development of strategic alliances and/or client relationships in the United States.

Coventree Capital, where I was most recently employed as Principal, had been a strategic alliance of GMAC Commercial Holdings; an alliance which I cultivated in my Business Development role at GMAC Commercial Holdings. In excess of two billion dollars in transactions were consummated between the two firms. I helped to establish a strong foundation for Coventree Capital's first U.S. based office in Denver. I was a highly productive member of GMAC's investment banking and capital markets effort and was central to the expansion of the department's revenue streams and product lines.
jimomyers@aol.com

PureBlack Racing in the US

If you've been following the news recently you will have seen the launch of Pure Black Racing - New Zealand's first professional cycle team formed with the specific vision of



putting a team of kiwi cyclists in the Tour de France in 5 years time.

Cycling is a huge growth sport around the world right now and we have a rapidly growing talent pool of world class cyclists which we want to marry with the elite sports management capability that NZ has built in the Americas Cup over the last 20 years. Carl William's my co-founder in the team behind PureBlack Racing brings years of Team NZ and BMW Oracle experience to Pure Black Racing.

Since announcing the team at the end of July we have signed Avanti Bicycles in a long term sponsorship deal recruited 12 Pro Team riders (including Tim Gudsell from Francaise des Jeux) and 10 development team riders for 2011. Our program for 2011 will see us competing in the US from March to September in many of the biggest races in the US

For PureBlack Racing to be successful on the international stage we need the support of New Zealanders and New Zealand business - so we are looking for a family of partners to help us spearhead our first international campaign into the United States.

We intend bringing an innovative approach to the world of professional cycling and at the same time we want to build a market growth platform for New Zealand exporters and the New Zealand Tourism industry. If you are interested in supporting and working with the team contact Greg Cross mob: (021) 417-7999 Email: greg@pureblackracing.com

NZPBC Pacific Trade Conference & Expo 2011

The New Zealand Pacific Business Council (NZPBC) will now be hosting the 2011 Pacific Trade Conference and Expo, in Auckland, on Monday 14th and Tuesday 15th March 2011. This event will comprise two distinct (but related) activities - exhibitors displaying their products and services, plus a conference with a series of seminars addressing the issues that all parties face in doing business in our part of the Pacific.

Another feature will be not only the important activity of networking, but "business matching", where parties with complementary interests can discuss business prospects in a private and confidential environment. Every effort is being made to increase trade visitor numbers, so that exhibitors will gain optimum exposure. In this regard, we are not only seeking private sector visitors and participants, but also Pacific Island government officials and politicians (as many projects in their countries must involve their government's commitment). Key NZ government agencies will be in attendance too.

<http://www.pacifictrade2011.com/>



TAX ISSUES

The US – NZ Double Tax Agreement

By Gina Wallace, Director - NZ US Tax Specialists Ltd.

The following is a summary of a comprehensive article that is available on the AmCham website [here](#).

The US – NZ Double Tax Agreement (treaty) is a bilateral agreement in force between the United States (US) federal government and the New Zealand (NZ) government to achieve several objectives including relief from double taxation.

The treaty has just been updated with the second protocol to the 1982 agreement having come into force in November 2010. This becomes effective for taxable periods beginning on or after 1 January 2011 (for the US), for income years beginning on or after 1 April 2011 (for NZ) except that in NZ the withholding tax provisions become effective 1 January 2011.

The treaty *overrides* or *modifies* the domestic tax law of the contracting parties, the US and NZ. The NZ Income Tax Act refers to the treaty very minimally; in contrast US Internal Revenue Code and IRS publications regularly refer to income that may be eligible for what is known in the US as 'treaty benefits' and in NZ as 'claiming an exemption under the DTA'.

Treaty benefits may take the form of a complete exemption from taxation in the other country, a reduced rate of tax in the other country or restriction on the other country's ability to impose tax.

Disclosures are usually required under the Internal Revenue Code when a treaty benefit is claimed for a reduction in US federal income tax. A common example is Form 8833 Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b). One example of when this form is required to be filed is when a dual resident of NZ and the US tie-breaks tax residency to NZ, and takes a position of non-residency in the US, giving NZ the primary right to tax that person.

Another common example is Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. This form is furnished by a non-US recipient to a US withholding agent to advise that a reduced rate of withholding tax is deductible from a payment to a foreign person, by way of claiming a benefit under the treaty.

Some key features of the NZ/US treaty, incorporating the changes coming into effect in 2011 are as follows.

- The treaty applies to *income tax only*, including *gains* from the alienation of property.
- The treaty applies to *federal income taxes* in the case of the US. The new treaty refers to *federal income taxes imposed by the Internal Revenue Code* (excluding social security and unemployment taxes), and the *federal excise taxes imposed with respect to private foundations*.
- Some US states recognize the treaty and other states such as California do not recognize the treaty (this is not mentioned in the treaty).
- The treaty provides *definitions* of many terms used throughout the document including the terms 'United States', 'New Zealand', 'permanent establishment', 'royalties', 'dividends', 'interest' and 'company'.
- The new treaty has provisions for entities that are *financially transparent* - entities that are not recognized for tax purposes in their own country, for example, a partnership where taxation occurs at the individual partner level and not the partnership level.
- The treaty *does not apply to penalties or interest* imposed by either country.
- The 'savings clause' gives the US the *right to tax its citizens and residents* as if the treaty had not come into effect. This is a feature of all treaties to which the US is a contracting party.
- The treaty allows the US to tax its *former long term residents and citizens for up to 10 years* after they relinquish their US citizenship or residency.
- Article 4 contains provisions to deal with cases of *dual residency* in which a person (including a non-natural person such as a company) is a resident of both NZ and US.
- The provisions dealing with an individual who is a dual resident of both countries is known as the 'tie breaker test', a test containing four limbs under which to determine which country has the primary right to tax an individual who is a dual resident.
- Provisions exist in the treaty to provide some minor relief from double taxation *for residents of each country engaged in certain occupations* including artists, athletes and teachers, deriving income from that occupation in the other country.
- The ability to claim benefits under the treaty must meet the criteria set out in Article 16, Limitation on Benefits. Individuals automatically qualify, however specific rules apply for companies which must meet the criteria under the treaty in order to *claim a benefit* under the treaty. This is intended to reduce the opportunity for treaty shopping – a term coined to describe the practise of multi-national enterprises of a country that is not party to a treaty structuring their global operations to gain benefits from a bilateral or multilateral tax treaty.
- Provisions exist for the *mutual exchange of information* between the two countries relating to taxpayers with a tax presence in both countries.
- The treaty requires each country to *allow credits for foreign taxes paid* in the other country as part of relief from double taxation.

This article is intended to provide general information and is a broad overview of the US – NZ double tax agreement. No reliance should be placed on this information and professional tax.



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Ian Walton**



**Renaissance Corporation Ltd
CEO, Rick Webb**



**O-I New Zealand
Marketing Manager, Andrew Sharp**



**The New Zealand Franchise Institute
Marketing Director, Ian Fitz-Gerald**



**Sanofi Aventis New Zealand Limited
Country Manager, Alan Carter**

Marketing Opportunities for Members

Don't forget members have the opportunity of:

For more details - phone 09 309 9140

- Platforming your visiting CEOs by having them speak to AmCham
- Sponsoring an events including the Annual Success & Innovation Awards Dinner
- Sponsoring a professional speaker / Launching products/service through AmCham
- Hosting of Forums / Sustaining Member Events or Committee meetings
- Use us for your Event management / Advertising in our monthly newsletter
- Direct mail or fax marketing to members

Don't forget your Membership gives you access to:

- ◆ Key advisors on tax, immigration, setting up a company and doing business in the USA
 - ◆ Possible sources of equity.
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- ◆ The U.S. Chamber of Commerce which is the world's largest business federation representing 3 million businesses with over 8,000 Chambers of Commerce throughout the USA.
 - ◆ 112 AmChams in 99 countries including 27 in the Asia-Pacific region.
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