

AMCHAM NEWS

American Chamber of Commerce in New Zealand

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June 2016

View from Washington DC (Mike Hearn Director AmCham NZ)

My DC visit started with attending the NZInc conference at the New Zealand Embassy which was a great way to catch up and hear from the various government agencies operating in the US as well as with the NZ Honorary Consuls from throughout the USA. This included attending the signing of the NZ-US Technology Safeguards Agreement (see article). My thanks to the Embassy team for including me in these meetings.

The following week I participated in the 2016 SelectUSA Investment Summit (see article). US Ambassador Mark Gilbert lead a NZ delegation including Climbzone, Volt, Oceania Gold, Distil Skincare, Norris Echetebe Law, Lowndes Law, and AmCham. Xero CEO and founder Rod Drury was a panelist discussing Innovation Down Under.

The Summit heard from President Obama as well as eight cabinet members. Apart from being an open economy, the message was that the USA is great country to invest in and do business. Each state had representatives there for businesses to talk to about the opportunities for inward investment. The NZ delegation received a number of invites and were hosted by South Carolina; Florida; Kansas; Virginia; International Network of Boutique Law Firms.

I then attended the Asia Pacific Council of American Chambers annual Doorknock to lobby the Administration and Congress on issues from the region. The key issues raised were:

- Ratification of TPP
- Adopt a territorial (residence-based) tax system
- Reform the Foreign Account Tax Compliance Act (FATCA)
- Support APEC Business Travel Cards (ABTC)

We heard that the key message on TPP is that it is vitally important for the US and it is a top priority for the Administration. All Cabinet members spoke about the need for the US to ratify TPP and government agencies are working with Congress to resolve their concerns. This is against a background of the US Elections where trade has become a major issue with both "nominees" coming out against the deal.

Despite supporting TPP when Secretary of State, Hillary Clinton has now come out opposing TPP as the deal doesn't meet her standards. "I don't believe it's going to meet the high bar I have set for creating jobs and advancing national security. I am also worried about currency manipulation not being part of the agreement, and that pharmaceutical companies may have gotten more benefits from the deal than their patients". Ironically the Members of the Democratic National Convention platform committee have decided to move against including a specific opposition to the TPP to the party's platform. However they do call for existing trade agreements to be updated to reflect strong and enforceable labor and environmental standards.

Donald Trump has come out against TPP saying "I am going to withdraw the United States from the Trans-Pacific Partnership, which has not yet been ratified". [Full text of his speech "Declaring America's Economic Independence"](#)

This means that for TPP to succeed it will need to be brought before Congress by President Obama in a lame duck session straight after the elections. This will be a busy time with Congress having to vote on fiscal budget issues as well as the Supreme Court appointment. If passed it will ease the pre-election anti TPP rhetoric from Senator Clinton, as TPP will be down to the past president.

There are several key issues that the USTR is working on. One being a proposal for shielding the financial services industry from data localization requirements under the TPP. Media are reporting that the Administration is close to presenting to congressional trade committees on this.

The other major issue still outstanding is the length of time U.S. companies would keep exclusive rights to their drug and biological products. These include drugs and genetically engineered products (5 years). This is a key

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View from Washington DC (Continued from page 1)

issue for Sen Orrin Hatch (R-UT), Chairman of the Senate Finance Committee and without his support, TPP has little chance of passing the Senate. With tobacco being carved out of TPP, a number of pro trade votes that carried TPA last year have been lost.

In a speech to the Cato Institute last week USTR Ambassador Froman commented “The good news is that, as I meet with Members of Congress, they are increasingly appreciating the benefits of the agreement and the costs of delay”.

The TPP Business Coalition in the USA (US Chamber, Business Roundtable, ECAT and others) say ‘this is the time to go’ as if the opportunity is missed, then it is more than likely that nothing will happen on the trade front in the USA until 2018. By then the US will have missed out setting the global rules of trade as Asia forges ahead with other agreements. During the Dooknock APCAC presented Barbara Wiesel, Assistant U.S. Trade Representative for Southeast Asia and the Pacific and US Lead Negotiator on TPP with an APCAC award for her work on TPP.



(APCAC Awards Committee and Tami Overby, US Chamber with Barbara Wiesel)

What the TPP means for our F&B sector

Are you in the food and beverage sector and wondering how the Trans-Pacific Partnership will affect your business? Here is a very good fact sheet from ANZ about the implications and opportunities of the TPP agreement for the New Zealand food and beverage sector. [Read more](#)

SelectUSA: What’s your Next Step?

The 2016 SelectUSA Investment Summit wrapped up earlier this week, but the action hasn’t stopped. Representatives of international companies are traveling to other parts of the country as they search for locations to establish or expand operations. U.S. economic development organizations (EDOs) from every corner of the United States have packed up their booths, but many of them are still meeting or hosting investors. And the team at SelectUSA and the U.S. Department of Commerce is fielding inquiries, receiving feedback, and providing services to companies and EDOs.



Hosted by President Barack Obama and Secretary of Commerce Penny Pritzker, the SelectUSA Summit is the highest profile event to promote job-creating foreign direct investment (FDI) in the United States. The momentum from this year’s event will take our efforts to a new level. More than 2,500 participants from across the United States and 70 foreign markets convened in Washington, D.C. from June 19 – 21 to



(US Secretary of Commerce Penny Pritzker)

discuss diverse opportunities, find practical tools and information, and meet the right people to move investments forward.

In addition to Secretary Pritzker, seven members of President Obama’s Cabinet, welcomed participants: Secretary of State John Kerry, Treasury Secretary Jacob Lew, Secretary of Agriculture Thomas Vilsack, Secretary of Labor Thomas Perez, Secretary of Transportation Anthony Foxx, Energy Secretary Ernest Moniz, and Ambassador Michael Froman, United States Trade Representative (watch online). They were joined by Governor Jack Markell of Delaware, Governor Nathan Deal of Georgia, Governor Butch Otter of Idaho, and Governor Terry McAuliffe of Virginia, who helped show the essential role that state governments play in economic development. Business leaders from a range of industries shared their experiences with the audience, and 22 U.S. Chiefs of Mission personally led delegations of investors. [Read more](#)



**(Working breakfast for NZ and Aus
Hosted by @VACommerce.
Closing remarks delivered by Amb Gilbert)**



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Supporting AmCham

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Six years of export growth to United States

Statistics New Zealand reports that New Zealand's exports to the United States (US) increased for the sixth consecutive March year in 2016, Statistics New Zealand said today. This earned New Zealand \$2.8 billion more in 2016 than in 2010.

Trade with the US earned us \$444 million more from exports than we spent on imports for the March 2016 year. New Zealand earned \$8.4 billion from exports to the US while our import expenditure to that country was \$7.9 billion. Our total exports to the US made it our fourth-largest export destination in the latest year.

In the March 2016 year, meat and edible offal was New Zealand's top export commodity to the US, earning \$1.8 billion. This compares with \$1.1 billion in the March 2014 year.

"New Zealand had record beef exports to the US through the middle of 2015 and this strength has resulted in a 55 percent increase over the past two years," international statistics senior manager Nicola Growden said. "Beef contributed 81 percent of meat exports to the US in the latest year."

Spending by US visitors to New Zealand (\$1.0 billion) was our second-largest export earner from the US. Together, meat and travel contributed over one-third of New Zealand's total exports to the US in the March 2016 year.

Despite a \$49 million fall in expenditure on imports from the US in the March 2016 year, it is our fourth-largest import source (unchanged from the March 2015 year). Mechanical machinery and equipment (\$1.3 billion), including turbo jet and propeller parts, was our largest import expense from the US, followed by aircraft and parts (\$1.1 billion).

Noel Group announces opening of Houston Launch Pad

Houston-based Noel Group Inc. today announced the opening of its Houston Launch Pad (<http://www.houstonlaunchpad.net>)

The Launch Pad is a Noel Group initiative designed to assist businesses to quickly establish a beachhead in the Houston market, and as a gateway to Texas and the US. Located just 10 minutes from the airport and on the 20th floor of the iconic Greenspoint Four building in a campus-like setting that includes a Hilton hotel, fully-serviced conference center, a dozen restaurants and a state-of-the-art fitness center, the Launch Pad is the ideal place to do business while enjoying the benefits of an all-in-one facility. A comprehensive range of support services are available via Noel Group on flexible terms, including:

- Office space, facilities & ICT infrastructure
- Business development & marketing
- Private equity investment
- Accounting, insurance & legal
- Travel, housing & relocation

Noel Group CEO, Stacey Horne, believes that a key benefit the Launch Pad can offer is the ability to establish quickly in familiar company and gain market access and visibility via existing relationships built over many years. "Our team has been working with international companies, particularly New Zealand, for more than a decade and knows how to build relationships across cultures. We offer a full range of services for those who want to move into the US market. Houston is a thriving city that offers a friendly, yet cosmopolitan business environment with a can do attitude that transcends geography."

Noel's SVP, Hamish Clark, agrees that the Launch Pad provides the ideal bridge for both sides of the Pacific. "We 'kiwis' share many of the same values as our Texan neighbours, including our pioneering spirit and passion for innovative thinking. Our key challenges are distance and a comparatively tiny domestic market. The Launch Pad was designed with these challenges in mind and to make 'the leap' as painless as possible. A trusted and committed in-market presence with deep roots is a big plus for any New Zealand company, and in order to 'plug in' to the US value chain with minimum burn and maximum leverage. The combination of transpacific fibre and direct flights from Houston-Auckland also make short work of distance."

One of the Launch Pad's early benefactors is New Zealand's largest privately-owned paint manufacturer, Resene Paints. The company has entered into a joint venture with Noel Group to develop and market an innovative surface coating with exceptional rejection properties. It is also a significant contributor to Noel Group's private equity fund. Resene's CEO, Nick Nightingale, is excited by the initiative and agrees that local knowledge is invaluable for international companies entering the US. "We at Resene Paints congratulate the Noel Group on the launch of this terrific initiative. We think that it is a great idea to smooth the path of companies trying to start up in the USA; dealing with all of the little 'roadblocks' that can occur whilst trying to get established in a different jurisdiction. It is this sort of innovative thinking that makes us proud of our association with the Noel Group and, of course, anything which helps to spread 'Brand Kiwi' gets our especial backing. Noel Group has in-depth understanding of NZ business environment so can readily translate that into the US market. Resene is already using Noel Group's local knowledge and networks to identify potential sales relationships and JV opportunities in Texas/USA."

(Continued on page 4)

Noel Group (Continued from page 3)

Noel Group is also a proud member of AmCham New Zealand. Executive Director, Mike Hearn, is a Launch Pad advocate and had this to say about how the initiative could benefit its membership. “AmCham New Zealand congratulates the Noel Group on the launch of this important beachhead which will greatly assist our members and other companies doing business in the region. Having access to Noel Group’s expertise will be an invaluable asset and I look forward to deepening our already strong relationship with the Group.”

Houston-based Noel Group Inc. is a ‘smart capital’ private equity firm investing in proven entrepreneurs with scalable technology and core IP.

The Houston Launch Pad is a Noel Group initiative designed to assist businesses to quickly establish a beachhead in the Houston market, and as a gateway to Texas and the US.

NZ-US Technology Safeguards Agreement reached

Economic Development Minister Steven Joyce and Foreign Minister Murray McCully today announced that an agreement has been reached between the Governments of New Zealand and the United States of America covering the safeguards associated with the use in New Zealand of controlled U.S. rocket technology.

New Zealand will have a world class space regulatory framework which includes the Technology Safeguards Agreement (TSA) with the United States, accession to the United Nations Convention on Registration of Objects launched into Outer Space, and a new law governing space and high altitude activities.

“The TSA which will be signed in Washington this week paves the way for innovative companies, in the first instance Rocket Lab through its U.S. parent company, to launch rockets and satellites from New Zealand,” Mr Joyce says.

“The TSA contains safeguards to protect controlled U.S. rocket and satellite technology while ensuring New Zealand agencies retain the ability to perform their statutory tasks,” Mr Joyce says. “New Zealand has also reserved the ability to prevent a launch in New Zealand that is contrary to New Zealand law or policies.”

The Minister of Foreign Affairs has designated the TSA as a major bilateral treaty of particular significance and it will be subject to a Parliamentary treaty examination by the Select Committee on Foreign Affairs, Defence and Trade. Both the TSA text and the accompanying National Interests Analysis are being presented in Parliament today. [Read more](#)

The agreement was signed in Washington by NZ Ambassador Tim Groser and Ambassador Kristie Kenney, **Counselor of the Department at the US Department of State. In attendance was Peter Beck, CEO of Rocket Lab.**



American Airlines takes off from Auckland to Los Angeles

American Airlines’ inaugural Auckland-Los Angeles service started today, opening up more choice for New Zealanders travelling to the United States.

The new daily non-stop service, operated by American’s state-of-art Boeing 787-8 Dreamliner, adds almost 1,600 seats a week on the Auckland-Los Angeles route and connects to over 220 daily flights to more than 70 destinations around the world – more than any other carrier in Los Angeles. For inbound visitors, the new route



taps in to Qantas Group’s network of more than 70 destinations in Australia and New Zealand. Qantas and its subsidiary airline, Jetstar, operate up to 175 return flights a week between New Zealand and Australia.

Growth in New Zealand is the next step in the expanded partnership between American and Qantas, which has provided customers with more options across the Pacific, including American’s Sydney-Los Angeles service and Qantas’ Sydney-San Francisco routes – both of which began operating in December last year.

Photo: Ellen Reid

From Tourism NZ

We know from research that films influence where people choose to travel. When films are produced in New Zealand it provides an opportunity for Tourism New Zealand to gain access to quality content, marketing opportunities and high impact media channels to promote New Zealand as a tourism destination.

(Continued on page 5)

From Tourism NZ (Continued from page 4)

Last week more New Zealand locations were revealed in a new trailer for Disney's movie fantasy Pete's Dragon. New Zealand acts as Millhaven, a town in the Pacific Northwest in the new movie, scheduled for worldwide release from August 2016. Wellington's Mt Victoria and Queenstown's Deer Park Heights are featured in the new trailer.

And, just today, Paramount Pictures and DreamWorks Pictures announced they have completed production on the film Ghost in the Shell - the majority of which was shot in Wellington, New Zealand.

[New Zealand to Invest extra NZ\\$8m in India and USA over next 4 year.](#)

The Global from Day One (GD1) Fund II has raised NZ\$38 million – NZ\$5 million more than its first close target.

The New Zealand Venture Investment Fund (NZVIF) is a cornerstone investor in the fund, committing around NZ\$11 million (US\$7.5m), alongside its Taiwan counterpart, the National Development Fund. The remainder has been raised from foundation investor Sparkbox Investments, the Fund's management team and private investors in New Zealand, Taiwan, Australia, Singapore, Hong Kong, and the USA. New Zealand investors include Sir Stephen Tindall's K1W1, Diligent founder Brian Henry, and a range of private investors with technology and finance backgrounds. [Read more](#)

Tripartite exceeds expectations – LA & Arizona return

The Tripartite Economic Summit 2016 attracted 700 delegates increasing our economic, trade and investment opportunities. Techweek AKL 2016, held during the same week, also surpassed all expectations, showcasing the innovation taking place in Auckland that is key to our region being recognised as an innovation hub of the Asia Pacific rim. Delegates from Auckland, Guangzhou and Los Angeles pursued business opportunities at the Summit with Mayor Len Brown hailing the summit "a huge success, far beyond expectations". [Read more](#)

Following the summit and in-conjunction American Airlines, a business delegation from Los Angeles and Arizona, came down to follow-up on potential opportunities of recent Tripartite Summit; to discuss next steps for the Guangzhou leg of the Tripartite in 2017 and to explore NGO to NGO partnership opportunities for economic development. AmCham members had the opportunity of meeting the delegation at a reception.

AmCham thanks DLA Piper for the use of their offices for the reception.

TRADE, BUSINESS and INVESTMENT OPPORTUNITIES

Commercial News USA

The July/August 2016 issue of Export USA, the official export promotion magazine of the U.S. Department of Commerce, is currently online at <http://exusa.think.global/072016/>

International Buyer Program – Trade Show Schedule 1 Jan to 31 Dec 2016

For details and support contact Janet Coulthart: janet.coulthart@trade.gov

From NZTE

Startup lessons from the United States

When PageProof launched in mid-2015, there was strong demand for the cloud proofing platform from the United States - but also some oddities to be unraveled. Founders Gemma Hurst and Marcus Radich talked to Stuff about how getting on the ground in the market solved a few mysteries and revealed key opportunities to push PageProof's growth forward. [Read more](#)

From ExportX

[Amazon's Exclusive Manuka Honey Feature](#)

Amazon.com in the USA has introduced a New Zealand manuka honey section as part of its specialist Amazon Exclusives store. New Zealand manuka ... [Read on »](#)

Annabel Langbein appears on Today Show with Matt Lauer

So exciting to be back for another adventure in America! I had a fab few days exploring the Chicago food scene and now I'm in New York to appear on **the Today show** with Matt Lauer again cooking Black Velvet Cake and other zucchini deliciousness.

SUCCESS STORIES WITH USA

[NZ tech company ShapeShifter helping Nike and Adidas manufacturers](#)

[NZ moves up in global competitiveness ranking](#)

[AML Riverside is set to supply the United States market](#)

[Established Logistics Player Opens Two New US Supply Chain Facilities Additional Warehousing Almost Doubles Existing Foothold in America](#)

[Pushpay targets US investors to raise new capital](#)

[Orion Health signs contract in Minnesota](#)

[Foley Family Wines pays growers early for record 2016 vintage](#)

[BurgerFuel may cancel US expansion if backer pulls out, posts annual loss](#)

[ARANZ Geo acquires 3point Science](#)

[Executive Success: Indigenous touch for technology](#)

[Hero fuels Kiwi's US lift-off](#)

[Vital research gives Auckland companies a US boost](#)

[Rod Drury comment on major US banking announcement for Xero](#)

[McDonald's NZ full-year profit rises 19%](#)

EVENTS FOR YOUR DIARY

- 4th July – Breakfast with Dave Hilfman, Senior VP Worldwide Sales, for United Airlines
- 8th July - CEO lunch, Wellington (invitation only)
- 28th July - CEO lunch, Auckland (invitation only)
- 28th July - 2015 EY Entrepreneurs of the Year Craig Hickson, Managing Director, Progressive Meats Ltd and Young Entrepreneur Chris Hislop, Co-Founder and CEO of Pushpay Ltd
- 18th Aug – 2016 AmCham-DHL Express Success & innovation award dinner in Auckland
- 20th Oct – Reception for Board of AmCham Australia & delegation
- 21st Oct – Briefings for Board of AmCham Australia & delegation

MONTHLY FOREIGN EXCHANGE RATES

As at 9am	01/06	01/07	
USD	0.6763	0.7132	↑
AUD	0.9354	0.9576	↑
EUR	0.6073	0.6432	↑
GBP	0.4670	0.5373	↑
CAD	0.8865	0.9240	↑

HiFX

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Contact: doug.warren@hifx.co.nz

Jamie Beaton event

Members had the opportunity of hearing from Jamie talking on his success with Crimson Consulting, studying at Harvard and the future.



Our thanks to **Chris Chandler of KPMG** for hosting the Jamie Beaton event

RE the AmCham went flyer for the Jamie Beaton event held on 9 June, Sir John Graham and Sir Pat Lynch request the following correction, to be placed in the upcoming American Chamber of Commerce newsletter:

Correction: Campus Link was incorrectly marketed as an acquisition of Crimson Consultancy. Campus Link is a charity and is not in any way associated with Crimson Consultancy.

MEMBER NEWS

New look AmCham website – www.amcham.co.nz

The AmCham website has undergone a transformation to the digital and mobile age. The site now include our Twitter and RSS feeds on TPP.

We ask all members to spend a minute or two checking that their online profiles are update. To log in use your email address and if you have forgotten your password hit forgotten password and a new one will be sent.

Don't forget to follow us on Twitter @Mike_Amchamnz

NDA Group Announces Acquisition in North America

New Zealand's largest stainless steel fabricator, NDA Group announced today that it has acquired a business in North America, World Wide Exchangers(WWE), a leading provider of heat exchangers to the gas processing and compression markets in North America.

The NDA Group is a New Zealand based group of companies specialising in the design and fabrication of high precision process vessels and heat exchangers for the dairy, wine and chemical industries, and the provision of other specialist products and services to key markets around the world.

This bolt-on acquisition for NDA compliments existing operations in Alabama and Houston which focus primarily on engineered products for the specialty chemicals markets.

Located on a 5.5 Acre site, North of Tulsa, Oklahoma, WWE consists of seven facilities on the one site, producing Shell & Tube Heat Exchangers and Air Cooled Heat Exchangers up to 54 ton in weight. It currently employs 30 staff taking the total number of employees across NDA's North American Operations to 200.

Mark Eglinton, CEO of NDA Group, says he is very excited about the addition of WWE to the NDA Group.

"WWE has an excellent reputation for innovative, cost effective designs delivered on time. These are critical drivers of the gas processing and compression markets.

"This innovative business is a great acquisition and a significant strategic step into an attractive new market," he said.

Congratulations to:

Cathy Quinn, Chair of Minter Ellison Rudd Watts named as an officer of the New Zealand Order of Merit

Vista Entertainment on winning PwC NZ Hi-Tech Company of the Year Award and Movio the Duncan Cotterill Innovative Software Product Award

Jeff & Virginia Poole (Fine Wine Delivery Company) & Tony Ellis on raising \$250,000 for all NZ Hospices by riding the length of the South Island on mountain bikes from Picton to Bluff (1,365km) in 18-days

MEMBER NEWS (Continued)

New Members

Euler Hermes New Zealand Ltd, Auckland – **Chris Murphy**, Country Manager - the world's leading provider of trade-related credit insurance solutions with more than 100 years of client support and responsiveness to changing business environments. We are backed by Allianz, one of the leading financial services providers worldwide. www.eulerhermes.co.nz

National Credit Insurance (Brokers) NZ Ltd, Auckland - **Charles Sampson**, National Sales Manager - leading trade credit insurance broker in New Zealand and Australia. Our offices extend to Auckland, Wellington, all major cities in Australia and Singapore. This international presence ensures we have the most up to date and accurate information on any business around the globe. www.ncinz.co.nz

Qantas Airways Ltd, Auckland - **Wes Nobeluis**, Regional General Manager, NZ, Pacific Islands & South America - Australia's largest domestic and international airline. Widely regarded as the world's leading long distance airline and one of the strongest brands in Australia. The Qantas Group's main business is the transportation of customers using two complementary airline brands - Qantas and Jetstar. Qantas is a One World Alliance member, working closely with American Airlines on the new Auckland to Los Angeles route. www.qantas.com

People on the move:

American Airlines has appointed Mario Santander as Country Manager in New Zealand

Andrew Tompkin has been appointed as the new General Manager for Abbvie New Zealand.

Melissa McGregor is returning to Australia to take up the role of Australian Country Manager. AmCham thanks Melissa for all her support as a board member.

The Hon Jim McLay is the new Consul General in Honolulu

Richard Dellabarca, a former investment banker and technology company executive, has been appointed as the new chief executive of the Crown-owned New Zealand Venture Investment Fund.

Patrick J. Cannon, General Manager of PPG Industries has moved back to the USA with PPG.

Martijn Jager has been appointed General Manager Business Development and Chris France, General Manager Business Transformation, will immediately assume the role of General Manager Sales at Synlait.

Fonterra has appointed Mike Cronin as Managing Director Corporate Affairs and Joanne Fair as Managing Director People & Culture

With Z Energy's acquisition of Chevron New Zealand taking place on 1 June, Dean Gilbert has relocated to Singapore as General Manager, Asia Pacific Programs & Initiatives.

Sandhya Pillay has been appointed Coca-Cola Oceania's new NZ Manager.

AECOM's New Zealand Managing Director John Bridgman is moving to a new Sydney-based position with AECOM where he will be leading major project delivery. Paul Steinwede, Environment End Market Leader – Australia & New Zealand takes on the role of Acting Managing Director – New Zealand.

BMW Group New Zealand has appointed experienced journalist and editor Garry Ferris to the position of Corporate Communications Manager

Joe Kaesshaefer, Counselor for Commercial Affairs for Australia/NZ at the US Embassy in Sydney has completed his term and has returned to the USA.

April Scarrow is the new Consular Chief at the US Consulate in Auckland.

Deloitte has appointed 28 new leaders <http://www2.deloitte.com/nz/new-partners>

GENERAL

Are you a company of interest?

Entries are open for the Deloitte Fast 50!

Entries are now open for the 2016 Deloitte Fast 50 - and we're on the hunt for companies like yours as we look to celebrate the success of New Zealand's fastest growing businesses.

The Deloitte Fast 50 measures percentage revenue growth over a three year period with the full index announced in November. **Entering is easy** - do it now!

To find out more about how to enter, the Deloitte Fast 50 programme, and why your business should enter, visit www.fast50.co.nz. Entries close **29 July 2016**.

If you have any questions or would like help with your entry, contact our Fast 50 team at nzfast50@deloitte.co.nz or call 0800 FAST 50 (0800 327850).

BUSINESS TRAVEL & TRAVEL NEWS

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

Business World Travel is a member of GlobalStar Travel Management

Airlines

Welcome American Airlines and United Airlines back to New Zealand! With three airlines now operating non-stop flights to California our business and leisure travellers will hopefully see reductions in airfares. Add Hawaiian Airlines via Honolulu into the mix and the options for travel to the US including flight departure times is pleasing. American Airlines is operating in conjunction with Qantas and United has a 'revenue share' arrangement with Air New Zealand.

Airline	Aircraft	Business	Economy with leg room	Economy
AA American Airlines	Boeing 787-8	28 lie flat – 77”	57 seats - 36” Main Cabin Extra	141 seats – 31” Config. 3/3/3
UA United Airlines	Boeing 787-8	36 lie flat – 78”	70 seats – 36” Economy Plus	113 seats – 32” Config 3/3/3
NZ Air New Zealand	Boeing 777-200 Boeing 777-300	26 lie flat – 79.5”	40 seats -41” Premium Eco	246 seats – 31”-33” Config 3/4/3

Config:3/3/3 refers to seat numbers across the cabin

AirNZ figures quoted for the 777-200

American’s Main Cabin Extra and **United’s Economy Plus** are a slightly different product from **Air New Zealand’s Premium Economy** but the two US-airlines’ products will be very popular. Basically it is Economy Class with extra leg room and is not treated as a separate class of travel as airlines like Air New Zealand and Qantas have tried to do. For a modest surcharge over any economy class airfare (eg surcharge upward of US\$170 or so per sector depending on the load) you can get the extra leg room seats. The airlines’ Elite frequent flyers can seat themselves there free of charge (AA Gold Members are 50% in advance but free within 24 hours of the flight).With the current economy seat sales you could travel Main Cabin Extra for under NZ\$1400 return to LA. This extra leg-room economy seat charge will be popular with families and compares brilliantly when Air NZ’s Premium Economy is priced between NZ\$4000-\$5800 return to Los Angeles, albeit with Air NZ offering an enhanced economy class meal service in Premium Economy.

With United and American’s launch, who has the fastest flight connection between Auckland and New York? **American Airlines/Qantas** win by 4 minutes according to our calculation! AA082 is a same flight number service Auckland/Los Angeles/New York-JFK with total flight duration 19 hours 6 minutes. **United Airlines** via San Francisco to New York-Newark is 19 hours 10 minutes and **Air New Zealand** via Houston is 19 hours 21 minutes. Many travellers will like the United and American arrival times into New York, both at around 1630 – meaning you can still catch dinner with friends or colleagues and get a good night’s sleep before launching into work the next day

Needless to say there is some great seat sales to the US in the market. Look what a bit of competition does!

Fiji Airways has launched a twice-weekly service between Nadi and San Francisco (Thu / Sun).

With the new **Singapore Airlines** Capital Express starting soon linking Wellington – Canberra – Singapore and **American and United** now operating here our travellers have the luxury of some excellent choices. Our message to travellers however is use it or you’ll lose it! Support these airlines which challenge the status quo and will help your company reduce your travel costs.

Hotels & Holidays

20 km due west of Honolulu Airport is the newest resort option worth considering! On Oahu’s sunny western coast – wild, rugged and conveniently close to Honolulu and Waikiki Beach is the new five-star **Four Seasons Resort Oahu at Ko Olina** which balances a classic Hawaiian style with one-of-a-kind luxury. Featuring vast ocean views, the 371 room property has re-opened after a full rebuild following Four Seasons acquisition of an older hotel on the property. There are pools and lagoons landscaped into the resort and numerous water sports right off the Resort’s own beach. Relax in the Spa or play tennis and golf on the Ted Robinson designed course, which is within Golf Digests Top 75 Courses in the US. **BWT clients will receive the 4th night free** at the Four Seasons Ko Olina as well as the other standard **Virtuoso** value added amenities.

The **Rugby in Chicago** this November continues to attract attention from our business travellers. Some are travelling with colleagues, some are taking a few deserving clients and many are meeting Irish cousins or mates in Chicago! This rugby festival will be the most fun you can have given the number of Chicagoans with proud Irish ancestry combined with the large numbers travelling from Ireland. With two fantastic matches set in one of the greatest cities in the world, BWT will get you there to witness the action live! The NZ Maori will take on the USA Eagles on the Friday night at Toyota Park (approximately 25km inland from Soldier Field) followed by the New Zealand v Ireland clash on

(Continued on page 9)

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

Reviewing your Corporate Travel? Call our Team:

Business World Travel Wellington 04-470 6044

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



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Saturday night at Soldier Field. **Ask about the packages**

As is the case with most of our business travelling clients you're sent off to the US with the family shopping list! Your shopping expedition will be made easy and under one roof in **Philadelphia**. The mall of all malls in the US is **King of Prussia** in Philadelphia. It is considered an A++ mall with sales of US\$975 per square foot or \$11.3 billion revenue annually! The Mall is about the complete a \$250 million expansion with opening of the extension housing 50 new stores on 18th August. Every designer label from the US and Europe is here, as are most of the major department stores. There are very few malls which have Nordstrum, Neiman Marcus, Lord & Taylor, JC Penny, Macy's and Bloomingdales under one roof, as is the case at King of Prussia.

Our BWT Travel Consultants have the details about our **Virtuoso** amenities programme at hotels across the US. Take a look at our options for hotels, cruises, US sporting events and tours at www.virtuoso.com.

LEGAL ISSUES

Norris Echetebe Law (formerly Norris Legal Consulting) – American Law Specialists

In partnership with the AmCham NZ, our objective is to provide AmCham NZ members with information on the complex US legal landscape, to promote US-NZ business relationships, and to assist NZ businesses expanding into the lucrative US markets. In our monthly column, we write about legal issues which we deal with in our representation of NZ businesses doing business in and with the US. However, we are also open to suggestions on topics about which members are interested in learning. So, please feel free to email us with your comments, questions and any suggested topics at info@nz-uslegal.co.nz.

Is Your Business Subject to the Jurisdiction of the U.S. Courts?

As you sit in your office in New Zealand where your business is headquartered, where the main outputs of your business are performed, and where your business bank accounts reside, it's difficult to imagine that your business could be subject to the jurisdiction of a court within the United States. However, if you are doing business in the United States then there are certain circumstances where a court within the United States can assert jurisdiction over your business.

Most of us have a basic understanding of the meaning of the term "jurisdiction". We use the term all the time in common conversation. When someone does something that they don't normally do, or goes someplace they don't normally go, we say something like "you're out of your jurisdiction." But legally, the term "jurisdiction" refers to whether or not a court has the power to issue a controlling order over a person. When a court acts without "jurisdiction" its orders and opinions regarding a case are ineffective, and it is not able to take any action regarding the party over which it does not have jurisdiction (interestingly enough, this can apply to jurisdiction over "issues" as well, but we will save that for another time).

Of course, jurisdiction is a legal concept which was handed down to us from ancient times, coming from a Latin phrase which translates roughly to "speak the law". In the United States, it is a Constitutional concept. The federal courts of the United States are granted original jurisdiction under the Constitution, and have expanded jurisdiction over specific issues and people granted by the legislature. The courts of the individual states of the United States are granted original jurisdiction by each State's founding Constitution or Charter (that's right...States have their own constitutions), and further expanded by each state's legislature. Under the Federal Constitution, which by its own terms is has supremacy over any other federal or state laws, there are due process limitations placed on both state and federal court's jurisdiction.

Jurisdiction is normally tied to physical presence. As this is the case, the federal courts generally follow the same rules as the state courts in which the federal court sits. It makes sense that if you are physically in Los Angeles, then the Los Angeles State Superior Court and the Federal District Court for the Central District of California would have jurisdiction over you. But what if you leave California? Or what if you only were there temporarily to do a business deal? These sort of issues are controlled by a state's "long-arm" statute. A "long-arm" statute sets the rules for when a state can assert jurisdiction over a person who is not within the physical premises of the state.

These "long arm" statutes are limited by the Constitution's due process requirements. The seminal case on the matter is called *International Shoe Co. v. Washington*, 326 US 310(1945). In this case, the U.S. Supreme Court found that a state can only assert jurisdiction over an out of state business if that business has certain minimum contacts with the state such that the maintenance of the suit does not offend the traditional notions of fair play and substantial justice. In 2011, the U.S. Supreme Court issued another ruling regarding jurisdiction in *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 131 S.Ct. 2846 (2011). In this case, the Court explained that a U.S. court can have jurisdiction over a foreign corporation to hear "any claims" over which it has general jurisdiction only when the corporation's affiliations with the state in which the suit is brought are so constant and pervasive as to render it essentially at home in the forum state.

Your New Zealand company may be subject to the jurisdiction of a U.S. state or federal court if some of the following are true:

- ◇ You keep an office in the United States, even if you are not registered to do business in any state (i.e., this would apply to anyone with a desk at the Kiwi Landing Pad).
- ◇ Your business has a bank account in the United States from which it accepts payments from US customers on a frequent and continuous basis.

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Legal Issues (Continued from page 9)

- ◇ Your business has an executive who is in the U.S. frequently and continuously on business (i.e., more than 30 days a year) and making executive decisions from the United States.
- ◇ You systematically place your goods into the stream of commerce in the United States.

The issue of whether the above-factors will create jurisdiction of a U.S. court over your foreign business are determined a case by case basis and entails a very fact specific analysis, which focuses specifically on your actual conduct in the United States. Simply selling your products into the United States (i.e., placing goods in commerce") is not enough on its own to subject you to U.S. jurisdiction. However, if you are actively marketing your goods in the U.S. either through advertisement, through sales agents, or through actual employees on the ground, then this may trigger jurisdiction.

It is important to keep the above-referenced factors in mind while conducting business in the United States because you need to understand what liability exposure you have when you do become subject to the jurisdiction of the United States courts. For instance, not all insurance policies issued in New Zealand will cover your legal defense costs if you are sued in the United States. Further, the policies may be simply inadequate from a policy limits perspective to provide you with proper cover. Also, your business can place forum selection clauses into its contracts and terms and conditions which either select New Zealand as a forum or pick a state in the United States where it makes sense for you to litigate an issue. The clauses may also select Arbitration instead of litigation in court.

Falling into a jurisdiction finding against you in the United States can come as a surprise, as having to litigate in a foreign country can be a costly (and perhaps existentially damaging) adventure. It is important to understand when you have likely triggered U.S. jurisdiction so that you can take the correct legal and financial posture with your business to best protect your assets and interests.

- Zachary D. Norris, JD, LL.M. and Ada Echetebeu, JD, LL.M.

***This article is for general informational purposes only and does not constitute legal advice, nor should it be construed as constituting any legal advice from Norris Echetebeu Law or any of its affiliated lawyers. For specific analysis of your US legal issues, please contact the attorneys at Norris Echetebeu Law at +64 (0)9-889-2602 or visit us on the web at <http://nz-uslegal.co.nz/>.**

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