

# AMCHAM NEWS

## American Chamber of Commerce in New Zealand

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December 2015

### NZ Ambassador to Washington Mike Moore retiring from role in December

Below are extracts from Mike Moore's note to All Staff and Agencies Washington DC; US Posts and Hon Cons

"Yvonne and I are giving notice to MFAT that we will be leaving the Post just before Christmas on the 16th December.

Minister Murray McCully and MFAT have been very generous and kind to us.

Yvonne and I have made a lot of very special and lasting good friends here and their support and compassion has been wonderful.

I am now the longest serving continuous Ambassador to the US. I didn't seek this job but felt I should do it because great issues were at stake. The time was ripe for it.

On a security level things have moved up several notches. You are aware of the many exercises we do together and the important contribution we are making in the struggle against ISIS. TPP was the second part of the job and we have worked to getting acceptance for this by Congress. I believe it will be forthcoming. It will be a question of time.

We will go home content that we did our best. Pity the old body gave up".

**The AmCham board has written to Mike Moore to congratulate him on his achievements during his time in Washington and for all his support of AmCham.**



### Tim Groser appointed New Zealand's Ambassador to Washington

Prime Minister and Acting Foreign Minister John Key has announced Tim Groser as New Zealand's next Ambassador to the United States taking up the appointment in early 2016.

"New Zealand's relationship with the United States is one of our most crucial," Mr Key says.

"As the world's largest economy and New Zealand's fourth-largest trading partner, the United States is a key destination for our exporters. New Zealand and the United States also cooperate on a range of international peace and security issues.

"Tim's extensive international experience as Trade Minister makes him well-placed for this role, particularly as the Trans-Pacific Partnership progresses towards implementation."

Mr Key thanked outgoing Ambassador Mike Moore for his contribution and service to New Zealand in Washington.

"I want to thank Mike for the role he has played as Ambassador since 2010. New Zealand's relationship with the United States has been strengthening over a number of years and Mike has been a key contributor to that improvement. "I wish him and his wife Yvonne all the best as they return home to New Zealand."

### TPP update

The Ministry of Foreign Affairs and Trade held initial information sessions on TPP in early November 2015. New Zealand's Chief Negotiator for TPP, Dr David Walker (Deputy Secretary, Ministry of Foreign Affairs and Trade) gave an [overview presentation](#) on TPP's key outcomes for New Zealand at sessions in Auckland, Dunedin and Wellington.

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*TPP - (Continued from page 1)*

These initial information sessions will be followed by further outreach events, including roadshows following signature. See also the New Zealand Government [factsheets](#) on this website for more information on key outcomes for New Zealand.

It has been suggested in the media that TPP could be signed by the participating Trade Ministers in New Zealand in February. The deal cannot be signed before 3 February which is the end of the US Congress 90-day review period of the deal. The Foreign Affairs, Defence and Trade Select Committee will start public hearings as soon as the deal is signed.

**Inside US Trade advises U.S. business associations with cross-sectoral membership such as the U.S. Chamber of Commerce and the National Association of Manufacturers (NAM) are still consulting with members about their views on the final text of the Trans-Pacific Partnership (TPP) agreement, but private-sector sources said they expect these groups to take formal positions on the deal early this month.**

The Office of the U.S. Trade Representative recently released reports on the Trans-Pacific Partnership submitted by 27 U.S. trade advisory committees, as required under the fast-track law. Although USTR is touting the reports as generally supportive of the TPP deal, they also include statements critical of the agreement from certain stakeholders such as the brand-name pharmaceutical industry, financial services companies, labor unions, and state and local officials. Additionally, the report by the Advisory Committee on Trade Policy and Negotiations contains a dissent signed by the three union leaders who serve on the committee.

**U.S. Trade Representative Michael Froman has been busy trying to gin up support for the Trans-Pacific Partnership on Capitol Hill. Meeting with House Ways and Means Democrats and Republicans. However Rep. Gerry Connolly (D-VA), a vice chairman of New Democrat Coalition, that he believes Congress is unlikely to vote on a bill to implement the Trans-Pacific Partnership (TPP) until the lame-duck session in late 2016 because the U.S. International Trade Commission (ITC) is not expecting to release its economic analysis of the trade pact until mid-May and lawmakers face congressional primaries from March through September.**

The Obama administration has begun to reach out to Senate Finance Committee Chairman Orrin Hatch (R-UT) regarding his objections to the Trans-Pacific Partnership (TPP) agreement on pharmaceutical intellectual property (IP) and other issues, and potentially his demands for remedying them.

AmCham's in the Asia Pacific region are holding regular conference calls with the US Chamber for updated briefings on the state of play in the USA. APCAC are still planning on staging their annual Washington Doorknock in late June in anticipation that TPP could be in front of Congress at that time.

## **US Naval Ships invited to visit NZ**

New Zealand's long deadlock over American naval ship visits could soon end, with the first formal invitation extended to the United States since anti-nuclear legislation was introduced in 1987. The invitation is to attend the Royal New Zealand Navy's 75th anniversary commemorations in November next year. Prime Minister John Key said the government had invited a range of countries to visit - including China and the US - and it is up to those governments to decide whether they would attend. [Read More: Radio NZ](#)

## **New visa to grow more value from international students**

Tertiary Education, Skills and Employment Minister Steven Joyce and Immigration Minister Michael Woodhouse have announced a new student visa designed to make New Zealand more competitive for retaining and attracting top international students.

The Pathway Student Visa will allow international students to undertake a pathway of up to three consecutive programmes of study with selected education providers. A pathway can be offered by a single education provider or in partnership with other selected education providers. They will be valid for a maximum of five years.

Mr Joyce says the Pathway Student Visas will be implemented from 7 December for an initial pilot period of 18 months and cover more than 500 primary, secondary and tertiary institutions.

Figures released earlier this month showed the number of international students studying in New Zealand on a student visa went up by 16 per cent in the 2014/15 financial year to 84,856. [Read more.](#)

## **Large-Scale International Military Exercise**

Around 200 battle-ready troops and 280 tonnes of equipment and vehicles embarked in HMNZS CANTERBURY in Wellington in the first stage of the largest amphibious exercise conducted by the New Zealand Defence Force (NZDF).

"Exercise Southern Katipo 2013 aims to test the capability of the NZDF to mount a medium-scale amphibious operation that involves maritime, land and air assets," said Royal New Zealand Captain Jim Gilmour, Commander Amphibious Task Force for the exercise.

"It will also enable us to demonstrate our ability to operate effectively with our coalition partners," he added.

The NZDF will be deploying two ships (HMNZS CANTERBURY and HMNZS WELLINGTON) and up to 12 aircraft for the exercise, which involves up to 2200 personnel from New Zealand and nine other nations. The exercise will be held from 4-29 November, with the primary area of operations centred on the airport and port of Timaru. [Read more.](#)



Supporting AmCham

## 2016 APCAC Business Conference in Beijing on April 13-15.

AmCham China are putting together a great program with the aim of bringing together over 300 business, policy, diplomatic, government, and media leaders for two days of important and incisive discussion on China's Asia Pacific engagement and its implications for American business.

Challenges and opportunities affecting US business in East Asia, the future of Asia as a financial hub, China's regional engagement and One Belt, One Road initiative, and the regional trading environment are just some of the important themes and issues that will be examined on April 14. April 15 will be a deep-dive into more China-specific issues including leveraging central versus local government relations, China's economic outlook and the 13th Five-Year Plan, and China's economic slowdown.

The launch of AmCham China's 18th Annual White Paper on American Business, a 'Meet your Embassy' reception, and a gala dinner to celebrate AmCham China's 25th anniversary are just some of the exciting special events planned during the conference.

[Click HERE](#) for more information about the APCAC Conference. Registration information will be available in January as will codes for booking hotel rooms at a discounted rate.

## US Co. working with Dept of Internal Affairs seeking feedback on identity verification and fraud prevention needs.

From BizDojo

Inflection, a Silicon Valley-based identity management company, is collaborating with the Department of Internal Affairs on creating a digital identity strategy for New Zealand.

Inflection is looking for technology-enabled companies to answer a few questions about the of your business, as well as understand your perceptions of RealMe as a solution for those needs. If you'd like to share your thoughts on this, **please fill this 3 minute survey by end of Monday, 15th December:** <http://goo.gl/forms/4MEosaMmyQ>

As a "thank you" for participating in this survey, you will be entered into a drawing to win an iPad Air 2, which will be delivered to you before Christmas if you win (one less present to worry about?).

All survey responses will be kept confidential. If you have any questions, please contact Matt Muller from Inflection at [mmuller@inflection.com](mailto:mmuller@inflection.com).

## Annabel Langbein a multi-category nominee in top global awards

Vote for Annabel and help promote New Zealand -

Just two months after its debut on American television, Annabel Langbein's popular lifestyle series The Free Range Cook: Simple Pleasures is in the running for several gongs at the prestigious Taste Awards.

And with one category decided by global public vote, she's calling on New Zealand and American supporters to help her spread the word about New Zealand's beautiful scenery and gourmet food producers by voting online at <http://www.thetasteawards.com/viewers-choice-voting-7th-annual-taste-awards/>

The Taste Awards (aka the Tastys) celebrate the world's best in food, fashion, travel and lifestyle programs on television, in film, online and on radio. Previous winners include Jamie Oliver, Gordon Ramsay, Martha Stewart and Anthony Bourdain.

Annabel's 13-part series, which showcases her simple garden-to-table recipes against a spectacular backdrop of New Zealand scenery, is a finalist in no less than four categories:

- Best Travel Program
- Best Food Travel Series
- Best Green or Organic Program, Series or Film
- Best Home Chef in a Series (to be decided by public vote)

Please support Annabel by voting for her in the American **TASTE AWARDS!**

'Best Home Chef in a Series' Viewer Choice Awards (Category 5, will take just one minute of your time – THANK YOU).

<http://www.thetasteawards.com/viewers-choice-voting-7th-annual-taste-awards/>



## TRADE, BUSINESS and INVESTMENT OPPORTUNITIES

### Commercial News USA

The Nov/Dec 2015 issue of Export USA, the official export promotion magazine of the U.S. Department of Commerce, is currently online at <http://exusa.thinkglobal.us/112015/>

### Trade-Leads for Importing and Exporting

You are invited to register your company at America's new online trade leads matchmaking platform for importers and exporters. ThinkGlobal is the world's first B2B matchmaking platform to integrate multimedia, localization, virtual trade show technology, and social media. Just register online at [ThinkGlobal](#)

### International Buyer Program

Trade Show Schedule 1 Jan to 31 Dec 2015 – for details and support contact Janet Coulthart: [janet.coulthart@trade.gov](mailto:janet.coulthart@trade.gov)

### New Zealand AgTech Sector to provide Global Thought Leadership at SVForum's 2016 AgTech Conference

Wharf42 is delighted to jointly announce the date of SVForum's 2016 'How Digital Technology is Transforming AgTech' Conference. The Conference will be held in Silicon Valley on Thursday 21 April 2016. The Conference will explore how emerging digital technologies such as robotics, drones, sensors and big data are creating more productive and sustainable agri-business opportunities for the future.

The conference is designed for anyone interested in current agriculture technology industry trends, together with engaging in meaningful interaction with key executives, professionals, technologists, entrepreneurs, innovators, and thought leaders ready to disrupt and transform the AgTech ecosystem. The conference will bring together industry leaders and players to take a look into the future of AgTech and the impact that emerging digital technologies are having on the whole agriculture sector. [Read more.](#)

### From NZTE

#### The art of storytelling in the US

The US is the epicentre of a great story; whether you're talking to VC's, customers, or end consumers - a compelling story that helps you stand out from the crowd is the foundation of your company. Paul Cameron of Booktrack and Marcel Van Den Assum of Greenbutton give practical advice on how to make your story take flight in the US. [Watch here.](#)

#### LISTEN: Tips for entering new markets

Michelle Greenwald is the author of Catalyzing Innovation – a guide to help companies and entrepreneurs innovate in a more methodical, creative way. In this audio series she shares her advice with New Zealand exporters looking to break into new markets like the US. [Listen here](#)

#### Finding Great talent in the US

It all starts with who you hire and it's REALLY easy to get that wrong. Rod Drury of Xero and Anne Fulton of Fuel50 share their thoughts on how to hire, who to hire and how to support your crew to deliver outstanding results. [Watch here.](#)

### From KEA

#### Tech co seeking connections in health care/wheelchair industries for virtual reality initiative

mTech Games would like to connect with decision-makers in the health care and insurance industries worldwide, such as the Veteran's Administration hospital system in the US, NHS in the UK, global spinal cord injury support groups, with insurance companies, and with large power wheelchair manufacturers. They are commercialising a virtual reality wheelchair simulator to help those with traumatic spinal cord injury adapt to their new circumstances. They are currently involved in Lightning Lab and are attempting to contact potential clients in the health care and insurance industries worldwide. [www.mtechgames.com/background-to-the-wheelchair-trainer](http://www.mtechgames.com/background-to-the-wheelchair-trainer)

#### Courier company seeking help with expansion in to US market

Parcel Monkey are seeking contacts that have had experience growing an IT company and/or marketing to the consumer in the US market. They provide a comparison website for international and domestic shipping, and are targeting consumers and micro business. They are looking to connect with US-based Kea members that have set up successful IT companies, or people who knows how to market to consumers in the US, who can provide help and be a sounding board for ideas and expansion. [www.parcelmonkey.com](http://www.parcelmonkey.com)

#### Nutraceutical business looking for introductions into US nutraceutical retailers for US expansion

Fifeshire Marketing are looking to be introduced to decision makers in big US nutraceutical retailers, such as GNC and Vitamin shoppe. They are a small company set up to develop nutraceutical products based on New Zealand sourced raw materials, and have produced a proven natural anti-inflammatory product - Pernoil - based on green lipped mussel oil. They would like to see this working as an ongoing business relationship. Success stories with the USA. [www.fifeshire.co.nz](http://www.fifeshire.co.nz)

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## From ExportX

### Smith Creek Expands Range with Streamer Patch

Smith Creek has expanded its range of fly fishing gear stocked with ExportX in the USA. The newest product is the patented Smith Creek ... [Read on »](#)

### Manukora UMF 20+ Manuka Honey in the USA

UMF manuka honey firm Manukora has chosen ExportX as its channel to export markets, starting with the USA. It's taken just three weeks ... [Read on »](#)

### Gutter Whiskers #1 on Amazon

Gutter Whiskers gutter guards are today the #1 best-selling gutter guard product on Amazon.com in the USA. Gutter Whiskers are manufactured in New .. [Read on »](#)

### 1Above Expands Range With 100-Hour Pack

1Above has expanded its product range available in the USA by adding a 100-hour option. The new 100-hour product, offered as a package ... [Read on »](#)

### First wholesale investor offer live: SOS

**View offer** SOS Hydrate, creator of a medically formulated hydration drink mix that's as effective as an IV drip, has today launched its investment offer to the Kiwi public.

After being selected by Coca Cola as a founding member of its Founders Forum of billion dollar potential brands, and raising over \$1,000,000 in the current round already, SOS are now seeking further investment to fund expansion within USA and into other countries.

Due to the nature of the security being offered (a convertible note), this offer is available to "wholesale investors" only.

### New offer: D'arcy Polychrome

**View offer** D'Arcy Polychrome intends to disrupt the existing global decorative paint market. D'Arcy has developed drikolor®, a unique technology that means colour can be added to paint and other materials in a dry, granulated 'stir in' powder that can be stirred into a common tin of base paint, as easily as sugar stirs into coffee.

drikolor® enables new retailers such as home décor, lifestyle and online stores to enter the US\$46 billion global decorative paint market and sell colour to consumers.

## MONTHLY FOREIGN EXCHANGE RATES

As at 9am	04/11	04/12	
USD	0.6694	0.6670	↓
AUD	0.9307	0.9078	↓
EUR	0.6106	0.6090	↓
GBP	0.4341	0.4406	↑
CAD	0.8749	0.8898	↑

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## SUCCESS STORIES WITH USA

- Auckland team wins drone competition, attracts Hollywood interest
- GE agrees to sell Australia, NZ finance units
- Gallagher acquires New Zealand brokerage
- Sparks fly over new Kiwi electric farm bike
- Hardware giants help drive overseas growth for ikeGPS
- Pacific Edge first-half loss widens, ramps up sales in US
- Shipping sunlight to California
- Spidertracks confirms a dozen orders for New Spider 7 at NBAA
- Fonterra exits dairy Farmers of America joint venture
- Kiwi behind Silicon Valley start-up
- Stolen Spirits sells off majority stake to Chicago-based Liquid Assets for \$21m
- NZ cybersecurity boost as Victoria University of Wellington unites with global experts
- Calera Capital acquires stake in Transactions Services Group Ltd
- Constellation Brands leases quarter of NorthWest Two
- Coretex acquires US company Air-Trak to pick up waste industry growth opportunities
- American ice cream chain Ben & Jerry's coming to New Zealand
- US Wine Industry Organisation opens in New Zealand
- Alcatel Lucent unveils 9,700km NZ to Hawaii submarine cable

## TRAVEL NEWS

### NZ takes Texas by storm

In the biggest sales mission to be undertaken in the US in over a decade, Tourism New Zealand and 25 New Zealand operators have taken destination New Zealand to Texas, the 'Lone Star State', with outstanding results. The activity was organised as part of TNZ's work to support Air New Zealand's new Houston to Auckland route which launches 15 December. [Read more.](#)

### Visit USA Expos 2016

Planning for the Visit USA Expos 2016 is well underway and the events are shaping up to be the biggest yet. The Expos will take place from 15 - 19 February 2016 in Sydney, Melbourne and Brisbane, and 22 - 23 February 2016 in Auckland and Christchurch.

Brand USA Director for Australia and New Zealand commented on the strong turnout, explaining "never before have we seen so many US suppliers register their attendance at the Australian and New Zealand expos, which is an indication of the strength and importance of these markets to our USA destination partners. We now expect to welcome 47 US suppliers to this market in February."

## 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

**2016** will see three US-based airlines operating to Auckland – existing operator **Hawaiian Airlines** Auckland to Honolulu service will be joined by **United Airlines** Auckland to San Francisco and **American Airlines** Auckland to Los Angeles. **United**, in conjunction with Air New Zealand and **American** in conjunction with Qantas commence services mid-year.

Abu Dhabi based **Etihad** has just been announced as the Air Transport World Airline of the Year. Previous recipients of the **ATW Airline of the Year** award include Southwest Airlines (2015); Delta Air Lines (2014); ANA (2013); Air New Zealand (2012); and Emirates (2011). The only two airline ratings awards worth paying attention to are this ATW one and the SkyTrax awards. The Etihad award is well deserved – our own team members at BWT have enjoyed their service and comfort levels on board and together with their commercial people who we deal with around the world make this award well justified.

Clients who pay for their **Air New Zealand** flights using their Air NZ Travelcard and also are on the airline's **Above & Beyond** reward programme will no longer receive single entry **Lounge Passes** as part of the soft rewards programme. Frequent travellers will note the congestion in many of the airlines' lounges and this measure will free up a few seats. Lounge access can still be gained by paying a Business Class airfare, purchasing a Koru Club annual membership or gaining Gold Status on any Star Alliance frequent flyer programme.

**New Zealand** introduces a Border Clearance Levy for sales and travel from 01 January 2016. The tax will apply to all international passengers departing and arriving into New Zealand and will be collected as a ticketable airline tax by we travel agents. The tax is applicable for all international departures and arrivals into New Zealand.

International Departures: NZD 3.37 (including GST)

International Arrivals: NZD 18.20 (including GST)

### Upcoming Trade Fairs

Registrations and bookings are open for three key trade fairs:

CES Consumer Electronics – Las Vegas – 06-09 January

World of Concrete – Las Vegas - 02-05 February

International Home + Housewares – Chicago – 05-08 March

CES and WOC are partnered with the US Commercial Service and offer the International Buyer Programme. Ask us about this.

### Hotels & Holidays

**The Peninsula Beverly Hills** is one of a growing number of hotels which offers 24-hour stay. Your stay starts when you arrive eg 5pm and the room is yours until 5pm the following day.

This Amcham News Feature Hotel from our **Virtuoso Programme** is the **Four Seasons in Washington**. Located at 2800 Pennsylvania Avenue, this Georgetown property is quintessentially power-broker Washington, yet at the same time a casual and relaxing weekend retreat. **BWT Travellers** will benefit from our Virtuoso amenities programme – all at a similar rate to your corporate rate or any online travel agent such as Bookings.com or Expedia! Our value proposition is unbeatable.

Full breakfast daily, for up to two in room guests

\$100 USD Equivalent Spa Services credit

Upgrade on arrival, subject to availability

Our BWT Travel Consultants have the details about our **Virtuoso** amenities programme at hotels across the US.

12 people have died this year that we know of, from taking **selfies**. With deepest respect, some others will applaud the bull in Spain and the crater in Indonesia which are just a couple of the offending causes. It's been said that social decorum dictates that unless you're a 10 year old girl, selfies are a social no-go and we feel sure you don't need to be in every single one of your travel photos. Obliging 'other-tourists' always seem keen to reciprocate a snap shot. Possibly safer and you might meet someone you like.

**American College Football** comes Down Under in August 16 when the **University of California** plays the **University of Hawaii** in Sydney. We'll have packages available in early 2016 for the big match on Saturday 27 August, ANZ Stadium.

On the subject of travel to **Australia**, fingerprint and face scans are a part of an update to procedures confirmed by the Australian Department of Immigration and Border Protection. The changes mean that many non-New Zealand passport holders applying for an Australian visa will no longer use the simple on line process, instead requiring them to present at a facility to provide the biometric information. This applies to many 'third-country' nationals applying for entry in Australia from New Zealand. If your company employs non-New Zealand passport holders far greater advance notice for an Australian business trip will now be required.

Some advance purchase **Cruise** specials for the 2016/17 season are still available. To book your first or next cruise speak to our cruise expert Agota Watt ([awatt@bwt.co.nz](mailto:awatt@bwt.co.nz) or Tel. 04-470-6044).

Check out our website at [www.bwt.co.nz](http://www.bwt.co.nz)

Reviewing your Corporate Travel? Call our Team:

Clare Gilbertson Business World Travel Wellington 04-470 6044 [cgilbertson@bwt.co.nz](mailto:cgilbertson@bwt.co.nz)

Grant Bevin Business World Travel Auckland 09-529 3700 [gbevin@bwt.co.nz](mailto:gbevin@bwt.co.nz)



**EVENTS FOR YOUR DIARY**

11th Feb	CEO lunch, Auckland (invitation only)
19th Feb	Hawaiian Airlines Ambrose Golf Tournament, Auckland
10th March	Annual Wellington reception for members and government officials.
11th March	CEO lunch, Wellington (invitation only)
17th March	CEO lunch, Auckland (invitation only)
8th April	CEO lunch, Auckland (invitation only)

**MEMBER NEWS**

**New Members**

**FoodCap International Ltd**, Auckland – **Julian Beavis**, CEO - FoodCap's capsulated material handling approach takes it to the next level. The FoodPac system offers processors a safe, efficient, cost effective method for the bulk packing, buffering, storage, ageing, internal transfer or external transport of fresh chilled meat between production facilities. Whether starting from a Greenfields site or integrating into an existing operation, FoodPac enables reduced handling, improved hygiene and product security, accurate tracking, superior temperature control and removes the need for single-use packaging currently dumped in landfills. [www.foodcap.com](http://www.foodcap.com)

**Motim Technologies Ltd**, Christchurch - **Andrew Plimmer**, CEO – since 2007 Motim Technologies has partnered with leading global brands and the world's best creative advertising agencies to develop exciting new brand experiences that don't feel like advertising. Leaders in mobile marketing technology, including computer vision, augmented reality, second screen experiences, audio and gamification, Motim combines its expertise and original intellectual property in software engineering and computer science, with great design and the benefit of real-world experience for great brand campaigns. [www.motim-technologies.com](http://www.motim-technologies.com)

**Ford Announces Senior Leadership Change**

In the midst of launching a record year of new vehicles, Ford Motor Company today is announcing changes in its senior leadership team in New Zealand to capitalise on its best lineup yet, develop even stronger ties with Ford dealers and build on milestones such as achieving truck leadership with Ranger.

Corey Holter, managing director, Ford New Zealand is appointed manager, Car Group Marketing, Ford North America. Succeeding Holter will be Simon Rutherford. Prior to this role, Holter held the position of Asia Pacific Marketing Strategy Director, based in the company's Shanghai Ford Asia Pacific head office.

**AmCham member companies in TIN 100 top 10**

Apart from Fisher & Paykel Healthcare at 3<sup>rd</sup> there was **NDA Group** with T/o of \$165m in 8<sup>th</sup> place and **Orion Health** in 9<sup>th</sup> with t/o of \$164m.

**People on the move:**

**James McVitty** has taken over from **Fiona Hutchinson** as Vice President Government Relations and Trade Strategy North America for **Fonterra** based in Washington DC.

**Jon Davies** is the new San Francisco based Business Development Manager for **NZTE**.

**Tyler Capson** has joined **EveredgeIP** as Head of Operations in Auckland. **David Magee** has joined EverEdgeIP as CEO of North America in Los Angeles.

**BusinessNZ Council** has appointed **Kirk Hope** to take over from **Phil O'Riley** as Chief Executive.

**Orion Health** has appointed **Johan Vendrig** as CIO; **Robert Pepper** as VP Marketing North America; **Susan Anderson** as Managing Director for Canada and **Kate Reid** as Director of Strategy & Partnerships.

**THE AMCHAM OFFICE WILL BE CLOSED FOR THE CHRISTMAS HOLIDAYS FROM 18 DECEMBER UNTIL MONDAY 18TH JANUARY 2016.**

**WE WOULD LIKE TO THANK ALL OUR MEMBERS FOR THEIR SUPPORT DURING 2015 AND WISH YOU ALL A VERY MERRY AND SAFE CHRISTMAS HOLIDAYS.**



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## EDUCATION & INTERNSHIPS

### Winternz and iCE seek investment to send NZ talent to the Silicon Valley as part of a NZ Government and R&D initiative for the QB3 fellowship scheme.

Created to allow exceptional undergraduate and graduate talent from New Zealand to experience Silicon Valley for 3-12 months and for companies participating they will get:

- A sustainable source of interns & graduates.
- Bright, young sparks who are eager to develop.
- Short term team members who can help complete key projects.
- Brand name recognition for your company across the Winternz home country & their universities:

For more info contact [nuwanthie@theicebase.com](mailto:nuwanthie@theicebase.com) OR [craig@pertino.com](mailto:craig@pertino.com)

## TAXATION ISSUES

### The Future of U.S. tax reform

**By Gina Wallace, Director, NZ US Tax Specialists Ltd**

'No-one can tell you what will happen in the future. But some people can really give you vision about what might happen' (David Lifson, CPA introducing former House Ways and Means Committee Chairman Mr Dave Camp at the 2015 AICPA National Tax Conference).

Mr Camp delivered an enlightening and insightful speech on the future of U.S. tax reform at the November National Tax Conference in Washington DC. The speech focused on the key drivers for U.S. tax reform underpinning the Tax Reform Act of 2014.

He said that there are three key drivers for tax reform, being the tax extenders, the economy, and international pressure.

'We are the only nation in the world that lets a huge chunk of its tax code expire, often for a year, and then retroactively puts in back in place'.

'That whole process is really unacceptable to me, and it puts us out of place with the rest of the world' he told conference delegates.

'If something has been extended for 40 years, or 30 years, or 15 years, I think it's pretty much policy'.

Moves to make tax extenders permanent, he said, especially the obvious ones, have received bipartisan support but have been rejected by the White House.

Commenting that the economy is not where it needs to be, Mr Camp observed that the unemployment figures are understated and are more likely to be around 10 percent.

This is due to a large extent, to people having left the workforce, and Mr Camp expressed his personal concerns around growing the economy, keeping jobs in the United States, the issue of 'substantive presence' becoming increasingly significant, and the difficulties that school-leavers face in finding employment.

On the international front Mr Camp talked extensively about the pressure that the United States is experiencing from overseas due to having the highest statutory corporate rate in the world and the second highest effective statutory rate – second only to France.

This is severely affecting the United States' ability to compete on the global stage.

The United States is one of only a few countries left with a worldwide system of taxation both corporate and individual. Most other countries, including New Zealand, have moved to a system of territorial basis for taxation of incorporated entities.

Accordingly the phenomena of 'lock up' has some 2.3 trillion U.S. dollars stranded overseas, whereby corporations reinvest profits rather than repatriate these to the United States.

As the United States has the highest corporate statutory rate in the world, lock-up occurs to avoid additional tax payable in the United States due to foreign tax rates not being sufficient to meet the U.S. tax liability on repatriated profits.

The OECD average statutory corporate income tax rate is now around 24%, a steady and dramatic decline from 50% in the 1980s, and Mr Camp stated that there is unanimity that the U.S. corporate rate needs to come down, citing that the United States is a 'takeover target' due to its lack of global competitiveness. To read the rest of this article please visit: [www.nzustax.com/blog.html](http://www.nzustax.com/blog.html)

*Norris Legal Consulting – American Law Specialists*

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## LEGAL ISSUES

### THE TEXAS LEGAL BRIEF

We have previously written about our belief that Texas is a prime location for a New Zealand business to set up its subsidiary or just to do business in general. We thought that as December is the inaugural Auckland to Houston flight on Air New Zealand, we would provide you with a quick legal brief on Texas government and the Texas legal system.

Texas joined the United States in 1845 following approximately 10 years as an independent nation after declaring its independence from the Republic of Mexico in 1836 and defeating the Mexican dictator Antonio Santa Anna in a series of well commemorated battles (Remember the Alamo!).

Under the US federal system, each annexed state operates as a semi-autonomous area with limited federal oversight under the US Constitution. While all federal law is supreme to state law, pursuant to the US Constitution's 10<sup>th</sup> Amendment of its original Bill of Rights, the powers not specifically enumerated to the federal government in the US Constitution are left to the states. Thus, each state has broad powers to regulate the health, safety, and welfare of its citizens.

The Texas government is a close reflection of the US federal government. It was established by the Texas Constitution which was first adopted in 1827 (there are 7 different versions), with the current version having been adopted in 1876. The 1876 Constitution has a whopping 483 amendments and establishes a government with an executive branch (headed by the Texas Governor), a legislative branch (the bi-cameral Congress of Texas with a House of Representatives and a Senate), and a judicial branch.

The State of Texas has over 100 government agencies which regulate everything from finance and the environment to cemeteries and horse-racing. While this may sound daunting, the Texas government has created a very simplistic regulatory system, which is ranked among the top 5 in the nation as to ease of compliance and the low quantity of regulations overall. So, when looking to what specific regulations may apply to your business in the State of Texas, you would look for the regulatory body on the state level, as opposed to the federal level, and you would consult the Texas Administrative Code (which can be found online) or the specific agency's website.

The state is divided into 254 counties, each governed by an elected five-member Commissioner's Court, which is housed in the County Courthouse. The Commissioner's Court is headed by the elected county judge, who has both executive and judicial duties. In Texas, the counties have limited control and mostly deal with areas such as road construction, utility provision outside of municipal areas, and control of the counties' sheriff's departments. The largest counties in Texas are Harris County (which encompasses the Houston metropolitan area), followed by Dallas County. Outside of a very limited industrial sectors, you will not need to apply to the County government for a business license.

The real power for local governance lies with the municipal governments. Each municipality is governed by a city council which is under the direction of the mayor's office. The cities have broad powers and can enact local ordinances which effect where businesses can be located, set local sales and property tax, and regulate various health and safety issues. The largest city governments in the State of Texas are the City of Houston, followed by the City of Dallas. Generally, when setting up a business, you may need to be in contact with the city's zoning department to obtain occupancy permits for any new office build-outs. However, Texas municipal law rarely requires a business to obtain a license to operate. So the local government regulatory burden is very very light.

The judicial branch has 5 court levels (municipal, county, district, court of appeals, and the supreme court). Interestingly, the judges in Texas are elected, which means you can tell a lot about the way they will rule in a case by the party of which they are a member. For the most part, the current government (state, county, and local) and most judges in the State of Texas are members of the Republican Party. While this may be a bit conservative for Kiwi tastes, it does lend itself to a very business friendly atmosphere which is focused on tort reform and ease of business. This has made Texas one of the most low-cost jurisdictions in the United States, with a very business friendly regulatory environment.

As a result of this, Texas law has been shaped over the past 20 years to protect businesses from frivolous lawsuits. Texas is ranked first in the United States in legislation limiting monetary losses that can be asserted against businesses in a tort lawsuit, and has created a loser pays procedure for many lawsuits which greatly limits the amount of potential litigation your business could face. Because of this system, insurance rates are generally lower in Texas than in other states, leaving your business with more money to invest on operations and employees (and creating more profits for you to bring home). In short, it's easy to do business in Texas.

It is important to analyze the regulatory, tax, and legal burdens of the state in which you are thinking of locating your subsidiary or otherwise setting up your distribution hub. Texas has ranked number 1 in the US for the past 10 years for a few very simple reasons: its laws are business friendly, its courts and legal system are fair to businesses, its cost of living and doing business are low, and its taxes are low. We encourage you to take advantage of the new Air New Zealand leg to Houston and go explore the amazing opportunities that await you in Texas.

- Zachary D. Norris, JD, LL.M. and Ada Echetebe, 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 Legal Consulting, The Norris Law Firm or any of its affiliated lawyers. For specific analysis of your US legal issues, please contact the attorneys at Norris Legal Consulting at +64 (0)9-889-2602 or visit us on the web at <http://nz-uslegal.co.nz/>.*

## GENERAL

### AmCham Stableford Golf Tournament

The fourth Serious Golfers AmCham Auckland Golf Tournament was held at Manukau Golf Club on 24<sup>th</sup> Nov. The winners were:

**US Embassy Trophy – Senior Grade – Doug MacEwan**

**AIG Trophy – Intermediate Grade – Paul Fielding**

**3M Trophy – Junior Grade – John Waugh**

**Best Team Score – Citibank**

**Nearest the Pin – Tony Knezovich**

**Longest Drive – Doug MacEwan**

**Our thanks to hole sponsors:**

**Eagle Technology Group Ltd – Duane Eagle**

**Rosebank Business Association – Mike Gibson**

**Hamburg Sud – Marilyn Morley for donating some prizes**

Also our thanks to Devin and the team at **Manukau Golf Club** for making us so welcome.



### New Member Reception Photo's

