

東亞

Asia 101 for Councils



Eastern Bridge

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Case Studies



Multi-Million Dollar Investment in Hauraki

Eastern Bridge worked closely with Hauraki District Council to attract and support the smooth establishment of a multimillion dollar Chinese investment into an ice-cream factory. When fully operational the factory will employ 40-50 full time employees and produce 10 tonnes of ice-cream a day.

Filling the gaps in shopping centres

Opotiki wanted to attract a sit down restaurant which would provide healthy meal options to locals and visitors. Eastern Bridge worked with a Korean migrant family to establish a Japanese style restaurant. To prove it wasn't a fluke Eastern Bridge has repeated its success into five other districts.

Five Investment Projects for the Regions

Understanding the difficulty Councils have to attract investment, Eastern Bridge has partnered with Tertiary providers to provide member councils investment cases tailored for their specific district. Taranaki, Kawerau, Opotiki and Hauraki are all benefiting from this free resource which will be marketed in China and Korea in September 2016.



Chinese Ambassador Wang Lutong

Attracting International Student

After completing a review of export education opportunities in the Eastern Bay of Plenty, Eastern Bridge worked with Education agencies to develop district specific training programmes for the Korean and Chinese markets.



CHINA

Tourism

- 107 million Chinese travelled abroad in 2014.
- 50% of Chinese booked through phone apps.
- Their average daily spend was \$710 (NZD).
- 92% travelled for 'leisure'

- 215,040 Chinese visited New Zealand
- Chinese travellers spent \$1 billion in New Zealand

Export Education

- Chinese spent \$19.9 billion (USD) on overseas study,
- 35% of students studied in high schools,
- 85% of high net worth families plan to send their children overseas

- There are 30,179 Chinese students in New Zealand
- 4% of Chinese international students choose to study in New Zealand

Investment

- Chinese invested \$102.9 billion (USD) overseas in 2014
- 33% went into leasing and business services (2012)
- 6% went into manufacturing / food processing (2012)

- Chinese invested \$1.9 billion (NZD) in NZ during 2015
- Chinese investment in New Zealand came to 14% of all inward FDI (2015)

Export

- New Zealand earned \$61.7 billion (NZD) in 2015 from exports
- China takes 15% of all NZ export products (\$8 billion),
- China imports mostly primary products including: dairy, meat, wood and seafood

China, officially known as the People's Republic of China is the world's most populous country, with an estimated 1.4 billion people. The country also has the world's second largest economy worth \$US19.39 trillion (PPP). While the economy is slowing as it rebalances from an export led economy to a service one the country is still officially growing at 6.9% (2015).

While the PRC was officially formed in 1949 the concept of 'China' has been around for 5,000 years. Throughout its long history China has developed a complex and deep rooted culture. Variations on the culture differ throughout China and the Chinese diaspora which are dispersed around the world.

Chinese language is also very diverse with Mandarin (the common language) being spoken by the majority of the Chinese people. Chinese writing also differs with mainlanders using simplified characters while many people from Greater China use traditional ones.

Additional Markets of Focus



한국

South Korea

In only two decades South Korea has gone from a developing country to the worlds 13th largest economy. In 2015 New Zealand and South Korea signed a comprehensive Free Trade Agreement giving New Zealand businesses greater access to an affluent and developed market.

- 74,224 Korean tourists visited New Zealand in the past 12 months, an increase of 23.1%
- 7,910 Korean students studied in New Zealand in 2014.
- Korea and New Zealand enjoy two way exports valued at \$4 billion
- In 2015 Korean companies invest \$484 million in New Zealand

日本

Japan

New Zealand and Japan have enjoyed a long relationship which has spanned decades. During the 1980s and 1990s many kiwis studied Japanese and there was an explosion of sister city relationships developed. While the Japanese economy has cooled in recent year it is still the third largest economy in the world and New Zealand's forth largest trading partner.

- 93,600 Japanese tourists visited New Zealand in the past 12 months, an increase of 11% on the previous year
- 9,742 Japanese students studied in New Zealand in 2014
- In 2014 Japan imported \$2.9 billion worth of New Zealand goods.
- Japan has investments in New Zealand worth approximately \$8.5 billion

Việt Nam

Vietnam

Vietnam is an emerging market in South East Asia. It is a member of ASEAN which New Zealand have a Free Trade Agreement with. Vietnam has become a major manufacturing centre, and is experiencing a rapidly growing middle class much like what happened in China in the late 1990s and 2000s.

- 2,022 Vietnamese students studied in New Zealand in 2014.
- New Zealand \$614 million worth of exports to Vietnam in 2015

As companies move their processing to Vietnam it is predicted the economy will rapidly expand providing greater opportunities for New Zealand businesses.

Opportunities

Tourism

- More Chinese people prefer traveling alone, with their friends or family,
- There are a range of tourism segments (i.e. domestic, group, free independent travellers, working holiday, student, retiree and medical)
- Chinese want fulfilling experiences and new adventures. There is increasing interest in the culture, history and local cuisine.
- Chinese want activities and events, accommodation and food are also important.

Export Education

- 70% of international students stay in Auckland
- There are a range of study options (primary, intermediate and high schools, private training institutes, universities, language institutes and specialist programmes)
- Student spent a lot (tuition fees, accommodation / homestay, shopping and travelling)
- Students diversify our communities
- Chinese students bring international connections

Export

- New Zealand exports to China are dominated by primary product
- Growing numbers of value added products make it to China
- New Zealand has a good reputation for high quality food and beverage products
- Chinese consumers like niche products with a good story

Investment

- Chinese companies are aggressively investing internationally.
- Most investments are into raw materials, food security, utilities and property.
- Individuals are also investing with the goal of immigration
- \$10million and \$1.5 million category visas are attracting growing interest from Chinese.
- Many Chinese also want to 'park' their money outside of China.

Migration

- Many highly qualified Chinese students are graduating and struggle to find work in Auckland
- Many Chinese are choosing to set up businesses as a means of gaining residency.
- There are incentives for Chinese to settle outside of Auckland (Immigration New Zealand points system)

Community

- Kiwis often do not have much knowledge of China, Chinese culture or language
- Kiwi's who are China-literate can enjoy benefits if they are to do business in China

Common Issues



- Communication breakdown
- Business culture clash
- Misconceptions / misaligned expectations
- Lack of information / relevant information
- Lack of a strategy
- Institutional paralysis
- Community blowback
- Hijacking relationships

- Rent seeking behaviour / honesty
- Arrogance (on both sides)
- Mianzi (saving face)
- Guanxi (relationships)
- Renqing (obligation)

“We get so many delegation requests that we don’t know what to do with”

“We don’t need to translate it, they all speak English”

“We can find a Chinese investor to build it”

“He has a cousin who [owns a thousand shops]”

“We signed an MOU but now they are not responding to us”

“They were silent for months and now they want everything now”

Considerations



Eastern Bridge

Preliminary Steps:

Ongoing management:

Community:

Commitment

- Gain councillor and council staff support
- Is there a willingness to invest into a relationship (learning, time and some financial cost)
- Understand that a relationship takes time to develop

Communication

- Use a trusted translation provider (bi-cultural)
- Language is important, and miscommunication can have serious consequences – who controls the language controls the meeting.
- Actively communicate with your overseas partners

Training

- When meeting with partners be prepared with a basic understanding of the language and culture (it is a sign of respect)

Involvement

- Involve different sections of the community including business, education and civic
- Promote training and information events, connections, language classes and cultural events

Planning

- Identify the motivation for developing a relationship
- Identify key people, organisations and support networks.
- Develop processes, protocols and measurement systems
- Assign roles to appropriate people

Due Diligence

- Understand who you are dealing with and identify key people to focus your attention on
- Identify time wasters quickly so not to waste time and resources

Management

- Establish a point of contact.
- Do not control the relationships, instead facilitate introductions
- Understand the structures and processes involved with the partner organisation
- Provide information and advice

Engagement

- Keep the community informed of what is happening
- Share stories about China to get them ready for future engagements
- Don't focus purely on economic benefits.
- Get Iwi involved.



Eastern Bridge's Council Solutions:

International Relations Management

This service is designed for Councils to provide a cost efficient and easily accessible alternative to maintaining an international relations department. The service is designed to address the common issues which Councils experience when engaging with Asian partners, be it a foreign city or commercial entity. The service includes:

- **Communications** – Provide translation and interpretation when required including the production of marketing and promotions material, and handling phone and email correspondence. Available in Chinese (Traditional and Simplified), Korean, Japanese and Vietnamese.
- **Cultural and Strategic Advice** – Offer insights and up to date market information.
- **Due Diligence and Reporting** – Building a better understanding on incoming business and government delegations to help avoid time wasters.
- **Representation of Council's interests and Referrals** – Growing connections and building relationships on behalf of the organisation .
- **Relationship Management** – Providing a reliable point of contact which meets your partners language needs

From \$500
Per month

Strategy Development

- Strategic planning and strategy development
- Enhance your existing economic development strategy or develop a stand alone strategy focusing on specific industry sectors.

Social Media

- Establish Chinese social media platforms like WeChat, Weibo or Zhihu
- Integration and management of the Chinese payment solutions like WeChat Wallet,
- Management and translation of content in Chinese, Korean, Japanese or Vietnamese

Due Diligence and Reporting

- Understand who you are connecting with and identify time wasters with legitimate enquiries
- Build a dossier on your important Asian contacts.

Training

- Preparing staff for engaging with partners from Asia
- Etiquette, culture and language training options
- Online delivery or onsite workshops
- Personalised programmes if required.

Why Eastern Bridge?

We are. | Preferred
LGNZ. | Partner

Developed for Councils

- The concept for Eastern Bridge was developed by Simon Appleton while working for the Opotiki District Council in consultation with Mayors and Council staff
- Simon lived 10 years in Asia, he has a Masters of Chinese Law from Renmin University (中国人民大学), he speaks Mandarin Chinese and Korean.
- Eastern Bridge has a strong local economic development focus
- The company understands council process
- Eastern Bridge is a recognised and Preferred Partner of LGNZ

A multicultural team

- Eastern Bridge has a team of 10 people with various skills and experiences including language, strategic planning, export education, trading, tourism, business and investment attraction
- Eastern Bridge's advisory group includes a former NZTE Trade Commissioner, and NZTE East Asia Regional Director.
- Our Language capabilities include: Chinese (simplified and traditional), Korean, Japanese and Vietnamese
- Eastern Bridge has partners in our target markets

Networked across sectors

- Connected to a range of local and central government departments (including MFAT and NZTE)
- Connected with business groups and local governments in China (including Taiwan), Korea, Japan and Vietnam.
- Eastern Bridge works closely with education providers, immigration agencies, law firms, banks, media, business associations and a range of businesses
- Eastern Bridge provides advice to a range of organisations and Simon is a executive member on several business councils
- Eastern Bridge staff are regularly travelling around New Zealand and into our target markets

Range of services

- Communication Service
- Training
- Due Diligence Services
- Ethnic media management service
- Strategic planning
- Translation and Interpreting
- Market Research
- General consulting

Special Promotion

Free Magazine

In September 2016 Eastern Bridge will produce a promotional book to showcase its clients. Each client will receive a two pages to tell their story and show what makes them special.

The publication is free for clients and will be distributed in New Zealand, China and South Korea.

The publication's purpose is to raise the image of New Zealand's regions and promote the lifestyle, education, business and investment opportunities across the country.

Should an organisation like to take part in this promotion they can sign up to Eastern Bridge's International Relations Management Service before Friday the 12th of August.

For any questions relating to this promotion or any other Eastern Bridge Services please contact Simon Appleton.



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Deadlines

- Friday 12th August 2016 confirm participation
- Friday 19th August submit desired content to Eastern Bridge
- Eastern Bridge will arrange the design work and printing by the 2nd of September
- Publication will be distributed in China and Korea throughout September.

Content required

- Content which can fill up two pages
- Text and images which showcase your organisation
- Information on your offering, or business, lifestyle, investment opportunities

Distribution

- Youxie (Chinese Peoples' Association for Friendship with Foreign Countries)
- Chinese local government authorities
- Businesses Associations
- Immigration agencies
- Korean local government authorities
- NZ embassies and consulate offices in China and Korea
- The Eastern Bridge website and promoted across Eastern Bridge's social media account.

Desired outcomes

- To increase meaningful enquires and for Eastern Bridge's clients
- To raise the image of New Zealand
- To provide helpful information about lifestyle and business opportunities across provincial New Zealand

联系我们

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