

seriously asia

Final report

Unleashing the Energy of
New Zealand's Asian Links

May 2004

seriously asia Final Report

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INTRODUCTION

Asia 2000's *Seriously Asia* project aimed to identify priority goals and practical actions to energise New Zealand's links with Asia. An interim report summarising the goals, actions and outcomes from the *Seriously Asia* Forum was released in December 2003, a copy of which is contained in Appendix One. This final report provides an overview of the project, reports discussion at the *Seriously Asia* Forum, and looks at ways in which *Seriously Asia* outcomes are being implemented.

The first section of the report documents the 2003 *Seriously Asia* project. The second section covers its content, with a particular focus on the November Forum in Wellington. The final section addresses the implementation of project outcomes.

Full documentation of the *Seriously Asia* project is available on-line at www.seriouslyasia.org.nz

...we need to raise our engagement with Asia.

SIMON MURDOCH, RAISING NEW ZEALAND'S ENGAGEMENT WITH ASIA, LUNCH ADDRESS TO THE CHINESE CENTRE (AUT), ASIAN BUSINESS COUNCILS AND THE AUCKLAND CHAMBER OF COMMERCE, SEPTEMBER 2003

New Zealand needs Asia and if the partnerships are developed for the long-term the benefits can be shared for many more years in the future.

DENIS WIN THEIN, SERIOUSLY ASIA CONTRIBUTION

SECTION I: THE SERIOUSLY ASIA PROJECT

The world has become a global village. New Zealand as a small nation cannot survive without actively interacting with the outside world.

QIANGFU JIN, SERIOUSLY ASIA CONTRIBUTION

The 2003 *Seriously Asia* project was initiated by Asia 2000 at the request of Prime Minister Helen Clark, to examine how New Zealand could sustain and strengthen its relationships with Asia. Ideas on the challenges and opportunities presented by Asia to New Zealand, along with practical actions to realise opportunities, were gathered from the public via a website contribution process. Further input was gained from regional workshops and ethnic youth forums held around New Zealand.

Seriously Asia was promoted through a public launch in Auckland; advertising in newspapers; media stories; emailing networks; outreach to offshore business and alumni groups and to New Zealand Trade and Enterprise and Ministry of Foreign Affairs posts; marketing material distributed at key events including seminars, business breakfasts and sector conferences; and articles published in newsletters of Chambers of Commerce, university student magazines, professional organisations, economic development agencies and non-governmental organisations.

Over 230 contributions were gathered through the process, which were examined by four issues groups consisting of people with knowledge and networks in the fields of:

- Trade, Tourism and Investment
- Political and Security Issues
- Culture and Society
- Innovation and Sustainable Development.

The list of issues group members and their biographies can be found in Appendix Two. The aim of the issues groups was to prioritise proposals for action from the contributions and to present five priority proposals to the *Seriously Asia* Forum.

Contributions to the website came mostly from urban and rural New Zealand but also from countries such as Australia, the USA, Indonesia, South Korea, Singapore, Japan, Vietnam, Malaysia and China. A wide range of people and organisations contributed, including business people, academics, educators, media commentators, Asian New Zealanders, youth, New Zealanders living in Asia, community leaders and people from friendship societies. The majority of the contributions were directed at issues related to trade, tourism and investment; and to culture and society.

From the 230 public contributions Asia 2000 distilled 260 suggested proposals for action. These are listed in Appendix Three.

Issues groups analysed and prioritised the action proposals. The groups, excluding innovation and sustainable development due to the cross-cutting nature of these issues, reported their priority proposals back to the *Seriously Asia* Forum. Prior to the Forum the innovation and sustainable development group had fed proposals into the other groups. Appendix Five contains the four sets of proposals from the issues groups.

The next section of the report documents discussion at the *Seriously Asia* Forum held in Wellington.

SECTION 2: seriously asia forum

Asia 2000's *Seriously Asia* Forum was hosted by Prime Minister Helen Clark at Parliament beginning with a dinner on 25 November followed by a full day's working session. The *Seriously Asia* Forum programme is included as Appendix Four.

Approximately 300 guests attended the 25 November dinner and heard a keynote address from Singapore's Deputy Prime Minister and Minister of Finance, HE Mr Lee Hsien Loong. A special performance from the World of Wearable Arts on reinterpreting the kimono was a cultural highlight.

Two hundred invited participants attended the Forum on 26 November, representing a wide range of experience and perspectives. Participants included representatives from business, education, Parliament, government agencies, community, Maori, New Zealand Asian groups, overseas speakers and guests, trade unions, industry sectors, business councils, the media and youth.

The objective of the Forum was to consider the proposals presented by the issues group conveners, derived from public contributions and their own discussion, and to prioritise goals and practical actions. International speakers were invited to the Forum to provide an outside perspective, and panels of international and domestic experts also provided a commentary.

International guests were welcomed to Parliament with a powhiri. Asia 2000 Chair Sir Dryden Spring delivered opening remarks before a keynote address from Prime Minister Helen Clark. This was followed by an address from former Asia 2000 Singapore Scholar Ms Karen Buist. The remainder of the programme was largely devoted to three sessions on strategies, business, and societies. Each followed the format of a keynote address from an international speaker, an overview of contributions and proposals from the relevant issues group convener, a panel commentary and finally floor discussion.

After the strategies session the Minister of Foreign Affairs and Trade and Chair of the Asia 2000 Board of Honorary Advisers, the Hon Phil Goff, provided a stocktake of New Zealand's relationships with Asia. At the end of the day Christopher Butler, Executive Director of Asia 2000, provided a short commentary before a final concluding summary by the Prime Minister.

Several points dominated contributions throughout the Forum, primarily the importance of building relationships. Other recurring points were the need to view Asia not as a bloc and instead to understand its diversity; that what happened within New Zealand impacted on its profile overseas; the desirability of learning foreign languages and engaging young people; the value of community building; examining other countries' needs rather than being supply driven; and the fact that there was a reservoir of goodwill towards New Zealand in the region: it was seen as trustworthy and principled.

The remainder of this section provides informal summaries of speakers' addresses, including that from HE Mr Lee Hsien Loong, and of the floor discussion on the day of the Forum. Formal texts of all speeches, as well as interviews with international speakers, are available at www.asia2000.org.nz/seriously/index.html

Seriously Asia Dinner

KEYNOTE ADDRESS FROM HE MR LEE HSIEN LOONG, DEPUTY PRIME MINISTER AND MINISTER OF FINANCE, SINGAPORE

Mr Lee opened his address by remarking that had the Asian financial crisis not occurred in 1997 and had growth continued, he would not need to argue the case for New Zealand to take Asia seriously. On the other hand, had the crisis plunged the region into a decade of lost growth, he would not have been asked to the dinner. In reality, six years after the crisis the outlook in the region was complex but also promising.

Key Asian economies (with the exception of Japan and Malaysia) are looking at annual growth rates for 2003-2004 of between 4% and 7%, with China hitting 7.7% in 2004. These growth rates compare with 2003 growth rates of 2.2% for the US and 1.1% for the EU.

MURRAY DENYER, 'WHERE IS NEW ZEALAND HEADED?', SERIOUSLY ASIA ISSUES PAPER, 2003

Mr Lee examined four salient developments in Asia since 1997, the first being the recovery of the Asian economies. Progress had been made on structural weaknesses, finances were sounder and consumption demand was generating increasing intra-Asian trade.

Second was the continued rapid rise of China. China was modernising its economy and transforming the outlook of its people. Mr Lee cautioned that it was wrong to see China's rise as an economic threat. Instead it was a new engine of growth for the world economy. Asian economies could benefit so long as they adapted fast enough to service and benefit from China's growth and shift out of areas where China had a comparative advantage.

India's emergence was the third development in the region. From a closed economy India was moving towards economic liberalisation and market reforms to create a more favourable business environment. Many of India's two million graduates per year offered skills in IT and engineering, which had seen a rapid increase in outsourcing of business processes and call centres to India.

Fourth was the changes in Indonesia, a country crucial to the stability of the Southeast Asian region. Indonesia was dealing with issues such as the role of Islam in politics, the relationship of Jakarta to the provinces, and threats of religious extremism and terrorism. Under President Megawati the country had stabilised and economic reform was occurring, but the 2004 parliamentary and presidential elections would test the country as it dealt with these issues. Mr Lee believed that Indonesia must send a clear signal to foreign investors and governments that it eschewed extremism and remained committed to secularism and modernisation.

Turning to geopolitical and security risks to the region Mr Lee examined terrorism, North Korea and Taiwan. Terrorism, while a global problem, had strong roots in Southeast Asia because the Jemaah Islamiyah group, linked to Al Qaeda, was based in Indonesia. The Indonesian government had cracked down on the group and arrests of people from the group had occurred in Singapore, Malaysia, Thailand and the Philippines. However, some religious schools still indoctrinated students in a deviant form of Islam and such schools must be checked. Mr Lee argued that through decisive action and close cooperation Southeast Asian governments could deal with terrorism.

North Korea endangered stability in the region with its nuclear ambitions. To deal with such a difficult problem the US and China were working together with other partners in the region to prevent a nuclear North Korea. Mr Lee believed that armed conflict was not imminent, and not necessarily inevitable.

Meanwhile China-Taiwan relations were a potential flashpoint, but the key was the US. US President Bush had stated that the US did not support Taiwanese independence and that it adhered to the One China policy. Such a stance meant that Taiwan's pro-independence forces had their hands tied.

On a general note Mr Lee said that US-China relations were a key determinant to the growth and stability of Asia and that these relations were currently at their best since the establishment of diplomatic ties.

Looking forward, Mr Lee believed that over the next two decades Asia would be the most vibrant and dynamic region in the world. Such an assessment was based on its sizable market and three further key factors. The first was that economic fundamentals were improving: the economic crisis provided an impetus to governments to implement or speed up reforms. Second, there was a strong desire among East Asians to acquire knowledge and master new technologies. They travelled to western countries for education and returned home with technological know-how and a different view of the world. Third was the increasing economic integration of Asian countries through ASEAN and various free trading arrangements. While there was economic sense in such arrangements, strategic concerns also played a role. Mr Lee mentioned that in particular Singapore strongly supported the realisation of an AFTA-CER agreement.

Such a changing economic and strategic landscape created challenges and opportunities, but challenges were more acute for small states like New Zealand and Singapore. Both countries lacked large domestic markets and must compete in the global economy relying on knowledge and creativity to provide value-added services and to prove their relevance to the world. Being small could be an advantage if they proved more nimble and flexible than larger states, and both Singapore and New Zealand could benefit greatly from the growth in the region. Mr Lee mentioned that the rising middle class in Asia, especially in China and India, presented an opportunity to develop service industries such as tourism, education, financial services and healthcare.

Currently, Asia provides 27% of New Zealand's total inbound tourism measured by visitor numbers and 33% by foreign exchange earnings. By 2008 these figures are expected to be 29% and 40% respectively. To achieve this will require Asian arrivals to increase at 9% p.a. and yield at 13.3% p.a.

NEIL PLIMMER, 'TOURISM FROM ASIA: ARE WE REAL?', SERIOUSLY ASIA ISSUES PAPER, 2003

Adaptation to changed external conditions required small states to restructure their economies to remain competitive, anticipate changes and overcome limitations. Singapore had decided it must keep taxes low to attract investment, minimise wage and labour rigidities so companies could expand and contract flexibly, and upgrade manufacturing industries to emphasise higher value-added activity. Like New Zealand, Singapore was promoting innovation, creativity and entrepreneurship, which meant deregulating and liberalising the economy, emphasising private enterprise and encouraging Singapore companies to move out into the region.

The latest global innovation index rankings show that out of the top 25 rated countries, New Zealand ranks at 21. There are only two Asian countries that feature in the top 25 – both of whom rank ahead of New Zealand. They are Japan (ranked at 4) and South Korea (ranked at 18).

SUVIRA GUPTA, 'INNOVATION – CAN NEW ZEALAND KEEP UP WITH THE CHALLENGE?',
SERIOUSLY ASIA ISSUES PAPER, 2003

Changing the mindsets of Singaporeans, Mr Lee said, was fundamental. They must accept change as a way of life, continue learning skills throughout their careers, become more self-reliant and innovate. The structural changes he outlined would not be painless. Singapore had decided to go for growth by plugging into the opportunities in Asia and the global economy to maximise the resources required to deal with the social consequences of globalisation.

In concluding Mr Lee said that Singapore and New Zealand were small states sharing similar outlooks who were working together to improve their chances in an uncertain world. The Closer Economic Partnership (CEP) between the two countries had increased bilateral trade and cemented and strengthened a very close relationship. Singapore took Asia seriously, as did New Zealand, and looked forward to partnering with New Zealand as it strengthened its linkages with Asia.

Seriously Asia Forum

OPENING SESSION

Sir Dryden Spring, Chairman Asia 2000 Foundation

A key theme of Sir Dryden's welcome to participants was the importance of relationships.

Relationships underpin economics just as surely as they underpin social or diplomatic outcomes, and even more so they underpin business success.

SIR DRYDEN SPRING, SERIOUSLY ASIA FORUM

No other region of the world was as important to the welfare of New Zealand's economy as Asia. Yet it was relationships that underpinned the trading importance of the region to New Zealand, he said.

Asian economies are dynamic and growing rapidly. Over the 35 years from 1965, East Asia outstripped the rest of the world in GDP per capita growth by a factor of four (5.6% compared to 1.4%).

SIR DRYDEN SPRING, SERIOUSLY ASIA FORUM

Sir Dryden explained that the *Seriously Asia* project saw Asia 2000 engage in a process of public outreach without precedent in the organisation's history. The aim was to offer an open forum for an exchange of ideas which saw the engagement of hundreds of New Zealanders who presented a large number of ideas for practical action.

He stressed that the Forum was a working event with the objective of identifying goals and proposals for practical action. Sir Dryden noted that while some of the proposals called for better coordination, tighter focus or improved communication, others asked for new initiatives or additional resources. In such cases he asked those concerned to consider such proposals and their resource implications carefully and sympathetically.

It is not enough to say that others alone bear responsibility for our future. It is something for which we all must accept ownership, and I ask that we all accept our share. I am asking for commitment across sectors, across locations, and across the divides of any particular interests.

SIR DRYDEN SPRING, SERIOUSLY ASIA FORUM

Finally Sir Dryden outlined the five broad themes that had emerged from public input into *Seriously Asia* as a framework for specific action. (A full statement of the themes can be found in Appendix Six. In summary they were to commit long-term, invest in engagement, ensure sustainability, develop understanding, and promote leadership.)

Rt Hon Helen Clark, Prime Minister of New Zealand

The key theme of the Prime Minister's address was that New Zealand needed to re-energise its relationships with Asia. She observed that relationships needed to be multifaceted to give them strength, and many New Zealand perceptions were outdated and too narrowly focused on trade matters. She tracked New Zealand's engagement with Asia from World War Two to the financial crisis in the late 1990s. The crisis along with the increased attention paid to terrorism had seen New Zealand preoccupied with western nations, the Middle East and Central Asia, while relations with Asia had plateaued.

The reality is that if our relations [with Asia] are stalled, we will miss out on opportunities, and misunderstandings between us will arise.

RT HON HELEN CLARK, SERIOUSLY ASIA FORUM

To overcome such a plateau in relations the Prime Minister said that the only option was to engage quickly with the dynamic Asian region and to make New Zealand relevant. New relationships were being forged in the region and Asia was moving on.

We know the importance of Asia to our security and prosperity. But for the nations of Asia, we are the merest blip on the radar screen.

RT HON HELEN CLARK, SERIOUSLY ASIA FORUM

For the government this meant putting New Zealand's relations with Asia on a more strategic, coherent and consistent basis. This might require a ministerial taskforce to coordinate the efforts of government departments and agencies. It also required robust policy development and analysis.

The Prime Minister spoke of the need for greater integration of effort both within government and outside. She gave examples of the proposal by Asia 2000 to create a New Zealand Asia-Pacific regional business network and of the potential for a virtual cluster of Asian specialists from within the universities.

In concluding, the Prime Minister looked at the two main challenges facing New Zealand. The first was scale: New Zealand was small and both the task and region were huge and diverse. To overcome it smart strategies and coordination were needed within New Zealand. The second challenge was addressing differences between New Zealanders and Asian peoples; to create mutual understanding, multi-faceted relationships must be developed. New Zealand needed such relationships with Asia because we were neighbours.

That concept of neighbourhood must be able to override differences which might stem from ethnicity, religion, culture or political system. That means our future in the region can be assured.

RT HON HELEN CLARK, SERIOUSLY ASIA FORUM

Karen Buist, former Asia 2000 Singapore Scholar

Karen Buist spoke from the perspective of a young New Zealander who had spent time in the Asian region, in her case Singapore, and who had learnt about cultural differences at a personal level. Ms Buist provided an overview of her years in Singapore, commenting on what she learnt from her friends and what they learnt from her. She made the point that there was no such thing as better or worse, only different.

They learnt from me, that there is a time to stop studying and relax, go out or even go to sleep, and from them I learnt how much fun eating could be. I encouraged them to be a bit more pushy when they'd been dealt with unfairly, and they showed me how to think as a part of a larger community.

KAREN BUIST, SERIOUSLY ASIA FORUM

Ms Buist noted that one of the challenges that New Zealand faced was educating itself about the world, and cautioned that New Zealand's isolation should not become insulation.

I believe learning a language is one of the most important steps anyone can take who wants to get involved with Asia today. Another is to build strong relationships with Asian people.

KAREN BUIST, SERIOUSLY ASIA FORUM

Relationships were a key theme. Ms Buist argued that New Zealand's potential in Asia must be developed through relationships, including engaging with New Zealand's own Asian communities. She pondered on the New Zealand she would like to see in the future and concluded that sending more young New Zealanders to Asia on scholarships and internships would bring huge benefits, both socially and economically.

The NZ that I would like to see in the future is one where we embrace all cultures, while still maintaining what makes us uniquely Kiwi. Where we don't feel threatened by differing customs, but where we don't let our own customs be lost in the crowd. Where we know our history. Where we are known overseas for our entrepreneurial people as well as our beautiful environment.

KAREN BUIST, SERIOUSLY ASIA FORUM

Serious Strategies

AN APPRAISAL OF THE POLITICAL AND SECURITY ENVIRONMENT OF THE ASIAN REGION

To understand our security in its many manifest dimensions in the unfolding new circumstances of the Asia-Pacific we need to revise very quickly and throughout our society the education of our citizenry about Asia. We need to be more familiar with Asian history than ever before.

PETER COZENS, SERIOUSLY ASIA CONTRIBUTION

HE Dr Han Seung-soo, former Korean Foreign Minister and President of the UN General Assembly 2001–2002

Dr Han's address reflected on three areas: where Asia was heading over the next two or three decades, key issues facing Northeast Asia, and a conceptualisation of New Zealand's role in a new Asia.

On the first topic Dr Han noted that from the late 19th until the mid-20th century sustained and enduring conflict had been a hallmark of the regional strategic picture. Post World War Two had contrasted with this period as East Asia rose from the shadows of war and poverty to become a key geo-political and economic centre.

Despite the still unresolved Korean question, the Taiwan Straits enigma and remaining territorial disputes, the Asian story in the post World War II era stands in sharp contrast to the previous century of colonisation, conflict and despair.

DR HAN SEUNG-SOO, SERIOUSLY ASIA FORUM

There was now a new Asia, whose future would depend on how it dealt with economic globalisation and political democratisation.

Several challenges faced the region with respect to security. Traditional security norms still prevailed, as seen in the on-going stalemate on the Korean peninsula, but at the same time unconventional security threats such as terrorism posed particular challenges. Other challenges included the environment, illegal migration, poverty, HIV/Aids, SARS and issues of sustainable development. Tensions would also surface due to rapid economic development. Despite such challenges Dr Han remained optimistic about the future.

On the Korean peninsula Dr Han commented that while the threat of war had decreased there were two emerging threats. One was North Korea's WMD (weapons of mass destruction) programme, currently being dealt with in six-party talks. The second was regime or state instability in North Korea, which could have serious repercussions for South Korea, America, China, Russia and Japan.

To deal with such threats the United States-South Korea alliance was of vital importance. The United States forces stationed in South Korea played a critical role in defence and deterrence.

Finally Dr Han examined New Zealand's role in the new Asia. He outlined the advantages that New Zealand had such as proximity to major Asian markets, a low cost base, first class

services industry, a business friendly climate, and the ability to work well with nation states in the region. Dr Han provided two suggestions to help accentuate New Zealand's Asia policy.

The first was that New Zealand develop a tailored Asian strategy, with innovation the key in areas such as education, financial and venture markets, and in its research and development base.

What is becoming increasingly important is value-creating enterprises and concepts that transcend national borders, domestic corporations, and related institutions.

DR HAN SEUNG-SOO, SERIOUSLY ASIA FORUM

A second suggestion was to strengthen New Zealand's commitment to cooperative security frameworks. To date, one of New Zealand's critical contributions had been the fusion of security and prosperity.

Dr Han concluded by saying that New Zealand could play a critical role in building and sustaining new institutions, norms and visions for the new Asia. This was the future challenge for the region.

Michael Green, Political and Security Issues Group convener

Michael Green presented five proposals from the political and security issues group (the proposals are contained in Appendix Five). Mr Green's comments focused on how the group worked and how the proposals were reached.

Core questions for the group had been how best New Zealand could maximise opportunities in good times and protect its interests in bad times. Mr Green explained that the issues paper for the political and security topic (available at: www.asia2000.org.nz/seriously/issues/politics01.php) stimulated discussion within the group as it reviewed the nature and direction of changes affecting Asia, and posed questions on ways to carry forward New Zealand's relationships in the region.

Mr Green observed that New Zealand was now less important to some Asian countries than when they were first independent, but at the same time New Zealand was more deeply engaged with Asia than ever before.

Asia is no longer distant. It now has a highly visible presence within New Zealand through immigration, tourism, and education. This is the one truly significant new element in our relations with Asia, and it has policy implications with which we have yet fully to grapple.

MICHAEL GREEN, SERIOUSLY ASIA FORUM

The pace and nature of change in the region, and the perception that New Zealand had not adjusted its policies quickly enough, was the key driver requiring a reinvigoration of the approach to the region.

Mr Green explored some of the challenges the group faced, including whether New Zealand should redefine its concept of security, what the emergence of China meant for New Zealand, and what strategic assets and political capital were available to New Zealand to deploy in the region. It was agreed within the group that New Zealand needed to clarify its strategic objectives in Asia, sustain engagement over the long-term, understand the central importance of relationships, and address a need for more research and better analysis to underpin policies.

Before examining the five proposals in depth Mr Green cautioned that they were based on steps to be taken after the Forum, rather than being answers to policy questions.

Proposal one was to map New Zealand's future with Asian countries. This entailed examining trends in Asia affecting its stability, political development, and economic growth; New Zealand's linkages with the region and the risks and opportunities; choices for participation and partnerships in Asia; and New Zealand's capabilities and limitations.

The Asian political and economic landscape is ever changing, and the rate of change is gathering momentum. For this reason it is relevant for us to reflect on the current and possible future relationships between New Zealand and Asia.

FARIB SOS, SERIOUSLY ASIA CONTRIBUTION

The second proposal was to optimise New Zealand's position by enhancing political and security relationships. This was intended to complement the analytical study by operationalising its outcomes. At its core was building and sustaining relationships as a long-term effort for long-term benefits.

Third was a proposal to strengthen New Zealand's ability to meet its policy objectives by enhancing analytical capability. The group saw a major weakness in the relative lack, in both public and private sectors, of capability for research and analysis on Asian issues from a New Zealand perspective. Improving this situation would be a task for the long-term and would have to be pursued by a range of agencies as resources permitted. Ensuring that research and analysis better informed policy would require leadership, an ability to commission policy-relevant studies, and choice between possible providers. In the shorter term some gains might be made through better information-sharing, coordination and cooperation.

Proposal number four was to develop a contemporary New Zealand profile in Asia. Mr Green said that entrenched impressions of New Zealand were often hazy, outdated or ill informed and were extremely difficult to change. Moreover, more accurate information about New Zealand did not necessarily resolve all difficulties. There was a link between knowledge and understanding on one hand and the quality of political and security relationships on the other.

Finally was a proposal to ensure that New Zealand institutions were effective partners in a 'New Zealand Inc' approach. For a small country, there were advantages in having different sectoral interests pulling together in a mutually supportive way. The group's discussions raised questions about the adequacy of coordination between government agencies in New Zealand, the coordination and focus of Asia-related academic institutes at tertiary level, overlaps between the mandates of business organisations interested in the region, the robustness of Track 2 institutions, and the focus of the Asia 2000 Foundation 10 years after its establishment.

PANEL DISCUSSION

***Dr Ellie Wainwright, Director for the Strategy and International Program,
Australian Strategic Policy Institute***

Dr Wainwright offered an Australian perspective. She noted that while New Zealand and Australia had differing strategic perspectives there were also many strategic issues in common, most importantly the maintenance of stability and prosperity in the Asia-Pacific region.

Certain specific areas where Australia and New Zealand shared common interests included ensuring that US-China relations remained healthy; that the six party talks on North Korea were successful; that Indonesia was prosperous, stable and democratic, as was the South Pacific; and that both countries participated in a strong and healthy multilateral environment in the Asia-Pacific to address transnational threats like terrorism and WMD.

Dr Wainwright made three observations on the political and security issues group's proposals. First she commented on the importance of proposal two: optimising New Zealand's influence by enhancing political and security relations with Asia. Dr Wainwright noted that strong people-to-people links in the region were the bedrock of successful bilateral relationships, covering business, government, education and young people. In particular, engagement of young people was critical to long-term engagement in the region.

I have spent three years studying in Singapore, a dot on the map about which I previously knew little. Now I have an appreciation of Asian culture that I would never have had in my whole life otherwise...I believe the challenge for New Zealand is to give more young Kiwis the same opportunities I had.

TESSA IRVING, SERIOUSLY ASIA CONTRIBUTION

Secondly Dr Wainwright commented on the value of regional cooperation to deal with common threats, such as terrorism. A by-product of such cooperation, as experienced by Australia in the aftermath of the Bali bombing, was that it could strengthen bilateral relationships.

Thirdly she noted the importance of proposals three (strengthening New Zealand's policy analysis capability) and five (ensuring New Zealand institutions operate effectively as 'New Zealand Inc'). Vibrant institutions and think tanks were vital in strengthening relations with Asia, as well as in providing a broad base of ideas to enrich foreign policy-making processes. Dr Wainwright explained the work of her institute, and other think tanks such as the Lowy Institute,¹ in opening up the foreign policy debate and the importance of interacting with similar institutions in the Asia-Pacific region to share views and perspectives.

¹ Information on this institute can be found at www.lowyinstitute.org/

Dr Sanjaya Baru, Editor Financial Express New Delhi

Dr Baru outlined India's history of engagement with the Asian region: from Jawaharlal Nehru, who endeavoured to find India's Asian identity after Independence, to the Look East policy of the 1990s. Dr Baru argued that India and New Zealand were the bookends to Asia and that there were at least eight points of contact between India, New Zealand and the region.

Points of contact include shared history in the Commonwealth and the Indian diaspora; the English language; sport, namely cricket; entertainment, especially the many Indian movies now made in New Zealand; trade and investment, which was not adequate and needed more focus; opportunities for increased activity in the services sector between India and New Zealand; the multicultural democratic experience; and common concerns about security. On the latter point an emerging common concern was the threat to trade and commerce on the high seas, where there were opportunities for New Zealand for greater contact and mutual cooperation with the Asian region.

The top four busiest ports in the world ranked by container volume are: Hong Kong; Singapore; Pusan, South Korea; and Kaohsiung, Taiwan.

AMERICAN ASSOCIATION OF PORT AUTHORITIES, 2000

Given that New Zealand's engagement with Asia was growing and deepening, and that India too was increasingly engaging with the region, Dr Baru maintained that the two bookends to the region must be more actively engaged. He commended the proposals put forward by the political and security group as very wise and quoted Deng Xiaoping who said that the 21st century would be an Asian century, but it could not be an Asian century without China and India prospering economically. Dr Baru believed that New Zealand's destiny was very much bound up in that process.

Ambassador Hiroaki Fujii, Japan Foundation

Ambassador Fujii examined the potential for serious conflict in the Asian region. From Japan's perspective there were immediate challenges in relation to North Korea and Iraq. Other challenges included new threats and the long-term potential for big power conflict. Japanese policy would be geared towards increased engagement in addressing new threats, and cooperation with New Zealand was possible.

The potential for big power conflict came from the rise of China, Ambassador Fujii said. While China's rise was a blessing to the region, history was rife with examples of conflict and struggle when a new power emerged, as Japan had learnt itself. From Japan's perspective there was no conflict of interest with China in terms of economic and security issues, but there were psychological difficulties, stemming from history.

The diversity of the region called for community building, according to Ambassador Fujii. Japan had suggested the formation of an East Asian community involving China, Korea, Japan, ASEAN, Australia and New Zealand. Such community building must be pragmatic and spread throughout society, especially among young people, and could then prevent big power confrontation.

Ambassador Fujii concluded his address by saying that he would like to see New Zealand a member of the Asian community in the broad sense, and that Japan and New Zealand could work together as peace facilitators in the region.

FLOOR DISCUSSION

Maarten Wevers, General Manager Government Business, New Zealand Post

Mr Wevers commented that political and security issues were no longer the exclusive domain of the state and increasingly included communities and organisations outside of the foreign policy domain. Organisations interacting internationally also needed good domestic links to encourage debate and develop buy-in to various policies. He noted that many of the points relating to politics and security had implications and links to culture, trade and investment issues. It was hard to divide up a holistic picture.

Mr Wevers pointed out that there was no need for New Zealand to reinvent the wheel when looking at its Asian relationships. When looking to map or optimise New Zealand's influence, the experiences and activities of other countries should be examined.

Finally Mr Wevers asked whether many of the proposals put forward were not too supply driven from New Zealand's point of view. If the key word was relationships then New Zealand needed to look at what its Asian partners thought it could offer. The danger was that New Zealand might pursue a direction of interest to itself, but not to its partners.

Peter Cozens, Director Centre for Strategic Studies, Victoria University of Wellington

Mr Cozens focused on the critical importance of 'think tanks' and Track 2 dialogue.² He suggested that there was too little support for Track 2, despite its importance in identifying problems at their inception, while think tanks could play an important role in generating ideas and concepts, and have the freedom to express them.

Twenty nations from the Asia-Pacific region were engaged in constant dialogue through the Council for Security Cooperation in the Asia-Pacific (CSCAP), Mr Cozens noted. Issues discussed included comprehensive and cooperative security, human security, maritime security, transnational crime, confidence and security building measures, and there was on-going research into Korean peninsula issues. At present Victoria University bore the burden of New Zealand's participation in CSCAP and Mr Cozens made a plea for more resources.

Gerald Hensley, former Secretary of Defence

Mr Hensley commented on the need to consider the importance of traditional security in New Zealand's view of the world. Questions included the relevance of traditional security in New Zealand's view. Could New Zealand be involved in significant conflict in the region? Or was military security a fading concept? If the latter was the view in New Zealand, then it needed to be asked whether it was shared by New Zealand's Asian partners. If it was not, engagement with Asia might be lacking a significant component.

To benefit from the Asian region New Zealand could not just take what it wanted, Mr Hensley added. It must also share some of the region's concerns and accordingly bear some of the region's responsibilities.

² The term Track 2, second track or twin track refers to non-governmental, non-official work on security and other policy issues. Formal diplomacy is Track 1, while Track 2 is non-official, often associative, able to deal with sensitive issues, and has been referred to as 'whispering in the ears of power', or 'telling the powerful the truth'.

HE Chen Ming Ming, the Chinese Ambassador to New Zealand

Ambassador Chen highlighted a unique asset of New Zealand: it enjoyed the trust of Asian countries. There were two reasons for this. First, New Zealand had been able to approach sensitive security issues in the region with discretion and respect. It was not intrusive, the Ambassador commented.

And I believe New Zealand should make good use of that asset, namely the trust it enjoys with Asian countries, and play a more active role.

HE CHEN MING MING, SERIOUSLY ASIA FORUM

Secondly, Asian countries admired New Zealand's willingness to speak out on critical, and sometimes sensitive, issues knowing this might impose a cost on its interests in other fields. Ambassador Chen encouraged New Zealand to continue to play an active role in the Asian security dialogue.

Dr Ellie Wainwright

Dr Wainwright responded to the question of whether New Zealand could have an effective dialogue with Asia without examining its own defence policies. She observed that it was a natural corollary to examine defence, foreign and security policy in the process of mapping strategic and security trends. A country needed a defence strategy that made sense and was in accordance with its strategic context. Dr Wainwright said she believed that New Zealand's decisions on defence had been sensible and based on its strategic geography.

She also endorsed Ambassador Chen's comments that New Zealand enjoyed the trust of countries in the region. This was an important and tangible asset that New Zealand enjoyed and which it could leverage as it sought to enrich its relationships with Asia.

Sir Frank Holmes, Honorary Adviser to the Asia 2000 Foundation

Sir Frank hoped that support would be given to two ideas expressed during the Forum. The first was strengthening the analytical capacity of institutions engaging with Asia. The second was the importance of bringing together New Zealand's different communities to take advantage of skills in the business, academic, and research communities and particularly from the growing number of Asian peoples in all these areas.

Sir Frank believed that there was a role for official structures, with Asia 2000's assistance, to reach out to help integrate communities. He also noted the value of New Zealand's independent approach to foreign policy and security, but noted also that New Zealand had much in common with other countries and that it should work with partners in the region in areas of common interest.

Terence O'Brien, Senior Fellow of the Centre for Strategic Studies, Victoria University of Wellington

Mr O'Brien raised the question of what Asians expected of New Zealand. In particular was New Zealand seen in the shadow of Australia, or was it regarded as having a profile and identity of its own? He also examined the idea of mapping New Zealand's future with Asian countries, a notion that required thought as to where to start from. Mr O'Brien argued that map creators must be careful not to start from traditional ways of thinking, including balance of power thinking. He said that balance of interest was a perfectly legitimate mentality for a small nation such as New Zealand.

Rodger Chan, Secretary of NZAC, New Zealand Centre Sarawak

Mr Chan suggested putting greater priority on the idea of emphasising cooperative activities with alumni. He observed that there was a large pool of goodwill towards New Zealand from alumni, dating from the Colombo Plan, and that it was not easy to have wars with true friends.

Professor Rolf Cremer, China Europe International Business School

What had been missing from the discussion so far, according to Professor Cremer, was an explicit mention of the importance of China. Focusing on Asia as a bloc of two and a half billion people was not an operational concept; instead an explicit focus on China and India was needed because changes in Asia and in New Zealand's role in Asia were being driven by these two countries.

Professor Cremer also commented on the proposal to project a forward looking profile reflecting New Zealand's distinctive identity. He argued that New Zealand should not present itself without regard to what other people may think about it. New Zealand's identity was changing. It would become more Asian in the future, and projecting an image of New Zealand needed to be dynamic to take account of that fact.

Based on the 2001 census there are around 32 different Asian communities in New Zealand.

REBECCA FOLEY, 'BENEFITING FROM DIVERSE COMMUNITIES', SERIOUSLY ASIA ISSUES PAPER, 2003

Dr Sanjaya Baru

On the issue of whether New Zealand was perceived to be in the shadow of Australia, Dr Baru commented that, along with Australia, New Zealand used to be perceived as being in the shadow of the United States. However, this had changed in the last few years. India's relations with Australia and New Zealand were strained after 1998 when India went nuclear, but since then a series of dialogues had started and the countries were no longer seen in each other's shadow but rather as independent actors.

Ambassador Hiroaki Fujii

Community building meant increased importance for smaller countries, Ambassador Fujii remarked, and in creating the Asian community New Zealand had a tremendous advantage: it had soft power and trust. The New Zealand lifestyle could be a model for community building as it was a western nation with an increasing Asian population. In this regard New Zealand was not in the shadow of Australia. In fact both countries were shining examples of community building.

Lex Henry, Asia 2000 Trustee

The focus of the issue group's proposals, according to Mr Henry, was absolutely correct – to map the future and reflect New Zealand's distinctiveness, optimise its influence and strengthen policy analysis. But innovation needed to be accentuated, he added. The proposals relied upon the status quo – maintaining already existing institutions. He suggested that one idea to consider was the concept of a Lowy type foundation being created for the region, with New Zealand having leadership of it and populating it with future leaders. Mr Henry said that to break the status quo young people must be allowed into existing institutions.

Dr Han Seung-Soo

Although New Zealand was small, it was regarded as a country eager for innovation in both the private and public sectors, Dr Han remarked. If this image could be maintained, New Zealand would do very well in the Asian region.

Paddy Mara, India-New Zealand Business Council

Mr Mara made two points. First, the emergence of India should not be disregarded: it would be a major powerhouse in the future. Secondly, Asia must not be looked at as a bloc: Asia was an entity with different cultures both within it, and within individual countries. India was not one country; it was 25 countries brought together. We needed to understand not only the culture of one country but the cultures within each country.

Dr Andrew Ladley, Director Institute of Policy Studies, Victoria University of Wellington

Dr Ladley commented that the way New Zealand projects its image in the region depended in large part on the way it managed its own relationships at home.

Alick Shaw, Deputy Mayor Wellington City

Mr Shaw picked up the theme of New Zealand's identity, saying that at the core of how New Zealand projected itself in Asia was the way we thought about ourselves. Thinking of New Zealand as an independent country with an independent view was important when developing relationships of respect between a very small country and countries that would be vastly more important in the future.

Mr Shaw also commented that 25 to 30 years ago New Zealand used to encourage international students to return to their countries of origin after completing their degree. Now it wanted these very same people to come and live here, and there was a lesson in this.

The long-term benefits of international students in New Zealand: these students will go on to become world-leaders in industry, commerce, government and education; their favourable experiences in New Zealand will likely be returned in-kind in years to come.

ANDREW BUTCHER, SERIOUSLY ASIA CONTRIBUTION

Colin James, Journalist and Session Moderator

Mr James commented that the discussion made it evident that the topic was dynamic and needed constant rethinking. New Zealand must be aware that it was not dealing with a monolith and that it needed to work at what it did. At present there was no political consensus on foreign policy and strategy, and that was needed. Finally, Mr James asked, how could New Zealand make its own identity known when it branded itself with someone else's flag?

Sir Dryden Spring

Sir Dryden concluded the discussion by saying that there had been no serious disagreement with the five proposals of the issues group. It had been made clear that New Zealand would prosper if Asia prospered, and Asia would prosper if China and India prospered.

What were needed were smart strategies and a more cohesive New Zealand Inc approach. New Zealand must make use of the values it was respected for, such as its non-intrusive approach. In partnering with Asian neighbours New Zealand needed to understand what they wanted, recognise the importance of community building and accept responsibilities in the region. New Zealand must make better use of what it had – use resources wisely and smartly. Relationships had been mentioned frequently Sir Dryden observed, and that was the basis of the whole Forum. Finally, Asia was a community of nations and New Zealand needed to tailor its approach on a country-specific basis.

NZ Inc should break out of the comfort zone and tap the expertise of NZ's Asian population.

SEONG-LUEN CHEONG, SERIOUSLY ASIA CONTRIBUTION

Serious Stocktake

AN ADDRESS BY THE MINISTER OF FOREIGN AFFAIRS AND TRADE AND CHAIR OF THE ASIA 2000 BOARD OF HONORARY ADVISERS, THE HON PHIL GOFF

Mr Goff examined the changes in New Zealand's identity over the last 40 years: from an offshore island of Britain to a nation proud of its Pacific identity, and an increasingly multicultural society. Contact with Asia had increased but recently some of the momentum had fallen off. As Asia developed and grew New Zealand could not afford to lessen the energy and commitment to its relationships within the region.

New Zealand's challenge is to keep on the radar screen of Asia's decision-makers, and the onus is on us to make the running.

HON PHIL GOFF, SERIOUSLY ASIA FORUM

New Zealand's history of constructive engagement had created a reputation for being a partner nation with interests in the affairs of the region. New Zealand was regarded as easy to deal with, clean, green and beautiful, but there was a need to enhance its reputation for innovative high-tech products.

There were certain weaknesses and risks for New Zealand in the region. New Zealand's small size could be an impediment to achieving some objectives, along with its distance from Asia, and it lacked a critical mass of resources, both human and financial.

Learning foreign languages was important, but it was a national weakness forming an obstacle to close personal and working relationships with Asian partners.

New Zealand was also economically vulnerable due to a heavy dependence on exports of primary commodities, whose value had declined over time.

For the year ended November 2003 nearly 26% of New Zealand's exports went to North Asia, and 7.95% went to Southeast Asia. Comparatively, 21.78% of exports went to Australia and the Pacific.

NEW ZEALAND TRADE AND ENTERPRISE: www.nzte.govt.nz/common/files/stats-nov03.xls

Proposals to form an East Asia Free Trade Area which did not include New Zealand caused concern. New Zealand needed to push the advantages of AFTA-CER as well as pursuing bilateral free trading arrangements.

New Zealand's nightmare would be a world increasingly divided into exclusive trading blocs from which it was locked out.

HON PHIL GOFF, SERIOUSLY ASIA FORUM

Security issues were a core element of New Zealand's foreign policy due to terrorism in particular. Events in the Asian region, such as on the Korean peninsula, in the India-Pakistan relationship, and at the Taiwan Straits also had the potential to damage the region and New Zealand's interests.

Mr Goff examined the way forward for New Zealand in its relationship with Asia. He noted that New Zealand was a young country and often impatient, compared with countries that had more than 2000 years of recorded history. New Zealand needed to learn patience and persistence. Personal and institutional relationships were fundamental in building trust and confidence between people.

Understanding and knowledge were needed; in dealing with Asia, New Zealanders needed to do more listening and learning, not just selling and telling. There needed to be greater integration of Asia into school curricula, in developing research capability, and in teaching Asian languages. New Zealand's own Asian communities could help up-skill other New Zealanders, and they themselves, if new settlers, required more support to adjust to New Zealand life.

The educational benefits of multilingualism and multiculturalism are irrefutable, and it is never too late in life to invest in them.

DAVID KEEN, SERIOUSLY ASIA CONTRIBUTION

New Zealanders needed to be aware of the importance of the Asian relationship and of the contributions made to the country by migrants, students and tourists. Appeals to ethnocentrism must be avoided. Also, all students coming to New Zealand needed a positive experience as this would build goodwill for New Zealand in Asia.

Finally Mr Goff commented that public and private sector activities needed to be better coordinated to maximise benefits and limit potential damage, for example in the export education sector. While government could provide a lead to the wider community, it relied on the energy, commitment and good sense of individuals and groups to ensure results were achieved.

Serious Business

A FORECAST OF ASIA'S ECONOMIC DIRECTION AND INTERNATIONAL BUSINESS OPPORTUNITIES

Collectively, across all industry sectors within New Zealand we must promote and nurture the sharing of knowledge leading to wider involvement and integration of all things – business, education, government and culture.

ANNETTE BLACK, SERIOUSLY ASIA CONTRIBUTION

David Mahon, Managing Director Mahon China Investment Management

Mr Mahon had lived in Beijing for 20 years, and offered the viewpoint of a New Zealander in China. His investment management company invested in unlisted companies in China for institutions around the world, enabling him also to offer an economic perspective.

It seemed a very daunting prospect to consider and relate to China due to its immense size and growth rates, Mr Mahon said. But from a business perspective China was not really a country. It was more a collection of small countries, poor countries, and countries that struggled for similar things as New Zealand, including stability and common-wealth. As a small country New Zealand could relate to this and approach China accordingly. He suggested examining one part of China to see where products could fit in, especially small cities and towns, some of which had populations larger than New Zealand.

So there is a place for New Zealanders doing business in China, and I think we should be undaunted.

DAVID MAHON, SERIOUSLY ASIA FORUM

On the other hand, Mr Mahon said, there were some New Zealand companies who should choose not to be in business in China. Mr Mahon hoped that New Zealand companies would become more selective about where they went and not try to take on the whole of Asia – an idea which did not exist in reality.

Mr Mahon applauded New Zealand's non-aligned status and mentioned that decisions over Iraq resounded in China because it showed a country choosing for itself and its region.

Retaining one's own identity and culture, Mr Mahon believed, was a very important aspect of being relevant in a country like China. He pointed out that Chinese saw foreigners as a collective mass and tended not to differentiate between different countries or cultures. It was important therefore to emphasise differences from other cultures.

On the issue of export education Mr Mahon said that when some language schools collapsed he was very concerned that Chinese people would be negative towards New Zealand. When the government became involved, however, he found that this was appreciated. It was important that the industry was properly governed because of the importance of the students to New Zealand's future relationship with China and other Asian countries.

Asia will dominate the global demand for international higher education. By 2025, Asia will represent some 70% of total global demand, an increase of 27 percentage points from 2000. Within Asia, China and India will represent the key growth drivers generating over half of the global demand in international higher education by 2025.

www.idp.com/marketingandresearch/research/GlobalStudentMobility2025.pdf

When Mr Mahon left New Zealand in 1984 it had been mooted that Mandarin would be taught widely in schools and New Zealand would develop a cadre of people who could speak Asian languages. In fact the opposite had occurred, he noted.

There's been an atrophying of teaching of foreign languages, of Asian foreign languages in school.

DAVID MAHON, SERIOUSLY ASIA FORUM

Mr Mahon disabused the notion that China was a difficult country in which to do business. While there were examples of failure, these examples could be learnt from. He challenged the idea of the future China being the factory to the world; instead he argued that businesses should go there and create products to service the domestic market. Less than two percent of China's GDP was related to foreign trade; it was really a domestic economy.

On the rule of law in China, Mr Mahon explained that within the space of 10 years China had built a canon of commercial law, and a fair body of civil law. He believed that there was all the law needed to do business in China so long as good local lawyers were used, and the court system should be used if things did not work out. Mr Mahon had been very impressed with the integrity of Chinese law and the arbitration courts in particular.

Mr Mahon commented on Taiwan, saying that the issue was an enormous distraction. China, Taiwan and America were working hard to come up with a solution through economic evolution and greater contacts between individuals and families. The idea of China as a regional bully was flawed as China had many internal issues to deal with such as poverty, education and health development, and urbanisation. China did not have the energy or resources to bully its neighbours.

Any military threat from China is much overplayed. China wants and needs development of about 8% per year. It is sensible enough to know that an aggressive military stance or action would interfere with that development.

STUART MCMILLAN, SERIOUSLY ASIA CONTRIBUTION

New Zealand should engage with China at all levels, beginning by learning the language of China, and those of other Asian countries. Mr Mahon concluded that New Zealand should not wait for China to come to New Zealand but should make its own overtures.

It was great to hear David's comment, saying that he is proud to be a New Zealander and feels a New Zealander in China – in other words, that's someone who's spent 20 years in China and still feels himself clearly a New Zealander. Why shouldn't our Asian immigrants feel exactly the same in this country?

JOHN MAASLAND, SERIOUSLY ASIA FORUM

Hon Fran Wilde, Trade Tourism and Investment Issues Group Convener

Hon Fran Wilde reported back on behalf of the trade, tourism and investment issues group. She began her presentation by noting that in the last three decades New Zealand had changed its business focus from traditional markets to opportunities in the Americas and Asia.

Asia was really a self-selecting region for New Zealand due to its share of the world's population, proximity and consumer demand, as well as because of changes within New Zealand such as the increasing Asian population and the fast growing services sector.

Services represent over 50% of GDP in many Asian economies, and in countries like China, services are expected to be the fastest growing sector in coming years.

MURRAY DENYER, 'WHERE IS NEW ZEALAND HEADED?', SERIOUSLY ASIA ISSUES PAPER, 2003

Nearly half the public contributions to the website had been focused on trade, investment and tourism, Ms Wilde said. They were varied and included those from people of Asian origin living in New Zealand and from New Zealanders living in Asia. Key themes had been the need for greater depth of knowledge and understanding, investing in long-term relationships, the need for access to quality information in New Zealand on Asian markets, and about New Zealand in Asian markets. One specific suggestion had been that attention needed to be paid to a number of emerging markets, notably Southeast Asia and India, in addition to the larger economies of North Asia.

South Asia will also be important economically in the future. India's economy, whilst presently weaker than China's, could be the economy of the future. Now is the time to develop relationships.

JIM ROLFE, SERIOUSLY ASIA CONTRIBUTION

...there is nevertheless something of an argument to be made for some greater massaging of relationships with the countries of Southeast Asia to which we are in some ways less close than was the case in decades past.

JAMES KEMBER, SERIOUSLY ASIA CONTRIBUTION

In developing their five proposals (see Appendix Five) the issues group had taken a pragmatic view, informed by the experience of members in doing business in various Asian markets. The first question examined by the group had been how New Zealand Inc could improve its strategic understanding and analysis. Its first proposal concerned New Zealand's approach to its own image and how it was perceived. While much had been done in that area New Zealand was small and competition had grown, and better coordination of resources was imperative. Also increased resourcing was required for the generic positioning of New Zealand, from both the government and private sectors.

There is some level of ambiguity in NZ's image in Asia...[A] refined vision and well-articulated national interest should be able to justify our relations and activities in the region.

XIAOMING HUANG, SERIOUSLY ASIA CONTRIBUTION

A second major pillar that needed strengthening was the approach to New Zealand's policy and regulatory framework, where private sector input was required and transaction costs needed to be addressed. In that area the focus was on achieving greater dialogue and collaboration between the private and public sectors, a sub-set of the New Zealand Inc approach from proposal one.

The three remaining proposals focused on the micro-level. Proposals number three and four were concerned with many of the issues from culture and society. The point was that there was already a wealth of knowledge and experience in both New Zealand and Asian countries, which could assist in building mutually profitable relationships.

I believe tapping into Kiwis living in Asia is key for further expansion of NZ businesses in the region.

JON DOHERTY, SERIOUSLY ASIA CONTRIBUTION

Proposal three examined the value of joint ventures, networks, and strategic alliances, with special reference to learning from those who have had experience in Asian markets. People who had been successful often emphasised the importance of having a trusted business partner in the market. It was important to learn how to develop such relationships and forums could be created for companies to make contacts and learn how to succeed.

Tens of thousands [of] Asian[s] arrive each year, bringing with them not only billions of dollars to invest, but their breadth of business knowledge and skills which can be invaluable experience to help energise the NZ and Asia links.

NAME WITHHELD, SERIOUSLY ASIA CONTRIBUTION

New Zealand is a nation of SMEs. Many of these companies are looking for investment vehicles to allow them to grow. Conversely, NZ already has a number of skilled migrants with capital, who are looking for SME-level investment opportunities, but who are not getting assistance to find such investments. How do we bring the two parties together?

PETER S COOPER, SERIOUSLY ASIA CONTRIBUTION

There were a number of suggestions for the fourth proposal – more effective development and utilisation of business relationships and formal/informal connections with Asia. Suggestions included the proposal by Asia 2000 to form an Asia-Pacific Business Network, which the group recommended proceed; mentoring of others by experienced players; getting the private sector involved in business dialogues and mirror networks in key sectors; web-based information in Asian languages on New Zealand opportunities, processes, systems and regulatory requirements; and effectively using the web of knowledge and support for New Zealand that existed in a number of Asian countries.

The final proposal related to tourism and achieving higher yield through quality positioning. Again the importance of knowledge and understanding was paramount, as was collaboration between private sector operators and relevant government agencies.

PANEL DISCUSSION

Brent Taylor, Managing Director Fonterra Asia

Mr Taylor explained that Asia was critically important to Fonterra and to New Zealand. Asian countries represented six of Fonterra's top 10 markets. Exports to Asia generated close to 50 percent of Fonterra's US\$6 billion dollar export earnings in 2002/2003. In fact Fonterra considered Asia, rather than New Zealand, to be its home market.

The per capita income of Asian consumers is growing faster than anywhere else in the world.

MURRAY DENYER, 'WHERE IS NEW ZEALAND HEADED?', SERIOUSLY ASIA ISSUES PAPER, 2003

Mr Taylor cautioned against seeing 'Asia' as a single market, each country in the region being different with its own way of doing business. He advised new and developing exporters to first gain a clear idea of what their aspirations and needs were and, more importantly, their ability to deliver, before considering any market development. It could be too easy to get involved in opportunistic ventures and/or to enter too many markets at once and become over-stretched.

He commented on different markets in the region, saying that most countries in Southeast Asia were relatively straightforward from a business point of view, mainly because of their legal systems' generally facility with the English language, and because their business cultures were welcoming to new approaches. Business in China was pragmatic and action-orientated and it was the dynamism of the market that New Zealanders most struggled with. The willingness to act quickly and in a pragmatic way was difficult to keep up with. Other markets such as Japan required patience but could be rewarding in the long-term, while in Korea it was hard to access end-users.

On different legal systems Mr Taylor provided comparative figures: there were fewer lawyers in the whole of Japan, with a population of 125 million people, than there were in Washington DC with a population of 500,000. And there were even fewer in Southeast Asia. He commented that recourse to the legal system was seen as a failure, and trust was the key.

Relationships are critical – throughout Asia, maintaining good relationships is a pre-condition for business success for your customers, your business partners, your agents.

BRENT TAYLOR, SERIOUSLY ASIA FORUM

In doing business in Asian markets Fonterra had found value in working with local business partners to leverage their local knowledge, experience, and distribution network. Fonterra was currently developing new joint ventures in the two most populous countries in the region: China and Japan.

Mr Taylor explained the importance of people to Fonterra's business. The company increasingly employed local people in their various markets, bringing them to New Zealand for training. The local staffs' bi-culturalism and understanding of both systems enabled Fonterra to be extremely successful.

On a final note Mr Taylor commented that in 2004 East Asian economies looked to grow twice as fast as those in the west. Fonterra had commercial strategies in place to take part in that growth, but trade policy was also extremely important. He believed that there were a few areas where New Zealand was lagging behind, for example the recent announcement of an Australian and Thai FTA, but he hoped that they would be a rare exception.

Total merchandise trade in the Asian region (US\$2,872 billion in 2001) represents almost a quarter of the world's merchandise trade. One third of New Zealand's merchandise exports go to Asia – worth NZ\$10 billion in 2002 and representing over 100% growth since 1990, by far the largest growth in dollar terms of any region New Zealand trades with, despite the Asian financial crisis in the late 1990s.

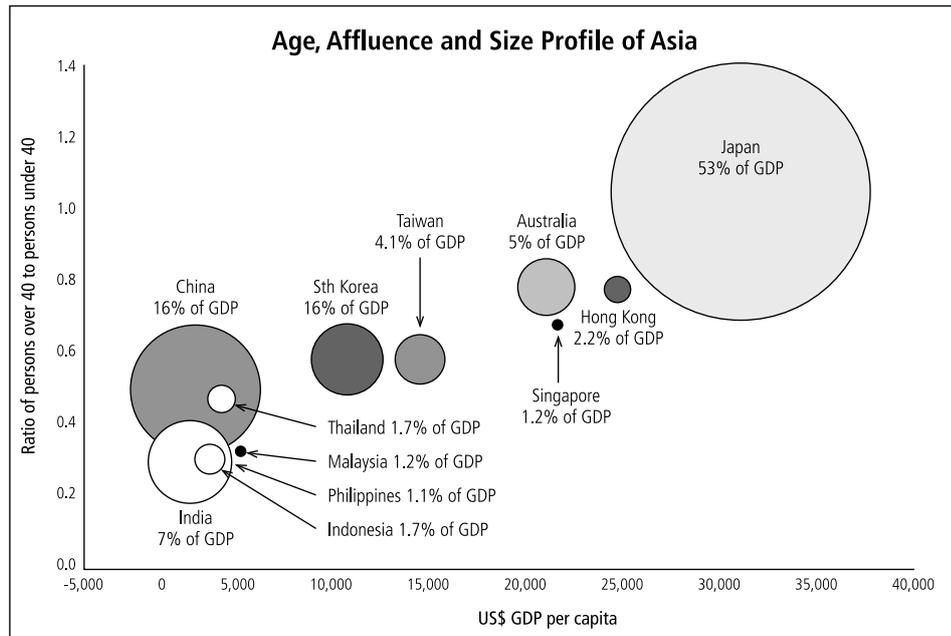
MURRAY DENYER, 'WHERE IS NEW ZEALAND HEADED?', SERIOUSLY ASIA ISSUES PAPER, 2003

Dr Clint Laurent, CEO Asian Demographics

Dr Laurent's focus was on demographic changes in Asia and the market opportunities that would emerge. He told the audience that to develop a strategy for Asia people needed to know what Asia would be like in the future, not the past. Demographics were the key to this.

Doing business in Asia required selectivity concerning markets, Dr Laurent said. While China had received a lot of attention from business, other emerging key markets included Malaysia and Thailand. Dr Laurent used the following diagram to illustrate his talk:

THE LIFECYCLE STAGES OF ASIA



The diagram showed GDP per capita along the bottom and the ratio of people over 40 to people under 40 on the vertical axis, the size of the circle being the size of the economy.

Accordingly, Japan was old and affluent, Dr Laurent explained. In fact after 2008 the only age group to increase in Japan would be the 70+ age group. There was a shortage of grandchildren which meant that New Zealand toy makers could produce higher value, higher quality products. Another opportunity for New Zealand was training to lift the productivity of the labour force which was declining in absolute size.

...there are currently 19.6 million skilled white collar office workers in the affluent countries [Japan, Hong Kong, Singapore, Taiwan, and South Korea]. This will increase to 22.4 million by 2012 and 23.3 million by 2022. This is in spite of the total labour force in these same countries declining by 7 million in the same period.

CLINT LAURENT, 'KEY DEMOGRAPHIC AND SOCIO-ECONOMIC TRENDS IN ASIA OVER THE NEXT DECADE AND THE BUSINESS OPPORTUNITIES THESE CREATE', SERIOUSLY ASIA ISSUES PAPER, 2003

Hong Kong, Singapore, Taiwan and South Korea were middle-aged and quite comfortable. The growing demographic group in these countries was the empty-nesters who owned their own home. For example in Korea 81 percent of households were owner-occupied with no mortgage. These empty-nesters were now demanding experiences, so there was an opportunity for tourism. Dr Laurent noted that these people did not backpack, but also did not stay in the main chain hotels: they stayed in good, comfortable hotels and wanted nice, safe holidays. He estimated that this group would increase by one million people every year for the next 10 years.

Dr Laurent warned that the youth market in all four countries was declining, and gave the example of Coca-Cola. Coca-Cola knew that its youth population was declining at one percent per annum in those countries and therefore was no longer focusing on the carbonated drink that made it popular. It had repositioned its product line, introducing water and mineral teas aimed at the 45 and 60+ empty-nester. It had repositioned its products to meet the new market.

At present an average of 15% of the populations of these affluent countries are over 60 years of age. By 2022 this will have increased to 27%. In absolute number the 60 year and older population increases from 41.6 million in 2003 to 64.5 million in 2022.

CLINT LAURENT, 'KEY DEMOGRAPHIC AND SOCIO-ECONOMIC TRENDS IN ASIA OVER THE NEXT DECADE AND THE BUSINESS OPPORTUNITIES THESE CREATE', SERIOUSLY ASIA ISSUES PAPER, 2003

On the issue of export education Dr Laurent believed that New Zealand was targeting a shrinking market amid great competition. He cautioned about longer-term business prospects in such conditions. Dr Laurent also mentioned that in all four countries labour productivity would become more important.

The third group of countries that Dr Laurent examined included the Philippines, Malaysia, Vietnam, Thailand and Indonesia. These countries had the emerging young householder group who were educated, earned more money than their parents and typically lived in a four-plus household. However, the real opportunity in these countries was not consumer products but infrastructure.

Excluding Indonesia, in the Philippines, Malaysia, Vietnam and Thailand every year for the next 10 years there would be 3.6 million additional urban dwellers. Major issues were emerging such as water articulation, waste management, power distribution and power generation. There was a potential goldmine for New Zealand infrastructure companies.

Finally, Dr Laurent examined China and India. He cautioned against grouping these two countries together, saying that their only similarity was their population size. India would be larger than China by 2013 because currently 19 percent of China's population was less than 15 years old. In India 31 percent of the population was less than 15. Such different population dynamics produced different consumption patterns and per capita disposable incomes.

Dr Laurent argued that the ability of China to accelerate was increasing because the number of people needing education and training was declining, meaning it could do a better quality job with the same resources. Dr Laurent believed that China was gaining a significant strategic advantage and currently offered greater opportunities than India. India could be the opportunity in around 10 years' time, however.

Wally Stone, Chair Whale Watch Kaikoura

Mr Stone's presentation used the concept of New Zealand as a single entity – a single business, a single organisation – with Asia being the consumer. He outlined four strategic pillars that would enable New Zealand as a business to successfully engage with Asia, the consumer.

The first pillar was the fact that consumers were spoilt for choice, competition was intense and within tourism New Zealand received less than one percent of all international travellers. Therefore the first strategic pillar was for New Zealand to be a consumer/market driven organisation.

Secondly, consumers had special needs and wants, so organisations needed to define their ideal consumer. Tourism New Zealand had identified a target market of ideal travellers called the 'interactive traveller' who travelled independently at a slow pace and chose activities where there was an opportunity to engage with and learn about New Zealand's culture, environment and lifestyle. Initial research into the interactive traveller in Asia indicated that there was a growing middle to upper class, which had the disposable income to travel further. Preliminary findings showed around one percent of the total Asian population had characteristics of the interactive traveller, representing around 20 million people. The second strategic pillar was to identify who New Zealand's ideal consumer was.

The third pillar was being able to communicate with the ideal consumer, and provide them with a consistent, compelling proposition. For example, Tourism New Zealand's global marketing campaign, 100% Pure, had enabled New Zealand to consistently communicate to the target market, the interactive traveller. The third strategic pillar was for New Zealand to establish a global brand platform therefore.

The fourth pillar was for New Zealand to promise only what it could deliver. That meant making sure that everyone in the organisation was in tune with the ideal consumer profile, and was able to consistently deliver in terms of pillar three. A happy consumer was the most effective marketing tool for any organisation. In other words, if New Zealand promised quality education for Asian students, then it must deliver on that promise.

Mr Stone examined the importance of Asia for the tourism industry. He noted that arrivals from the Asian region increased 18 percent in 2002. Visitor numbers from Asia were expected to reach 535,000 in 2006 and 668,000 by 2009, representing an average growth rate of 8.8 percent per annum. That level of growth would increase the Asian share of visitor arrivals from 18 percent in 2002 to 22 percent in 2009. However, more important was the rapid growth in visitor expenditure, with total expenditure expected to reach \$1.39 billion in 2003, \$2.31 billion in 2006 and \$3.23 billion by 2009. That represented an average growth rate of 12.7 percent per annum over the next seven years, and an overall increase of 1.83 billion dollars.

FLOOR DISCUSSION

Ross Wilson, President New Zealand Council of Trade Unions

From a trade union perspective Mr Wilson made two related points concerning increased awareness and developing informal and formal links. He pointed out that trade union links were very important and there was already an active Asia-Pacific trade union organisation, as part of the International Confederation of Trade Unions, with 150 million affiliated union members.

Mr Wilson endorsed Deputy Prime Minister Lee's comments on the importance of union leaders understanding government trade objectives. He argued that New Zealanders needed to understand trade objectives and their benefits. Respect and tolerance must also be developed if New Zealand was to truly claim to be part of the Asian region.

Developing relationships with Asian trade union movements was important, he said. Already the New Zealand trade union movement had established relationships with the Singapore Trade Union Movement, the Japanese Trade Union Confederation (Rengo), and the All China Federation of Trade Unions.

Stephen Jacobi, Chief Executive New Zealand Forest Industries Council Inc

In Mr Jacobi's view, while the forestry industry received a considerable amount of revenue from Asian markets, it needed to be more serious about positioning itself for the future in those markets.

Mr Jacobi agreed with the proposal to develop a set of criteria for prioritising and pursuing New Zealand's trade policy goals, particularly in relation to free trade agreements in the region. He thought that it was not so much criteria that were needed but rather a strategy for identifying the agreements New Zealand wanted to gain. Mr Jacobi felt that a strategy document with business input would be extremely useful.

On the issue of branding, Mr Jacobi thought that the emphasis had been on the New Zealand brand with a small 'b' but effort was now required on the brand with a big 'B'. He said that branding was about a consistent strategy implemented over time and New Zealand needed a stronger idea of what that strategy was. It should be flexible enough to allow individual companies and sectors to be able to develop individual brands, he said.

Finally Mr Jacobi supported improving the teaching of languages in New Zealand schools. If New Zealand was to take advantage of opportunities it required people with language skills.

**It is time we made a serious commitment to learning about Asia,
in the same way that people come to learn from us, from Asia.**

CHRIS HAWLEY, SERIOUSLY ASIA CONTRIBUTION

...we can't be effective in Asia if we can't speak the language.

BRIAN HEDLEY, SERIOUSLY ASIA CONTRIBUTION

Dr Clint Laurent

Dr Laurent commented that the New Zealand brand was generally well regarded. The perception was clean and green, and the Pure NZ campaign had helped with recognition. This meant that New Zealand companies started with a generic position of quality. He believed that branding was important and the right direction to go was to leverage it.

Wally Stone

Mr Stone suggested that any brand needed to be underpinned by a set of values that were totally committed to. People would then trust them and believe in what you were doing. Mr Stone thought that New Zealand needed a brand platform and it needed to mobilise every industry to leverage off it. Until that was done New Zealand would not gain market penetration. Anything that was done in terms of developing a brand not underpinned by brand values and reality was mere tinkering.

Brent Taylor

Mr Taylor commented that New Zealand got little mention in the Asian media. Opportunities for media coverage did not occur very often, so when they did the key was to try and multiply them.

John Moriarty, CEO Tourism Industry Association of New Zealand

Mr Moriarty questioned how the ideas put forward during the Forum were to be put into practice. In the tourism area he asked, if the industry was to expand, how would local communities embrace tourists? And how could New Zealand ensure that they see the things we want them to see when they are here? He believed that there were leadership opportunities for communities, local government and the education sector. He asked what should be done, what kind of policies, and what kind of leadership issues New Zealand should be investing in to get the questions answered.

There is huge economic tourism potential from Asia, but this can only be realised to the degree that Kiwis will welcome Asian people as guests of the country.

TONY EVERITT, SERIOUSLY ASIA CONTRIBUTION

Dr Clint Laurent

Dr Laurent noted that if a business wanted to export to Asia it had to go there to understand the market; it could not wait for the market to come to New Zealand and ask for the product. He suggested using organisations to gain information such as New Zealand Trade and Enterprise, which had been very helpful to his business when setting up offices in Hong Kong and Shanghai.

Brent Taylor

Mr Taylor believed that there was an attitude problem in terms of how New Zealanders dealt with the numbers of Asian tourists and immigrants. He believed that this attitude needed to be put right because the Asian region was where much of the tourism came from. Asian tourists wanted to feel liked while in New Zealand.

Tim Gibson, Chief Executive Officer New Zealand Trade and Enterprise

Mr Gibson responded to the question about 'how to do it' by observing that New Zealand was already actually doing it as a country. To him it was all about knowledge and information exchange, such as was occurring at the Forum. The role of organisations like New Zealand Trade and Enterprise and the Ministry of Foreign Affairs and Trade was to create, develop and nurture networks, and to introduce New Zealanders and Asian partners into them. He commented, 'Let the relationships develop and then, frankly, the commerce will follow.'

Bill Joyce, Global Market Manager Meat New Zealand

Mr Joyce told the Forum that New Zealand exports of meat to Asia in 2003 increased by \$100 million dollars to reach around \$700 million. Mr Joyce explained that four years ago Meat New Zealand decided to focus its global market development efforts for beef solely on the restaurant sector in selected Asian markets. Underpinning this effort were relationships.

Meat New Zealand wanted to build relationships not only between the exporter and the importer, but down the distribution chain to the individual chef in the restaurant who made the final purchase decision and presented the product to the customer. To do this, Meat New Zealand realised it needed people on the ground, but with a limited budget could not afford to do it themselves, so they entered into contractual arrangements with locals.

In the case of Taiwan the contract went to New Zealand Trade and Enterprise who, Mr Joyce said, had done an outstanding job in building up relationships with chefs. He cited one positive result that had been attained: just four years ago a leading steakhouse chain in Taiwan had New Zealand beef as 20 percent of its menu; it was now 80 percent. In 2002 beef sales in Taiwan grew 20 percent, to reach \$150 million.

As a result of a clear strategy and a clear focus, addressing the critical element of building relationships down the distribution chain, and the outstanding effort of New Zealand Trade and Enterprise, the meat industry had achieved exceptional results.

NZ companies have to spend more time in Asia and understand the Asian way of operating business and to compete in the Asian market. NZ will never be able to compete in mass market products – but niche markets, yes.

STUART SOO, SERIOUSLY ASIA CONTRIBUTION

Eugene Bowen, Chief Executive Local Government New Zealand

Local government was added by Mr Bowen to the list of partners and players in the development of relationships with Asia. He mentioned that with the Local Government Act there was increased expectation and obligation on local governments to become involved in the economic development of communities.

Mr Bowen said he had been involved in an exercise to map New Zealand's relationships with Japan, and was surprised at the considerable number of communities and societies involved in international exchange and in dealing with foreign traders.

...there are over 40 sister cities between NZ and Japan...There is high potential for grassroots, goodwill exchange opportunities.

TENSHIN KOBAYASHI, SERIOUSLY ASIA CONTRIBUTION

There were two types of knowledge when internationalising small and medium exporters, Mr Bowen suggested. One was knowledge that could be transferred, for example the knowledge from organisations such as New Zealand Trade and Enterprise. The other was experience; experience reduced perceived risk and made companies and societies more amenable to dealing with foreigners. Mr Bowen believed that contact with sister cities and within local business groupings engaged with overseas economies, was one of the best ways of familiarising New Zealanders with foreign business and developing the confidence to enable them to create more of their economic well-being in currencies other than the New Zealand dollar.

Celia Caughey, Vietnam Chapter Chair ASEAN New Zealand Combined Business Council

Ms Caughey believed that the importance of what New Zealand could learn from Asia should not be underestimated. One of the things that she learnt from her relationship with Vietnam was the importance and power of a vision. Ms Caughey wanted to see the Forum develop a simple theme or vision to pull everything together and to go forward.

According to Ms Caughey the reason that trade was stagnating between New Zealand and Asia was because the right people were not being brought together. New Zealand exporters needed to meet with the right people and develop relationships in Asia. A potential way of doing so would be to tap into the parents of international students in New Zealand.

The predominant theme in Ms Caughey's view was *he tangata, he tangata, he tangata* – the people, the people, the people. As a starting point, a vision could be getting people together to forge new trade ties, develop cultural understanding and break down stereotypes. It was only by such actions that things would happen, she suggested.

Lex Henry, Asia 2000 Trustee

Mr Henry commented that in the Asian market New Zealand remained a price-taker not a price-maker, which had to change given the quality of product. He thought there was a simple problem: lack of market intelligence. He asked what market intelligence was needed now, arising from the proposals, which would allow smart business decisions to be made as well as support policy decisions. Unless information was used better, New Zealand would continue to have a multitude of organisations and a plethora of information streams, but at the end of the day no proper intelligence to use as a basis for smart decision making.

Vincent Chew, Malaysian Chapter Chair ASEAN New Zealand Combined Business Council

Mr Chew endorsed the direction of discussion at the Forum, but felt that particular attention needed to be paid to removing or reducing the amount of prejudice that Asians faced in New Zealand. He said that while many organisations supplied trade and services to Asia, particularly tourism, very few New Zealand Asians were employed to help provide the service. Mr Chew also asked that international students be given more support and assistance. He asked that something be done to enhance the image of New Zealand in Asia.

Fostering communication between diverse groups, not only between Pakeha and 'Asians' but between 'Asian' people and Maori and Pacific communities, is required. This should occur at all levels: in government, in community settings and on a one-to-one basis.

BEVEN YEE, SERIOUSLY ASIA CONTRIBUTION

Estella Lee, Managing Director Chinese Conservation Education Trust

Ms Lee suggested that business people who wished to visit China to meet people should work with the Chambers of Commerce, as she had done in the past. Through the Chamber a trip was organised in which all she had to pay was the airfare and, once in China, business contacts were provided. There would be little chance of organising such contacts travelling to China alone. She mentioned that although the Chambers often offer such trips few business people were interested. Her advice was that even if an agreement or deal was not signed, it was a learning experience.

Professor Rolf Cremer

Professor Cremer made two comments with respect to concrete action. He recalled first the point made by Dr Laurent that it was not sufficient to stand on the shores of Auckland and wave containers goodbye and assume that products would sell in a market of two billion with a tremendous GDP. Instead one had to be there, be prepared to learn, to listen to customers, to redesign, to customise, and to change the way the organisation worked and learnt. This was not happening to a sufficient extent in New Zealand.

His second point was that a number of the issues group proposals referred to alliances and networks. Alliances were no substitute for developing core competency. If a business did not have the competency, perhaps it should follow David Mahon's suggestion and stay out. Regarding alliances, Professor Cremer made a specific proposal with regard to China.

In China at present there were around 5500 to 6500 first class, postgraduate students studying for an MBA or similar qualification with international institutions. All of these students wanted international experience in the form of internships, consultancy projects and so on. One concrete action with respect to market intelligence was to contact those MBA programmes and examine whether there were students willing to work with a company to generate it. It was important for them in their education and getting to know international ways of doing things, and could be useful for New Zealand companies as well.

Pancha Narayanan, President New Zealand Federation of Ethnic Councils

Mr Narayanan said that the proposals were good, but thought that there was one area meriting further exploration: learning another language. He observed that in New Zealand most people spoke one language, whereas in Asia many people spoke more than one. Mr Narayanan asked what New Zealand could do to change attitudes to make it compelling for people to learn more than one language.

Asia continues to be seen too fully in terms of its economic opportunities: when its economy booms, interest rises and resources are strong. When busts come to the region, as they did in late 1997, student interest inevitably wanes somewhat. As we work to change a mindset that focuses on Asia first and foremost as a source of economic gain rather than a region worthy of attention in its own right, we require a commitment to build programmes and to see them through during potential lean years.

STEPHEN EPSTEIN, SERIOUSLY ASIA CONTRIBUTION

David Mahon

Mr Mahon commented that language was a very difficult area. When he first arrived in China he knew no Chinese but was soon inspired to learn it because he wanted to know the people he was living amongst and to communicate with them. He believed that the first step was respect towards other cultures. Mr Mahon suggested that the education system provide learning opportunities on culture, for instance by including Asian history.

A platform needed to be put into the education system and students needed to know that there was a job to be had if they learnt to speak an Asian or other foreign language: a cultural basis was needed first. Mr Mahon also suggested that companies could perhaps declare more specifically what they were looking for.

Sir Dryden Spring

In summing up, Sir Dryden said that the session had provided valuable analysis on strategies for New Zealand to follow to improve its effectiveness in Asia, and some excellent points had been made on business strategies that people thinking of doing, or intending to do, business in Asia should follow. The main points were: look at the facts, get out there, share and collaborate. Intelligent market analysis was crucial.

Another key point was to be selective about markets: select a target and focus on it, identify the customers, what they want, where they want it and how they want it, and deliver on your promise. In Asia, particularly, be patient and commit for the long-term, establish relationships and work hard to build trust and respect.

Sir Dryden said that there had been general agreement on the summary points from the issues group. On prioritising New Zealand's trade policy goals he personally believed that getting CER and AFTA together should have a high priority. In the climate of proliferating preferential trade agreements a national strategy involving business would be useful.

One of the most important things that New Zealand as a nation could do to improve its long-term effectiveness in Asia was the teaching of Asian languages in school. Sir Dryden mentioned that about 12 years ago the former NZ Dairy Board adopted the policy that any Kiwi posted offshore had to learn the language of the country they were posted to. The reason for this was that culture was part of the market, and if the culture was not understood, marketing was difficult. Secondly it provided a powerful statement to the people of the host country, and thirdly it made employees highly effective.

Serious Societies

A DISCUSSION OF THE PEOPLE FACTOR IN DEVELOPING REGIONAL RELATIONSHIPS

We need to build up our understanding of Asian societies and how they work. Education can help; our Asian NZ communities can help; our media can help.

SIMON MURDOCH, RAISING NEW ZEALAND'S ENGAGEMENT WITH ASIA, LUNCH ADDRESS TO THE CHINESE CENTRE (AUT), ASIAN BUSINESS COUNCILS AND THE AUCKLAND CHAMBER OF COMMERCE, SEPTEMBER 2003

Timothy Ong, Chair The Edge Asia Inc

Mr Ong's first advice was that 'if New Zealand is to be serious about the thriving, prosperous, disparate societies of Asia [it needs to] go beyond the term Asia'. He provided some of his own biographical details as an example, noting that he grew up part of a prosperous Chinese Christian minority in Brunei, that his first language was English, having learnt Malay as an adult, while his Chinese was poor. He had been educated at an English school in Brunei, went to boarding school and university in Australia and later studied at the London School of Economics. These details underlined the point that when someone was thought of as 'Asian' or 'Asia' was referred to, it actually revealed very little.

Mr Ong pointed to three recurring themes in the 'Asian' story: diversity, disparity and dynamism. In terms of diversity, one in three Asians was Chinese, one in four Indian, and one in 1400 Malay. But again this revealed little, due to diversity within the ethnic groups, for example between mainland Chinese and the diaspora, between urban and rural Chinese, and so on. When talking about Asia which Asia was it? Urban Asia? English-speaking Asia? Confucian Asia?

Asia was also highly disparate in terms of the gap between rich and poor, even if the prospects for the future were great as Asia developed. While certain countries were developing quickly, such as India, China, Vietnam, Malaysia and Thailand, there were also some troubled countries such as Indonesia, the Philippines and the economies of central Asia. So when thinking of booming Asia, it must also be remembered that it was a highly disparate landscape.

Dynamism was another characteristic, Mr Ong said. In 1952 the Philippines had an income per head twice that of Thailand, but now Thailand was two times wealthier than the Philippines. A similar story applied to Korea and Malaysia in manufacturing terms. Meanwhile Japan, which was the juggernaut of the region in the 1970s and 1980s, had been mired in a recession since the bubble burst in the 1990s: in 2002 Japan's GDP was only marginally higher than in 1991.

What did the Asian region's diversity, disparity and dynamism mean for New Zealand? Mr Ong put a premium on three things. The first was the need for New Zealand to disaggregate Asia: being small New Zealand could not have a relationship with the whole of Asia, it needed to be specific.

Asia is an abstraction, a useful one, but an abstraction none the less.

TIMOTHY ONG, SERIOUSLY ASIA FORUM

Secondly New Zealand needed to differentiate itself. Comparatively Singapore was also a small country but it was not a blip on anyone's radar; it consistently punched above its weight as it had invested in building the Singapore brand. New Zealand was not a blip in the worlds of rugby, sailing, or film and movie making and there was no reason either why it should be a blip in the world of economics, global trade and investment. Differentiation was how New Zealand would move to being a recognisable entity.

The third element was discernment. Mr Ong commented that historian John Roberts concluded in his book *A History of the World* that history taught two lessons: the first was that things change slowly, more slowly than expected; the second was that things change quickly, more quickly than expected. In the 21st century globalisation and technology would change things more quickly than expected, for instance understandings of security. But some things changed slowly or not at all, for instance the human need for dignity and identity, and virtues such as loyalty, resilience and independence. The way forward for New Zealand was to have the discernment to distinguish between those things that were likely to change quickly and those that would not.

Vivian Cheung, Culture and Society Issues Group representative

Ms Cheung opened her address with a Chinese proverb: 'If you plan for a year, sow rice. If you plan for a decade, plant trees. But if you want to plan for a lifetime, educate people.' She noted that the importance of education and culture had been evident in the 40+ percent of contributions to the website submitted in that area. Contributors came from many different geographic regions and included students, journalists, educational providers, city councils, friendship societies, academics, teachers, business people, support groups, and people involved in the Sister City network.

Themes from the contributions had included the need to educate New Zealanders about Asia; a desire for greater opportunities for interaction between New Zealanders and Asian communities; the need to implement measures to help new migrants adapt quickly to New Zealand life; commitment to developing a high quality international education sector; and the need to promote informed, balanced media comment on Asia and on New Zealand's Asian communities. Before examining the five proposals of the group Ms Cheung outlined several prerequisites which the group felt were essential to their implementation.

First there must be genuine, long-term, cross-party political commitment: anything less could disrupt programmes that required time to take effect. Second was the need for government-community partnerships, in some cases entailing government funding but in others a need only for official support as a seal of approval that encouraged greater community participation. It was also important because many local initiatives had the potential to be disseminated nationally.

Third was the ability to recognise that many so-called 'social problems' could become business opportunities for visionary people. Those who found innovative answers to meet needs could find that programmes were economically self sustaining once up and running. Finally no solutions could work unless local Asian communities were empowered. For programmes to work, the community needed to be fully engaged.

Ms Cheung then introduced the five proposals from the group (see Appendix Five). The first focused on improving knowledge and understanding of Asia. This required forming a working group to draw up long-term strategies and proposals to deepen knowledge and understanding of Asia.

There are a wide range of economic, educational and cultural benefits for New Zealand and an exposure to different cultures and perspectives leading to a greater 'world view'.

CR MARK DONNELLY, SERIOUSLY ASIA CONTRIBUTION

Second was a proposal to actively engage new residents from Asia within the wider New Zealand community. Ms Cheung provided examples of the government engaging with Asian communities through the police, the Office of Ethnic Affairs, and the Mental Health Commission. Also the Asian community had advocated its needs to the government through the Asian public health project. For Asian communities, solutions need to involve the three 'Cs': consultation, cooperation and collaboration.

The NZ Police are focused on developing their capability and capacity that enables a safe environment for ethnic/Asian communities. This provides a more effective foundation for Asian people to contribute to, and be part of a prosperous New Zealand society.

NEW ZEALAND POLICE, SERIOUSLY ASIA CONTRIBUTION

Third was a proposal to facilitate connections between media and ethnic news communities. It entailed using student newspapers as pilot projects for communication with Asian communities; appointing ethnic media relations coordinators to disseminate national and international news, promoting journalist visits and exchanges to the Asian region, and making greater use of the New Zealand diaspora in Asia.

Enhancing the contribution made by the export education sector was the fourth proposal. Actions to implement it included engaging Colombo Plan alumni as supporters; enhancing teacher quality; examining the role of embassies to disseminate information; enhancing local support services for students; creating a national website; establishing mentoring systems; instituting more effective screening of in-coming students; creating a network of local information centres; and establishing international student associations.

The value of export education to the New Zealand economy during 2003 reached \$2.277 billion dollars. The overall number of students coming to New Zealand peaked at 118,684 – a new record for international student activity.

EDUCATION NEW ZEALAND PRESS RELEASE, 'EDUCATION EXPORTS CRACK \$2 BILLION',
23 MARCH 2004

The final proposal was to facilitate and enhance employment opportunities for migrants. Providing information on employment issues to migrant communities and to employers and recruitment agencies was important, as was extending employment websites, instituting local employment fairs, extending free migrant work experience programmes, enabling migrant job search, and promoting recognition of professional and technical qualifications gained in Asian countries.

Asian immigrants bring new skills and opportunities to New Zealand, but finding work for them is extremely difficult. New Zealand employers often do not realise the opportunities they are missing.

JOHN LA ROCHE, SERIOUSLY ASIA CONTRIBUTION

In concluding, Ms Cheung said that Asian communities were eager to participate and engage, but a strong theme from contributions was that if New Zealand wanted to unleash the energy of its Asian links it needed to do more and could do it better.

PANEL DISCUSSION

Dr Judith Kinnear, Vice Chancellor Massey University

Dr Kinnear argued that New Zealand must invest in the future to ensure the sustainability of its relationship with Asia, and a key component of that investment was education. There was a need to realise the mutual benefits between New Zealand and groups in Asia with whom New Zealand chose to interact.

One of the areas that Dr Kinnear considered New Zealand could do more of, do better and perhaps do differently was student exchanges. Such exchanges were premised on having cooperative off-shore partners; in many cases that might involve building on existing partnerships or establishing new ones to address new directions. In Australia when students were offered exchange opportunities inevitably they chose to go to the US, Canada or Western Europe. Getting students to go to Asian countries was more of a challenge, but one worth taking on.

As a student at the National University of Singapore I have been able to experience a culture that I previously had no idea about. We all know there are thousands of Asian students studying in NZ, but how many Kiwis go the other way? I feel if the exchange is more in both directions the benefits gained will be much greater.

MICHAEL PERRY, SERIOUSLY ASIA CONTRIBUTION

It was important to look beyond language teaching when talking of student exchanges, Dr Kinnear said. A different type of exchange was the example of two groups of professors from leading Chinese universities who visited the University of Sydney for 19 weeks. The professors were already competent in English, so the exchange was only partly to improve their English; mainly it was to look at how science was taught in a western society and at the latest advances in science education.

Massey University would be investing several hundred thousand dollars from 2004 in student travel grants and Dr Kinnear wanted some of those focused specifically on Asian countries. The students who took part would not lose any time in completing their Massey degree because they would undertake study to contribute towards it. Exchanges could be for one semester of study, but also for field placements, clinical placements or internships. Australia had one interesting scheme called Australian Youth Ambassadors where young staff worked in foreign countries for a limited period, particularly in Asia, with the assistance of industry and institutions.

Dr Kinnear briefly commented on the issue of student recruitment. She would like to see a Team New Zealand approach: currently it was haphazard with each institution doing its own thing. Also in some cases New Zealand was reaching the limits of recruitment. Massey had capped some areas of study where the demand was such that it could not provide the infrastructure and services that students deserved. Students did not come to New Zealand to interact only with their own country people; they needed a full Kiwi experience which was the best investment New Zealand could make.

...our international students have brought us their language, culture and ways of displaying and perceiving behaviour. They have enriched New Zealand schools, providing us with the opportunity to break out of our insularity and embrace the world. It is vitally important that we continue to nurture, develop and sustain our overseas student population. Our responses now will impact on the future and we must build bridges based on understanding and common interest.

MAUVEEN VAN DEN BERG, SERIOUSLY ASIA CONTRIBUTION

Research was also important along with collaborative networks, Dr Kinnear said. The Centres of Research Excellence in New Zealand was a great initiative and had the potential to act as a model for collaborative research in important areas such as strategic analysis of what was going on in Asia and the nature of interactions.

Dr Kinnear also remarked on a potential growth area – edu-tourism, which was one of the fastest growing areas at the University of Sydney. This covered people travelling as tourists who at the same time wanted to learn something in a slightly more formal way.

Finally Dr Kinnear commented on the internationalisation of the curriculum. She noted that internationalisation could only occur where relevant. For instance the principles and laws of physics were constant across countries, while the principles and practice of law clearly differed. Technology could also play a role in creating virtual classrooms where students in New Zealand interacted with a lecturer in Kyoto. Instead of competing for staff, educational institutions could look at creative ways to draw on the staff resources of other institutions for mutual benefit.

Jay Bocock, Chief Information Officer Te Wananga o Aotearoa

Mr Bocock focused on values, responsibilities, and action. New Zealanders had certain strengths, including that they were adaptable, open, tolerant, honest and practical. Such values could be used when dealing with the outside world. To be accepted as a partner was a privilege, not a right. Because New Zealand had worked on its relationship with Asia it could go forward, without being arrogant or making assumptions.

Those at the Forum had a responsibility to the people and communities they represented to take initiatives forward, Mr Bocock said. The key was strong leadership, collaboration, a shared vision and models to leverage off to make New Zealand's small community behave as if it was much bigger and, above all, genuine intent and a multi-generational partnership.

There were parallels with the situation 10 years ago when New Zealand revitalised the Maori community. While everybody lived together, there was little real understanding of protocols, language and relationships in a Maori context. What did exist was the desire and maturity as a country to be prepared to embrace the culture.

Linked to the revitalisation was the issue of language. Te Wananga o Aotearoa started a Maori language course three years ago with 100 students; in 2003, 15,000 people completed the course enabling them to converse in Maori. The language could equally have been Mandarin. There was a need to create an environment where people as individuals wanted to embrace a new culture and bring it into their lives. The model had been extended into English as a second language for migrants, which was proving very positive.

The last issue Mr Bocock addressed was practical, measurable action. New Zealand should play to its strengths and establish its uniqueness. One possible initiative would be to run *Seriously Asia* in each Asian country to strengthen New Zealand's relationship with them.

New Zealand had finite resources, but so did all countries. The powerhouse was small business and New Zealand had to make sure that all of its efforts were leveraged, copied, modelled, made available and, in light of other web initiatives that had been mentioned, accessed. In closing, Mr Bocock used a practical New Zealand saying – 'We have two ears and one mouth, so we should listen twice as much as we speak.'

Shimrath Paul, Director Otago Museum

Mr Paul's address highlighted his personal experiences and drew on common perceptions, with the theme of integrating communities while celebrating diversity and creating greater awareness.

Mr Paul said he chose to move to New Zealand after hearing a Colombo Plan participant promote the country. There had been changes since his arrival and a growing awareness of Asia. One of the main media had been food. When he arrived there were Chinese restaurants but no other Asian restaurants in Dunedin, and to get good curry powder one had to go to Auckland. There were now a huge number of Asian restaurants in Dunedin. But it was a concern that some people thought they understood Asia based solely on having been to Asian restaurants. Misconceptions were created: Asia was not one bloc and even within India different states had different types of food; the staple diet of India was not butter chicken and rogan josh, which Mr Paul had only tasted in New Zealand. To establish long-term relationships the different cultures of Asia needed to be differentiated.

Mr Paul related an experience of being rejected for a job due to a lack of New Zealand experience and was then told by a recruiting agency that he was aiming too high as an Asian and that he should lower his sights. While this did not necessarily reveal racial prejudices, it did reveal misconceptions. Such rejections caused many Asians to withdraw into their ethnic groups, a reaction which needed to be addressed. Mr Paul said he assisted new migrants and put effort into building their confidence and engaging them with their community. He suggested that universities could look more to foster relationships between Asian students and New Zealand families.

Mr Paul believed that the cultural sector, museums in particular, had an important role in creating greater awareness. He gave the example of an exhibition about Otago called 'Southern Land, Southern People' which was sent to Japan to create greater awareness of the southern way of life. Otago staff travelled with the exhibition and set up workshops with school children. In return, an exhibition from Japan came to New Zealand, including talks, performances, cooking demonstrations and tea ceremonies. This was well attended and created a greater understanding within the Otago community of Japanese culture.

Mr Paul suggested that national, metropolitan and regional museums working together and supported by local and central government could plan a programme of exhibitions both to and from different Asian countries. Complemented by strong support programmes and workshops the exhibitions would increase understanding. Asian migrants should also be encouraged to engage in such programmes in order to understand other Asian cultures. Such exhibitions could celebrate the diversity of cultures and improve interactions between people. Many migrants had good networks in their countries of origin and would promote New Zealand widely if they were understood and made to feel welcome. People in general, particularly Asians, felt more comfortable entering into relationships with people who empathised with their culture and way of life.

A broad multi-cultural society in New Zealand will result in closer relations with other societies and therefore strengthen trade and security.

DR BRONWYN ELSMORE, SERIOUSLY ASIA CONTRIBUTION

FLOOR DISCUSSION

Gavin Ellis, Editor in Chief New Zealand Herald

Mr Ellis conceded that in the last few years, certainly since the Asian financial crisis, the media has taken its eye off the Asian ball. It was now time to put it firmly back on.

Media comfort with Asia remains problematical. National Radio in July reported that Helen Clark was to visit the Far East. Is she going to Gisborne, I wondered. They meant East Asia.

PAUL CLARK, SERIOUSLY ASIA CONTRIBUTION

Mr Ellis said he had noticed that a number of website contributions asked for the stationing of New Zealand journalists in Asia. Noting comments about the disaggregation of Asia, however, he suggested that putting a reporter in an Asian capital would not much improve knowledge of Asian countries – not unless all Asian capitals had reporters.

More important was the focus of the issues group on interaction between local media in New Zealand and the Asian community. This was absolutely vital. There was no need to start with student newspapers he said, but rather to go straight to mainstream media. *The New Zealand Herald* currently had a staff member in North America looking at how cities like Vancouver and Seattle coped with the interaction between local media and Asian communities. It was in the media's self-interest to engage with Asian communities – they were readers, viewers and listeners. The media could play a vital role in engaging Asian communities, making them feel part of the community, but also using the knowledge that they brought to New Zealand and projecting it wider.

...that is the real challenge for me as a journalist and documentary maker – making editors aware that there are wonderful stories between NZ and Asia.

LIBBY HAKARAIA, SERIOUSLY ASIA CONTRIBUTION

Dr Sanjaya Baru

Dr Baru commented that two things had changed the role media played in cross cultural exchange of communication: satellite television and the internet. Satellite television had exploded and opened up information on what was happening in different parts of the world. On the internet the print media was losing out because through the internet people could access any information they wanted. It was very important to have free access to the internet.

With respect to print media posting journalists offshore, it was an expensive process; he himself did not have any foreign correspondents. But the Indian financial media had started engaging analysts and commentators across the world, particularly after the Asian financial crisis. On a day-to-day basis information was available from agencies, writers, satellite television or the internet, but what people were looking for was informed analysis. A great asset was the Indian diaspora; there were Indians all over the world and over time a list of expertise could be built up and when needed asked for analysis on what was happening in their part of the world. The diaspora could play an important role in reaching out to different parts of the world, keeping people informed, and contributing to balanced and informed reportage.

Judge Anand Satyanand, Asia 2000 Trustee

Judge Satyanand suggested that there was a connecting point between what David Mahon said about retaining one's identity as a New Zealander in China, Celia Caughey's comments about getting people together, and Timothy Ong's remarks about the importance of being discerning. He suggested that there was a challenge to encourage New Zealanders of Asian origin to become discerning New Zealanders. And the challenge was to ensure that they were assisted by the education system to feel proud of their Asian heritage as well as their New Zealand identity. Judge Satyanand felt that the proposals should include the notion of teaching Asian New Zealanders about their heritage and its importance.

We are all NZers but we must remember our cultural background. NZ is a multicultural society which is one of its most appealing values.

ETHNIC YOUTH GROUP 2, WELLINGTON, SERIOUSLY ASIA CONTRIBUTION

Professor Nicholas Tarling, New Zealand Asia Institute University of Auckland

Professor Tarling said he was disappointed with the proposals dealing with the export education sector. He liked to think of this sector as mainly composed not of a market, nor of commodities, nor even of customers, but of students whom people teach. Looking at it from the point of view of a market, however, and especially keeping demographic prospects in mind, New Zealand might want to think about raising its gain by shifting the focus to graduate and research students who would add to New Zealand's research capacity.

Professor Tarling was also struck by the frequent references to the Colombo Plan during the Forum. He suggested the possibility of a new Colombo Plan for international students; this would need to begin with a scholarship programme to encourage the process.

Qiangfu Jin, Principal Rewi Alley School

A major task for New Zealand was to learn languages, especially Mandarin, according to Mr Jin. His school proposed to set up an English-Chinese bilingual school in Christchurch. The students would learn all subjects required by the Ministry of Education, and in addition would learn Chinese on a daily basis, with the outcome being bilingual students. It had been found that learning Chinese at public high school was not as successful as expected; it was too late for students to start learning the complex language. Full time bilingual schools already existed in the United States, Australia, Malaysia, and Singapore. (Mr Jin presented a proposal to the Forum which can be read in full in Appendix Seven.)

Dai Phonevilay, Ethnic Youth Forum New Zealand Federation of Ethnic Councils

Ms Phonevilay worked actively with the Laotian community, especially with youth. She commented that what had been said about culture and society such as implementing languages and cultural studies in school systems was a good start. In her work coordinating and organising youth forums and conferences she often heard youth say that they did not see a lot of action. It was all very well to come together and discuss issues and think of new ways on how to better relationships, but when would things actually happen?

Vincent Chew, Malaysian Chapter Chair ASEAN New Zealand Combined Business Council

On the media front Mr Chew commented that he was personally disappointed to see that in the past few years or so the New Zealand media's reporting on immigration issues, international students and things Asian appeared to have been heavily weighted to the negative side. He would like to see the media report some of the success stories.

It is difficult to get NZ's mainstream media to take Asia seriously. The media are not prepared to invest in the necessary relationship-building activities to improve coverage of the region. Acts of terrorism and SARS are instant stories not needing much analysis.

GEOFF ROBINSON, SERIOUSLY ASIA CONTRIBUTION

Secondly, Mr Chew said, negative reporting on immigration and the attitude of some politicians appeared to be anti-immigration. Such reporting went back to Asian countries very rapidly and meant New Zealand was no longer seen as the country of choice to visit as a tourist destination or to do business.

Ruth DeSouza, School of Health Sciences UniTec and Trustee Auckland Regional Migrant Services Trust

On the issue of facilitating connections between media and ethnic communities, certain views of Asians needed to change, Ms DeSouza said. Asians tended to be viewed negatively as invaders or criminals who bought their way out of things, or benignly as happy people who cooked good food. Ms DeSouza would like to see Asians pictured as people who were a brain gain, as innovators, skilled people and assets.

New Zealand will never be able to trade competitively if its citizens cannot view the world from multiple viewpoints. We have the migrant community which can assist us in this task.

GAEL HOWELL, SERIOUSLY ASIA CONTRIBUTION

Alick Shaw, Deputy Mayor of Wellington

Commenting on the recruitment of international students Mr Shaw said that one idea that had been canvassed was the notion of linking a 'green card' to students who elected to study in New Zealand. Certain disciplines could be chosen where too few students were studying, and attached to this would be the right to remain in New Zealand if the student completed a postgraduate degree. Such a scheme would enable New Zealand to have a stake in the future of the people who came and paid for their own education, and at the same time ensure that they also had a stake in the future of the country.

Chris Hawley, Director Centre for International Development Auckland University of Technology

Mr Hawley felt that meetings like the Forum were very positive but he was concerned that it was the converted talking to each other, when there were many people in New Zealand who did not think the same way. There was a lot of prejudice, and some racism, and there was certainly a lot of ignorance about cultures that were not in the country or not strongly represented.

Something could be done via the education sector, he suggested. Mr Hawley proposed that universities and schools be required or encouraged to put a certain percentage of their income from international education into funding young people on visits outside of New Zealand. To change attitudes required such experiences and would have a long-term impact on New Zealanders' attitudes to Asia.

Changing student attitudes is key and the primary group in touch with students are teachers. Students don't change their stereotypes by reading and learning about Asia in the classroom; they do so by seeing and doing.

JULIE EARL, SERIOUSLY ASIA CONTRIBUTION

Alan Pearson, Prime Consulting International

Mr Pearson suggested that in relation to business and cultural understanding the priority was the education of non-Asian New Zealanders about Asian cultures. Not only would this build harmonious value-added societies but also create an environment where businesses could succeed. One of the biggest issues in New Zealand was that it was a nation of small businesses. While small businesses and individuals could be successful in the Asian environment, it was difficult for them to engage with people and know enough about what went on in Asia to be able to speak the same cultural language, the language of understanding, let alone to speak its many dialects.

The facts seem to be clear that Asian economies are growing strong and more competitive, and we have been lagging behind along the way. But so far our understanding (or even knowledge) of Asian development is very limited and so has been the public debate about them. We seem to be more interested to help Asian countries to correct their problems than to learn something useful from them.

XIAOMING HUANG, SERIOUSLY ASIA CONTRIBUTION

Timothy Ong

Mr Ong observed that underlying the discussions of the Forum were two basic assumptions which sat somewhat uneasily with each other. The first was the proposition that New Zealand needed to take Asia more seriously because it was in its economic interests to do so. The second was that New Zealand needed to take Asia seriously because it was a good thing in itself.

The fact that there had been a great deal more interest in Asia and things Asian before the financial crisis, and a drop in interest post-crisis, was reflective of the first view. Long-term friendships were not founded on purely economic motives, however. That was no way to found an education policy, and certainly no way to build the New Zealand brand as a consistent, reliable friend in good times and bad. Chinese believed that times of crisis were also times of opportunity: those people who went to Asia during the financial crisis to reassure their Asian friends that they still had friends outside had reaped huge rewards in the longer term.

In Asia relationships are important. New Zealand agencies and businesses should go out of their way to develop and maintain relationships at every level and in every sphere. They should not look for quick payoffs, and some may never pay off, but in time developed relationships will be more valuable than almost any other asset and will make up for deficiencies (distance, cost, culture) in other areas.

JIM ROLFE, SERIOUSLY ASIA CONTRIBUTION

...we should respect Asian cultures by being prepared for long-term relationships. Asia is more than a market, and enhanced trade and investment are not ends in themselves. They are a means to an end of a better overall quality of life.

RONNIE HORESH, SERIOUSLY ASIA CONTRIBUTION

Sir Dryden Spring

Sir Dryden concluded by noting that the session had enabled another very useful discussion, with no serious disagreement with the proposals. In terms of Gavin Ellis's comment on the media, it was overdue for New Zealand to focus on Asia to a much greater extent for a whole range of reasons. He said he thought all of the proposals were about the importance of leadership, building the right kind of relationship and understanding. Those were a shared responsibility, which each of us needed to make happen.

NZ needs Asia and if the partnerships are developed for the long-term the benefits can be shared for many more years in the future.

DENIS WIN THEIN, SERIOUSLY ASIA CONTRIBUTION

Serious Synergy

COMMENTARY BY CHRISTOPHER BUTLER, EXECUTIVE DIRECTOR OF ASIA 2000

Mr Butler opened by thanking the wide range of people involved in the *Seriously Asia* initiative. They had included the Prime Minister, Ministers and parliamentarians, the Asia 2000 Board and its New Zealand Honorary Adviser Sir Frank Holmes, issue group conveners and group members, interest groups who provided speaking opportunities at conferences and meetings, companies and individuals who offered ideas, distinguished visitors from the region, New Zealand and overseas participants in the Forum, public and private sector supporters, staff of Asia 2000 and its *Seriously Asia* team.

Running *Seriously Asia* had allowed the discovery of a vast New Zealand pool of experience and interest in Asia. In the long-term the success of the project would depend on participants at the Forum owning the ideas that came through; in the short term the project had already been worthwhile. The past 12 months had seen significant developments in New Zealand's relationships with the Asian region, as well as more public discussion of Asia-related issues at home.

Seriously Asia reflected high-level acceptance of the importance of Asia to New Zealand. Some of its specific outcomes included collecting around 300 action proposals from the public; the creation of Asia-related business clusters in at least two regional areas; and identifying and bringing together a wide network of Asia-related interests within and outside New Zealand.

The aim of the project was to identify priority goals and proposals for action to bring new energy to New Zealand's relationships with Asian countries. Asia 2000 would follow up proposals. A summary of website content had been referred to public sector agencies, with some encouraging indications of action already underway. For example the Ministry of Education had hosted a workshop on internationalisation for tertiary education providers, and was running a campaign to encourage schools to identify potential board members who reflected the diversity of their communities. The New Zealand Police now employed 43 sworn officers and 25 non-sworn staff of Asian origin, and intended to employ more. The police had also appointed an Asian strategic adviser. And the New Zealand Agency for International Development was developing an Asia strategy to provide a framework for engagement in the region.

Asia 2000 had been talking with the leaders of New Zealand's regional business networks and the Ministry of Foreign Affairs and Trade about improving coordination and providing benefits which would make membership of an Asia-Pacific business network more attractive to New Zealand companies.

The Forum had helped to define the forward agenda and Asia 2000 would build that into its own strategic planning. Where ownership of proposals lay in another court Asia 2000 would endeavour to encourage their adoption. A public report on progress would be made before the end of 2004.

Finally Mr Butler concluded that the Forum was not the end; it was the beginning of the long haul.

The Asia-Pacific is our future, it is in our self interest to be enthusiastically engaged, to make friends and enjoy the richness and diversity on our doorstep!

CHRIS HAWLEY, SERIOUSLY ASIA CONTRIBUTION

Serious Summary

CONCLUDING SUMMARY BY THE PRIME MINISTER, RT HON HELEN CLARK

The Prime Minister's concluding remarks summarised the main points from the day's discussion and pointed to ways forward. She noted that an examination of New Zealand's relationships with Asia was not an unusual step – other speakers at the Forum had told of how this had happened in Australia, India and Japan.

Such a review was needed particularly with the emergence of China, which had raised issues for others in the region. The key to ensure positive outcomes lay in the engagement of China by its neighbours. The concept of community or neighbourhood was very important to engagement.

It doesn't matter what the ethnicity, the culture, the religion, or the political system of our countries is; we are neighbours and we need to get along with each other.

PRIME MINISTER HELEN CLARK, SERIOUSLY ASIA FORUM

Another key point from the Forum had been positive feedback from overseas guests on New Zealand as a respected, trusted, reliable nation. A warning note had been that New Zealand needed to preserve its good reputation, in particular the observation that the way that students, tourists and migrants were treated could impact on relations with Asia.

The Forum also provided valuable insights and information on Asia's markets. A particular note was the changing nature of China, where the population was growing and becoming more affluent.

In China alone the number of urban households earning over NZ\$16,000 pa (the top 1% of all urban households in China) will increase from 2.28 million in 2003 to between 13.3 and 23.4 million in 2012. An annual compound growth rate of between 21.6% and 29%.

CLINT LAURENT, 'KEY DEMOGRAPHIC AND SOCIO-ECONOMIC TRENDS IN ASIA OVER THE NEXT DECADE AND THE BUSINESS OPPORTUNITIES THESE CREATE', SERIOUSLY ASIA ISSUES PAPER, 2003

With respect to Timothy Ong's question as to why New Zealand was debating its engagement with Asia, whether it was because it was in New Zealand's economic interests or because it was a good thing in itself, the Prime Minister stated that it was for both reasons.

We want to engage because we live in the neighbourhood, and we know that if our neighbourhood and regional community are strong, that increases our sense of security. But we also want to earn a living, and we can't be secure unless we are.

PRIME MINISTER HELEN CLARK, SERIOUSLY ASIA FORUM

The Prime Minister noted that education had been often referred to, with questions raised over whether it was a commodity or about serving human beings to provide them with knowledge and the ability to realise their potential. The Prime Minister observed that

New Zealand's reputation as an education provider had been damaged and that it needed to be repaired as quickly as possible.

Finally, the Prime Minister said, there had been the 'home front': culture and society issues. While those at the Forum recognised the benefits of immigration for New Zealand's development and future, that view was not universally held. The Prime Minister commented that in the 1970s New Zealand's South Pacific migrants were discriminated against, but now the Pacific communities were an established part of New Zealand society. She thought that over time the new and large communities from Asia would be accepted in the same way, but that process could be sped up. Those who could enable it included the government, and there also was a vital role for local government, schools, employers and the media.

On the way forward the Prime Minister remarked that the Asian region was changing fast and New Zealand needed to be well informed, to act strategically, and to map the future. The fact that New Zealand itself was changing also needed to be acknowledged.

Asia is not a strange and far away place – it's actually here and is living with us. How we include and welcome the Asian communities here will impact on our engagement with the region.

PRIME MINISTER HELEN CLARK, SERIOUSLY ASIA FORUM

The Prime Minister picked up a number of specific suggestions that needed to be worked through, noting that at the strategic level there was a need for more policy analysis, market intelligence and coordination within government and across the government and non-government sectors.

The proposal from Asia 2000 to be the coordinating point for New Zealand's various regional economic-related organisations was noted by the Prime Minister as an idea which should be pursued. She also suggested that Asia 2000 might like to think about its branding and the balance between its domestic and external focus.

A further suggestion noted by the Prime Minister was the idea of virtual clusters across academia and research institutions. She mentioned that she had heard some support from the Vice-Chancellor of Massey University for the idea.

Other fresh ideas worth considering had included the concept of young people's dialogues. Karen Buist's contribution highlighted the importance of learning about Asia and the potential of young people's engagement. The Prime Minister also noted the twin track initiatives in Australia.

In concluding, the Prime Minister emphasised that discussion must not end at the Forum; there was plenty for all to take away and develop. On the government's part it would pursue better coordination of its activities in Asia and look at how it could interact better with other actors – education, twin track, and the private sector.

Everyone who has come today takes away ideas on how they can contribute to enhancing New Zealand Incorporated's relations with Asia. I thank you for the overwhelmingly positive note which has been struck.

PRIME MINISTER HELEN CLARK, SERIOUSLY ASIA FORUM

SECTION 3: THE WAY FORWARD

The objective of the *Seriously Asia* project was to identify priority goals and practical measures to strengthen New Zealand's relationships with the countries of Asia. The priority goals defined by the project were:

- Commit Long-Term
- Understand and Engage
- Ensure Sustainability.

ACTION PROCEEDS

A post-conference audit of participants in the *Seriously Asia* Forum held in Wellington was overwhelmingly positive: 75 percent felt they had received enough or more than enough information ahead of it, 96 percent thought it well or extremely well organised, 83 percent said they felt energised or very energised to take action, and 76 percent said they had specific action in mind. In the five months since the *Seriously Asia* Forum, a number of government and non-government initiatives have been taken which contribute towards its goals. They reflect a wide spread of ownership of the issues and include:

- Agreement by New Zealand and China on a Trade and Economic Cooperation Framework, a key element of which is agreement to enter into negotiations on a Free Trade Agreement next year.
- Continuing Closer Economic Partnership discussions with Thailand.
- A recommendation by ASEAN Economic Ministers to invite the New Zealand and Australian Prime Ministers to commence free trade negotiations at a November summit in Laos.
- High-level Asian visitors to New Zealand including Hong Kong Secretary for Commerce, Industry and Technology John Tsang, Vietnamese Foreign Minister Nguyen Dy Nien, Chinese Politburo Member He Guoqiang, and Malaysian Minister of Domestic Trade and Consumer Affairs Datuk Dr Jamaluddin bin Jarjis.
- New Zealand Ministers also visiting the region. Trade, Agriculture and Forestry Minister Jim Sutton visited China twice, and also travelled to India, Hong Kong and Korea. Defence and Tourism Minister Mark Burton visited Korea. Preparations were completed for visits by Education Minister Trevor Mallard to China, Korea, Vietnam, Thailand, Cambodia and Malaysia; and by Foreign Affairs and Trade Minister Phil Goff to Japan.
- Regional Science Ministers' attendance at an APEC conference in Christchurch, and attendance by Education Minister Trevor Mallard at an APEC conference in Santiago.
- A December visit to China by Chief of the Defence Force, Air Marshall Bruce Ferguson, followed by an April New Zealand-China bilateral security dialogue in Beijing.
- The launch of a \$5 million trust to raise awareness of the early Chinese community in New Zealand. The Chinese New Year was celebrated by 130,000 people at the Asia 2000 Lantern Festival in Auckland and by thousands more at community festivals around the country.
- A \$1.5 million programme of export education projects funded by the export education levy, covering seven research and 21 professional development projects.
- Introduction by the Ministry of Education of a Chinese language student guide to living and studying in New Zealand.
- The appointment of New Zealand's first offshore Education Counsellor in Beijing.
- Education NZ release of 2003 international student figures. Ninety percent of a record 118,600 students came from Asia, with the sector generating an economic impact estimated at close to \$2.3 billion.
- A private initiative to form a Chinese language foundation.
- Attendance by nine New Zealand educators at a teachers' conference in Vietnam organised by Asialink of Australia.
- The posting of TVNZ reporter Charlotte Glennie to Hong Kong to provide New Zealand viewers with direct reports.
- Receipt by New Zealand business clients including the NZ Herald of the Providence Report, a commercial market research study into the culture and outlook of Auckland Asian youth.
- The commissioning by the Ministry of Foreign Affairs and Trade of a strategic study into New Zealand's relations with India.
- The appointment of a Commissioner-General to oversee New Zealand participation in the 2005 World Expo in Aichi, Japan.

- A meeting in Wellington of heads of all New Zealand's diplomatic missions in Asia, followed by a business briefing in Auckland. Trade Commissioners from the region also met in Auckland.
- The release of Asia 2000 surveys on the teaching of Asian studies in New Zealand primary schools and on public attitudes to Asian involvement in New Zealand.
- Launch by Creative NZ and Asia 2000 of the first New Zealand artists' residencies in Asia, in China and India.
- Asia 2000 release of the *Seriously Asia Summary Report*, and completion of work on a new strategic plan reflecting *Seriously Asia* outcomes.
- Publication by the NZ Immigration Service of the results of a pilot study into the settlement experiences of migrants to New Zealand, and development by NZIS of an active settlement strategy.
- The appointment of police Asian Liaison officers in the Auckland and Waikato regions, the graduation of eight officers of Asian ethnic origin from the New Zealand Police College, and cooperation between police and Asian media on communication with Asian communities.
- Substantial Asian profile and participation in the annual Sister Cities conference in Christchurch.

MINISTERIAL TASK FORCE CONFIRMED

Work also progressed on a comprehensive implementation agenda to pursue *Seriously Asia* outcomes in a long-term and coordinated way. Importantly the government confirmed the establishment of the Ministerial Task Force on Relations with Asia, raised as a possibility by the Prime Minister at the *Seriously Asia* Forum. The Task Force will promote cooperation and coordination among all the many parties with interests in Asian relationships.

ABOUT ASIA 2000

The Asia 2000 Foundation is a non-political and independent Trust established in 1994 to promote knowledge, understanding and links between New Zealanders and the countries and peoples of Asia. It has a cross-sectoral Board of prominent New Zealanders and is jointly funded by the government and private sector. Core sponsors are Fonterra, HSBC, the Ministry of Foreign Affairs and Trade, and New Zealand Trade and Enterprise. Other private enterprises and individuals are supporters of Asia 2000 grant schemes and projects.

Further details can be accessed from the Asia 2000 website at www.asia2000.org.nz

Asia 2000 wishes to thank the thousands of people who participated in the Seriously Asia project and the project's partners, supporters and friends:

WITH THANKS TO OUR PARTNERS...



OUR SUPPORTERS...



AND FRIENDS

