



Pacific Trade Invest
CHINA

ANNUAL REPORT

2023



PACIFIC ISLANDS
FORUM SECRETARIAT



Ministry of Foreign Affairs of
the People's Republic of China



CONTENTS

Greetings from the Trade Commissioner	3
Who We Are	6
Our People and Partners	8
Key Focus Areas	10
Our Achievements in Trade	12
Sip to Success – Unlocking China’s Coffee Market	16
Launch of the Pacific Trade Online app	18
Our Achievements in Investment	20
PNG Woos Chinese Investors	24
Our Achievements in Marketing and Communications	26
Our Achievements in Stakeholder Engagement	28
Making an impression at the China International SME Expo	30
Financials	33
Auditor’s Report	33
Statement of Financial Position	34
Statement of Expenses	36

GREETINGS FROM TRADE COMMISSIONER MONA MATO

As the Pacific Island Forum’s trade and investment agency in China, our purpose at Pacific Trade Invest (PTI) China is twofold: support Pacific Island exporters to succeed in the Chinese market and help match Chinese investors with investment opportunities across our Blue Pacific region. The last 12 months marked the first year since China fully reopened its international borders following three years of COVID restrictions. While the reopening led to an increased demand for our services, in many ways, it has not made things easier for our exporters. A key constraint on the supply side has been the unprecedented high costs of freight, leading to a strain on profit margins, human resources and the ability to maintain quality products for the market. In response, PTI China reprioritised our service offerings to adapt to both client and customer challenges. We strengthened our sales focus and refined a targeted approach to our work plan, extending to business development while responding to the reopening of the Chinese borders.

In delivering our 2023 work plan, PTI China is proud to report that the efforts by the team during China’s first year of reopening resulted in the delivery of 219 services to 118 Pacific businesses, achieving a total export value of \$A3.38m and an investment value of \$A5.72m.

Among our highlights over the year, PTI China helped local fisheries and agricultural industries and exporters to meet Chinese import standards by connecting relevant government ministries and industry organisations with China’s quarantine services for certification and registration. These efforts enabled fisheries, coffee and cocoa exporters to gain access into the Chinese market. We also launched Pacific Trade Online, a digital platform on WeChat that showcases Forum Island Countries’ export brands and investment information for Chinese buyers, consumers and investors, and removes access and language barriers for Chinese consumers. PTI China commissioned a study to gauge Chinese private sector interest in Pacific investment

projects and to assess market attractiveness, sector strengths and major trends. The aim was to help Chinese investors understand the Pacific’s growth potential and competitive landscape to make informed investment decisions. The study provided insights into Chinese investment interests and Pacific market opportunities.

China is an increasingly important economic partner for enhancing the digital growth and innovation of our Pacific businesses. We will continue to explore diverse, creative and innovative business opportunities that promote sustainable development and job opportunities for our Pacific people.

I would like to take this opportunity to acknowledge the government of the People’s Republic of China for the ongoing funding contribution under the annual China-Pacific Islands Forum Cooperation Fund. This has enabled Pacific Trade Invest China to continue to provide services to grow the presence of our Pacific businesses in China. We value our continued partnership and look forward to growing this relationship in the years ahead.

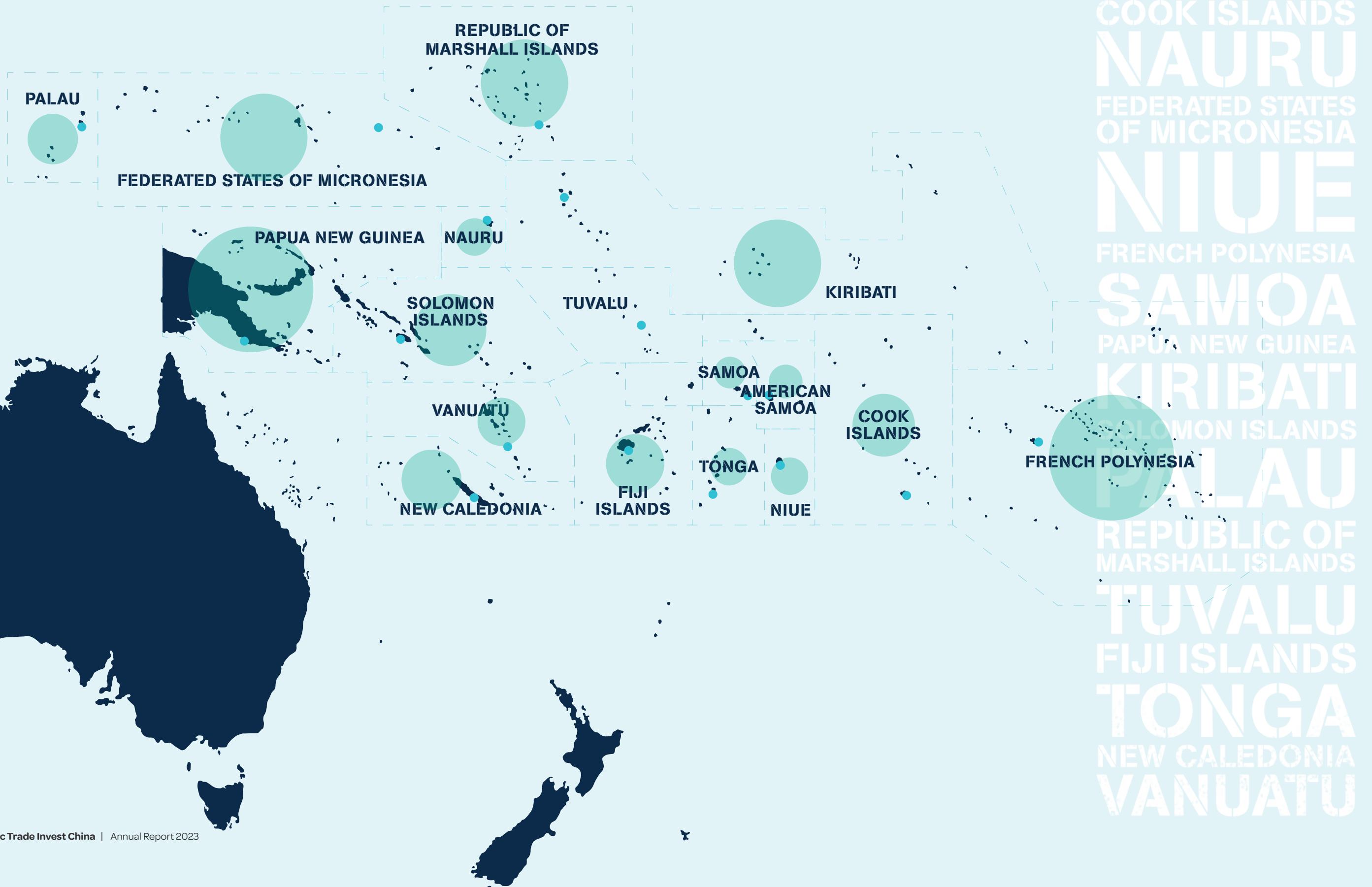
Kia manuia,



Mona Mato
Trade Commissioner
Pacific Trade Invest China



PACIFIC ISLANDS AT A GLANCE



WHO WE ARE

Pacific Trade Invest China is the Pacific Region’s lead trade and investment promotional agency in the People’s Republic of China (PRC). We are mandated by the Pacific Islands Forum leaders to facilitate and promote trade and investment opportunities between the Pacific Island countries and territories and the People’s Republic of China.

We are part of the Pacific Trade Invest Network, with offices in China, Australia, New Zealand, Europe and Japan. The network contributes to the sustainable economic development of Pacific Island countries and supports the Pacific Islands Forum Secretariat’s Strategic Outcome – Increasing Economic Prosperity. Our funding comes through the support of the People’s Republic of China.

As the official trade and investment agency of the Pacific Islands Forum Secretariat, it gives Pacific Trade Invest China and our global network a considerable advantage. Through the Secretariat’s communication platforms, we have direct access to regional policies and frameworks, technical agencies and government officials. Pacific Trade Invest China is unique in that we serve all 16 members of the Forum Island countries and territories.

OUR VISION

“Improving the livelihoods of Pacific people by enabling decent work and economic growth in the Blue Pacific.”

OUR ROLE

While Pacific Trade Invest China is set up as a diplomatic office, it operates like a trade and investment promotional organisation (TIPO). In global terms, the primary role of a TIPO is to help small and medium-sized enterprises succeed in international business through the delivery of integrated programmes. These programmes provide education to our exporters on trade and market intelligence. We also create connections to international markets, promote inclusive trade, and strengthen investment support. TIPOs work directly with the private sector to fulfil their role as buyers and investors.

As a small organisation, we have the advantage of rapidly shaping our approach based on the insights and perspectives of our beneficiaries and partners. This flexibility enables us to adapt to the changing needs of our clients in a dynamic, fast-paced international business environment.

Pacific Trade Invest China’s work is focused on creating commercial opportunities for export-ready and China-ready businesses across the Blue Pacific. Our job is to promote trade and investment opportunities between businesses in China and the Pacific Island countries and territories. Recognising the complex nature of the Chinese market, we develop and deliver a specialised and focused work programme that ensures exporters are China-ready. Our programme equips our exporters with the knowledge to understand business culture, language, and the right approach to a vastly different consumer base. At Pacific Trade Invest China, we believe it is essential to be confident and certain of our clients’ readiness for China.



OUR PEOPLE

OUR CLIENTS

We work with Pacific businesses to facilitate export and investment deals.

- Our export clients are businesses in the Pacific looking to grow their presence in the Chinese market.
- Our investment clients are businesses in the Pacific seeking investment from China.

OUR CUSTOMERS

We build connections between Chinese businesses and the Pacific to engage in export and investment deals.

- Our import customers are businesses in China looking to bring Pacific products into the Chinese market.
- Our investment customers are Chinese businesses who value not only the economic outcomes of business relationships, but also the social and environmental impact on Pacific businesses. They are motivated to invest and develop a series of business plans in the Pacific.

COOK ISLANDS
NAURU
FEDERATED STATES
OF MICRONESIA
NIUE
FRENCH POLYNESIA
SAMOA
PAPUA NEW GUINEA
KIRIBATI
SOLOMON ISLANDS
PALAU
REPUBLIC OF
MARSHALL ISLANDS
TUVALU
FIJI ISLANDS
TONGA
NEW CALEDONIA
VANUATU



OUR PEOPLE AND PARTNERS

We collaborate with China's Ministry of Foreign Affairs (MOFA) and Ministry of Commerce (MOFCOM), provincial and municipal governments, the Pacific Islands Ambassadors Group in Beijing, Pacific Islands Diplomatic Missions, and the Pacific Islands Forum Secretariat. The contribution from our people and partners adds considerable value to our exporters in all 16 Blue Pacific Forum Island countries and territories. Our collaboration enables our buyers and investors in China to fulfil their trade and investment goals and objectives.

As the only not-for-profit government-funded trade and investment promotional agency in China, we play a unique facilitation role and work directly with the private sector to develop and promote Pacific Island exports and investment opportunities.

With an established network of contacts, a comprehensive database system, and a well-resourced global network of market intelligence, we can effectively deliver our tailored and customised service offerings. Our access to regional policies and frameworks, and technical assistance programmes from the Council for Regional Organisations in the Pacific, has proven to be a great advantage in the development of our services.

We add further value to our stakeholder community by having a Beijing-based team who are fluent in spoken and written Chinese. Our team have cultural expertise and a sound understanding of the complexities of the Chinese market. These skills qualify us to collaborate with and communicate the needs of our Pacific Island clients and Chinese customers with private sector organisations, national economic development agencies, and government officials.

KEY FOCUS AREAS

Our key focus areas reflect our overarching strategy and vision to drive trade deals and investments in the Pacific. We focus on creating commercial opportunities for China-ready Pacific businesses. We do this by facilitating trade and investment opportunities between China and Pacific Island countries.

Trade Promotion

We cultivate sustainable connections and relationships between Pacific exporters and buyers in China to achieve successful export leads and outcomes.

Investment Facilitation

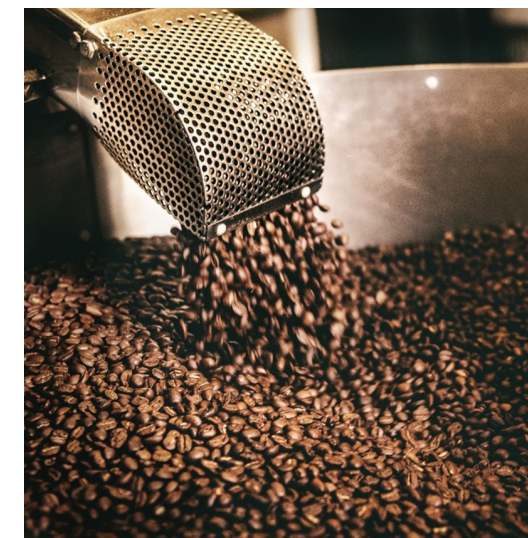
Our aim is to foster continued economic growth and prosperity by drawing in investment capital and facilitating investment deals. We use marketing and communication strategies to engage our customers, government partners and stakeholders.

Marketing & Communications

We create awareness about our purpose, progress and the opportunity to collaborate with us by providing all stakeholders with relevant information and market insights. It is our privilege to share the testimonials of our clients who are achieving excellence and success in exporting.

Stakeholder Engagement

Our dedicated team works enthusiastically with all Pacific Trade Invest network partners, the Government of China, the Pacific Islands Forum, and China-based stakeholders. We strengthen strategic partnerships and develop new relationships with key partners to maximise the trade and investment results we have set out to achieve.



CELEBRATING OUR ACHIEVEMENTS TRADE

During the year, PTI China continued to provide export support services to businesses throughout the Pacific. These included due diligence checks on Chinese importers and equipment suppliers, branding and trademark registration assistance, the coordination of sanitary certification submissions for export into China, guidelines and training on the use of GACC systems, market exploration assistance, translation services, buyer introductions, sample preparation, product promotion to Chinese consumers, facilitation of trade negotiations, and general export and market advice.



A great catch for Pacific fisheries

Our ongoing work with Papua New Guinea's National Fisheries Authority (NFA) and China's quarantine services (GACC) has helped a further 17 export enterprises gain market access and approval to export to China. It included support in submitting revised sanitary certificates for PNG edible aquatic animal exports to China. Our efforts helped generate \$A290,000 of export value for the PNG exporters by standardising the use of new health certificates while processing customs clearance.

PTI China's Export Manager also briefed the Kiribati fisheries competent authority on market-access work to meet China's import protocols and regulations, and shared our experience in helping other Pacific countries achieve GACC approval.

“ I would like to thank you for your continuous efforts in assisting PNG NFA to close most of its outstanding agenda items after the GACC meeting, including following through with the Deputy Director for Department of Animal and Plant Quarantine for updating the live operator listing on their website.

*Josephine Komboi
Manager, Audit & Certification Unit of PNG NFA*



Protecting a Fiji skincare brand in Hong Kong

Our work over the course of 10 months with a Chinese intellectual property firm resulted in a Fiji skincare company gaining protection for its brand in Hong Kong. This has enabled the company to launch and promote its plant-based skincare products there. PTI China services included the facilitation of a robust registration process and coordination between the legal firm and the company.

“ It is very timely with our market access for Hong Kong forthcoming. Thank you so much for your support.

*Debra Sadranu
Managing Director, Essence Group Fiji*



CELEBRATING OUR ACHIEVEMENTS TRADE



Taking coffee and cocoa to China

Our continued efforts to assist Pacific coffee producers proved highly successful this year. PTI China provided financial support to a Papua New Guinea coffee exporter through our market development support package. This enabled the business to do an exploratory in-market visit for which we facilitated on-the-ground arrangements and made introductions to several potential Chinese buyers.

PTI China's Export Manager managed communication and negotiations between PNG's Coffee Industry Corporation and GACC around import protocols and market access. These efforts resulted in 16 companies being granted final approval to export their unroasted coffee beans into China from June 2023. PTI China also helped the PNG Cocoa board with GACC documentation, enabling three cocoa bean export enterprises to secure approval and registration.

“
It means a lot to our coffee exporters and the PNG Coffee Industry. At last we can now access the China Market. Our great appreciation for your support.

Rose Romalus
Lae CIC Export Office PNG

Carving an export path for kava

Pacific countries have been trying to open up kava exports into China for a long time. After years of exploration and research, we finally succeeded with the cooperation of Fiji kava exporters and Chinese importers. While kava is not yet being imported for traditional food purposes, this milestone has provided new opportunities. With our assistance, several export enterprises and PHAMA Plus will conduct a more in-depth feasibility study of the Chinese market.



“
Thank you so much for facilitating. This will assist us in getting some copra and cocoa projects going and create more opportunities for our villagers. Thank you PTI China!!! We appreciate you.

Diana Koelau
Managing Director, Jamcop Co.Ltd

Scouting opportunities in the Cook Islands

For the first time in several years we led a business delegation of five Chinese entrepreneurs to the Cook Islands to explore opportunities such as investments, agriculture, fashion, black pearls, and the tourism sector. The delegation met with the Business Trade and Investment Board, the Cook Islands Chamber of Commerce, and other private sector enterprises with an interest in China.

Always in fashion

This year, we provided support to three Pacific high-end fashion brands visiting the China market, helping them with on-the-ground logistics to source local materials and fabric as they prepared for re-export into key markets.

SIP TO SUCCESS – UNLOCKING CHINA’S COFFEE MARKET

China has traditionally been a tea-drinking society, but its coffee market is gaining traction as China gradually opens up key industries of consumer interest with its strategy to extend business opportunities globally. Local and international coffee brands and shops are now springing up in major Chinese cities as the younger generation embraces coffee and the café lifestyle.

China’s growing appetite for coffee makes it an attractive market for international coffee producers and exporters. No longer limited to beans from domestic growing regions, consumers are now also choosing boutique coffee beans from premium international origins.

In response to this trend, Pacific Trade Invest (PTI) China launched a market development package to support the Papua New Guinea (PNG) coffee industry on an exploratory mission to the Chinese coffee market. The aim was to help PNG coffee producers gain market insights and build a network of buyers to ensure buyer confidence and business sustainability.

Simultaneously, PTI China facilitated a PNG coffee export enterprise to collaborate with Chinese coffee farmers, exporters and processors. It considered the needs of the Chinese market, drawing on advanced experience, and identifying supply sources of quality coffee machines for wet and dry mills, to build on capacity. This initiative has not only enhanced business confidence, but also led to an A\$800,000 export deal within six months.

In addition to market exploration assistance and assessing interest for PNG coffee, PTI China also helped with import regulations. PTI China’s Export Manager, Yolanda Jiang, provided a facilitative role between the Coffee Industry Corporation (CIC) of Papua New Guinea (as the local competent authority for coffee), and the General Administration of Customs China (GACC). This involved ensuring the completion of relevant documentation and registration processes to meet all import standards and protocols.

The PNG CIC Export Office acknowledged these efforts and noted that thanks to the facilitation of PTI China, a total of 16 exporters were granted market access by GACC. From June 2023, they can now formally export their coffee beans to China.

Over a number of years, PTI China has continued to promote PNG coffee through various platforms to raise awareness among Chinese consumers.

Among these efforts, PTI China featured PNG coffee brands at three major Chinese trade shows in 2023, generating valuable business leads and opportunities for coffee products. We invited a PNG coffee exporter to attend the China Small–Medium Enterprises (SMEs) International Fair, offering freshly brewed coffee tastings and promotions to exporters, investors and other professionals. Working with the media, we arranged a livestream to showcase the uniqueness of PNG coffee and its diverse flavour profiles. This attracted over 110,000 views and sparked widespread interest.

As the coffee culture in China continues to thrive, PTI China remains at the forefront of promoting the flavours of our Pacific coffees, ensuring we remain an integral part of this exciting and evolving market.



“

We would like to extend our heartfelt thanks to yourself and the entire team at PTI China for all your assistance in the last year.

Specifically with regards to GACC and understanding the changes in the application progress in regard to GACC, such as the key products we are importing into China, unroasted coffee beans.

Karina Chow
General Manager, Haus Win Coffee

CASE STUDY - TRADE

PACIFIC TRADE ONLINE APP CONNECTS EXPORTERS TO BUYERS AND INVESTORS

In June 2023, Pacific Trade Invest (PTI) China launched the Pacific Trade Online app in partnership with Investment Fiji. At the same time, we rolled out a training webinar for Pacific Island businesses looking to export their products and services to China or to attract Chinese importers and investors.

Pacific Trade Online is a WeChat-based mini program developed and launched in collaboration with United Media Solutions. Integrating information on Pacific trade, investment, culture and tourism, the app was created after extensive research and feedback from e-commerce digital platforms.

The goal is for Pacific Trade Online to become a promoter of innovation and development and to provide pathways for traditional brands and exporters to upgrade their marketing and publicity. It should serve as an incubator for high-quality brands and emerging Pacific industries, while helping Chinese businesses understand the region's special products and investment opportunities.

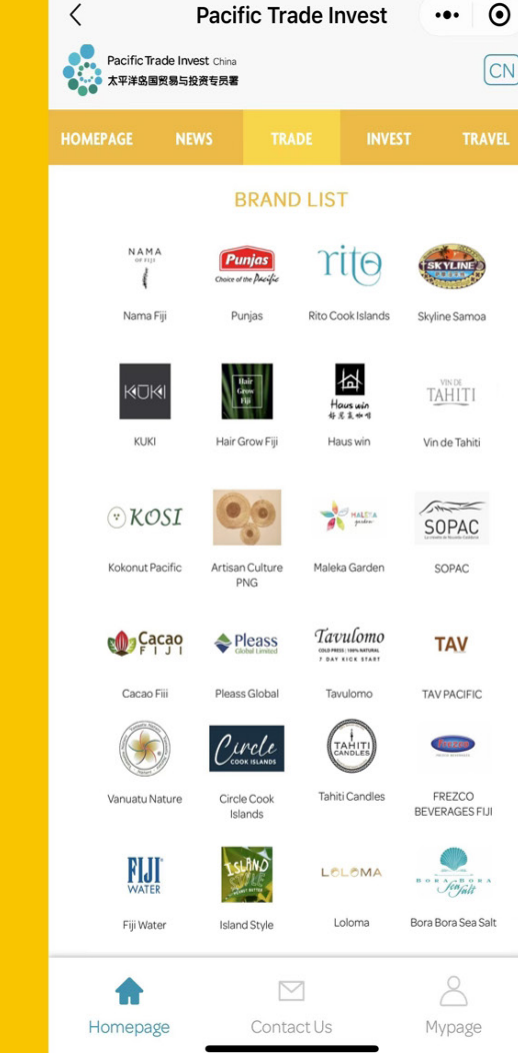
Pacific Trade Online leverages the WeChat platform to reach Chinese users and a synchronised H5 page is accessible to non-WeChat users in the Pacific. It allows Chinese consumers to connect directly with Pacific exporters via WeChat.

To help Pacific Island exporters and their Chinese market development partners use the Pacific Trade Online mini program, PTI China has given them access to the back-end interface. In this way, their marketing departments can update product information at any time they choose. We regularly review, translate and design the uploaded information, displaying it on both WeChat and the H5 page.



The first online training seminar on the program was delivered to Fiji exporters in partnership with Investment Fiji and then rolled out to other countries later in 2023.

Throughout 2023, PTI China used our attendance at several trade shows (including SIAL China and Hotelex in Shanghai), to promote the Pacific Trade Online mini program to an audience of Chinese businesses, importers and industry partners.



Pacific Trade Online

WeChat Ecosystem Platform & H5 Page

WeChat boasts more than 1 billion active users in China. Initially designed as a communication platform, it has evolved into a comprehensive ecosystem with integrated functions. WeChat is an ecosystem that focuses on social networking and marketing. The mini program is one of its distinctive features and functions like a regular app without the need for installation, saving phone storage space and allowing users to open and close it quickly.

Mini programs can be easily distributed in one-on-one chats, group chats, and on Moments (a WeChat posting page). This makes them a convenient and efficient way for SMEs to promote their brands and expand their market reach.

We believe the Pacific Trade Online mini program will help PTI China foster deeper understanding between Pacific countries and Chinese businesses, increase awareness of Island products, and boost economic development and digital transformation in the Pacific region.

“

It was a pleasure to be part of the online launch of Pacific Trade Online.

We will be working closely with you to list some projects and trade profiles in a timely manner.

Manish Reddy, Investment Fiji

CELEBRATING OUR ACHIEVEMENTS INVESTMENT

Making connections

At the **Papua New Guinea Asia Investment Conference** in Hong Kong, PTI China connected with key stakeholders including senior officials from the Investment Promotional Authority, Industrial associations, intermediaries, and business communities across oil and gas, mineral resources, energy, agriculture, real estate, and services. Investment-ready projects were identified in sectors including oil and gas, mineral resources, and hydro power.

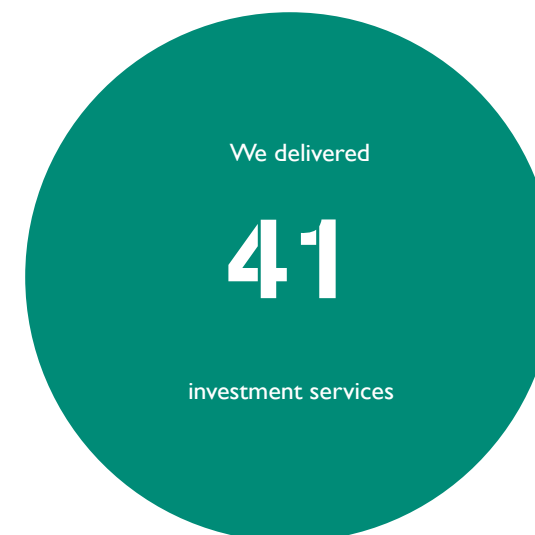
PTI China promoted investment opportunities in the Pacific Islands at the **2023 China SME Expo** in Guangzhou. We made connections with the SME Bureau of Guangdong Province and Guangzhou City, Private Economic Development Service Bureau of Guangdong Province, and Guangzhou City and the SME Service Center of Guangdong Province, and Guangzhou City.

In September 2023 at the **UNESCAP Asia-Pacific Innovation Forum** in Xiamen, the theme was 'Boosting Foreign Direct Investment in the Digital Economy for Sustainable Development'. In attendance were the Solomon Islands Deputy Secretary of Ministry of Commerce, Industry, Labor & Immigration, and the Head of Trade and Investment Promotion from Investment Fiji. Meeting face-to-face with UNESCAP delegates and colleagues from Solomon Islands and Fiji helped us lay a solid foundation for deeper collaboration to promote sustainable investment into the Pacific.

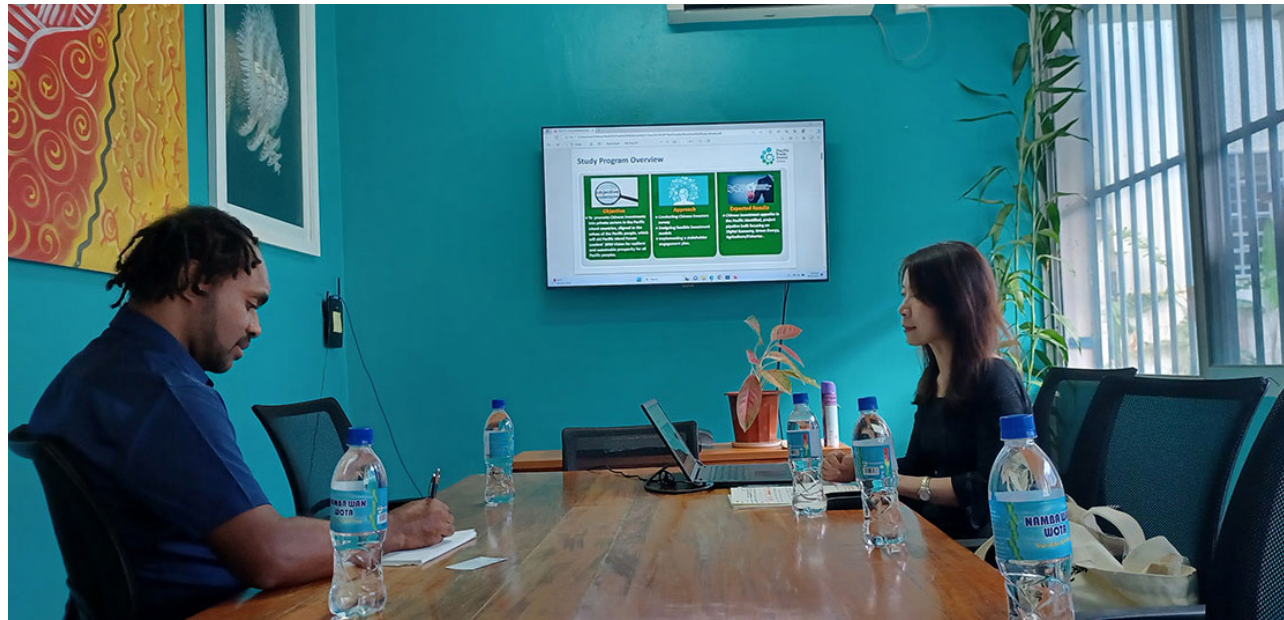
Investment highlights and business partnerships

PTI China successfully executed our Pacific IPA Response Support Package, resulting in the facilitation of \$A711,434 in investments into Fiji from a China-based public relations company. This investment helped enhance the marketing capacity of the local business in Fiji with access to more competitive marketing products and services.

We also worked with Invest Vanuatu to identify parties able to form business partnerships with WeChat Pay to deliver online payment services to local communities there. This work remains in progress. We also facilitated connections between Tahiti Tourism and WeChat Pay to roll out WeChat Pay's online payment business in Tahiti.



CELEBRATING OUR ACHIEVEMENTS INVESTMENT



China Market Investment Study

Throughout 2023, PTI China conducted an extensive China Market Investment Study in partnership with Ernst & Young (China) Advisory Limited Beijing.

The aim was to gauge the appetite of Chinese investors in the Pacific Islands and promote sustainable investment from China into the Pacific private sector. To this end, we surveyed 30 Chinese stakeholders whose investment targets included PICs and relevant industries of interest.

PTI China's Investment Manager established a Chinese investors network and met with Pacific Islands Investment Promotional Authorities in Fiji, Vanuatu, PNG and Solomon Islands, as well as private sector organisations and enterprises.

They discussed the aims of the study and sought to better understand the key drivers and risk appetite of Chinese investors. As a result, investment projects were identified in Fiji (agriculture, aquaculture, real estate), Solomon Islands (e-learning), and Vanuatu (e-payment) during interviews and site visits.

Having assessed the foreign direct investment needs, policies and regulations of Pacific Islands countries, the investment team analysed the investment methods and styles of Chinese investors and developed feasible business models for Chinese investment in the Pacific.

The digital economy, green energy, and the agriculture and fishery sectors in Fiji, Papua New Guinea, Solomon Islands and Vanuatu were identified as focus areas.

These insights were backed up by in-depth interviews with PIC project owners and a selection of shortlisted investors from across China: WeChat Pay, Tencent Holdings Ltd, Net Dragon Websoft Holdings Ltd. Sino Soar Hybrid Technology Co. Ltd, and Pan Pacific Food (RMI) Inc.

After 10 months of work, the China Investment Study was completed. Having successfully identified the appetite of Chinese investors in the Pacific, we presented a number of potential investors with feasible investment models. We also established a pipeline of sustainable investment projects that we can help prepare for future investment.



“

The presentation on the findings of the China Investment Study is very encouraging to learn and I tend to agree with the specific sectors and areas of potential interest and growth.

I believe the findings of this study will help guide our policy directions and ensure Solomon Islands is ready and has prepared itself for the China Investment opportunities.

Riley Mesepitu,
Permanent Secretary
Ministry of Commerce, Industry, Labor & Immigration
Solomon Islands

PAPUA NEW GUINEA WOOS CHINESE INVESTORS

The inaugural Papua New Guinea – Asia Investment Conference was held in Hong Kong in October 2023. At its opening, PNG Prime Minister James Malape highlighted the significant investment opportunities in Papua New Guinea and spoke of his country’s eagerness to work with Asian investors on business and cultural ventures.

PTI China was a co-sponsor partner of the event. Our partnership with the PNG Chamber of Mines and Petroleum, organisers of the conference, included support with all pre-event media, marketing and communications services in China. Via our social media platforms, we promoted the conference across key agencies, extended invitations to investment networks and consortiums, and profiled key speakers.

During the conference, the Trade Commissioner and senior managers for PTI China engaged with PNG ministries, industry associations and the business community in oil and gas, mineral resources, energy, agriculture, real estate, and services to identify investment-ready projects.

China is Papua New Guinea’s most important trading partner. Annual bilateral trade exceeds PGK15 billion (\$A5.75 billion) but Papua New Guinea’s Minister of International Trade and Investment, Richard Maru, sees potential for further growth, with the conference being a great starting point for discussion and collaboration.

The expectation is that more Asian investors, especially Chinese, would invest in Papua New Guinea and that Chinese enterprises would set up joint ventures with PNG businesses to explore the market.

The PNG Chamber of Mines and Petroleum received many inquiries from enterprises in China and other Asian countries during the conference and it hoped the event could eventually reach the whole of Asia and attract investors.

The valuable investment resources, projects and policy explanations released at the conference illustrated Papua New Guinea’s potential to attract Asian investors.



“

I express my profound gratitude to your team from Pacific Trade Invest China, that I was fortunate to meet and converse with at the recent PNG-Asia Investment Conference.

It was an incredible moment for me as I was able to get so much information from the conversation I had with you and your team members.

Looking forward to working closely with PTI to meet the requirements for exporting to China.

Lufai Wari
BA-USA, General Manager, Kroton Laitepo Equities Limited

CELEBRATING OUR ACHIEVEMENTS

MARKETING & COMMUNICATIONS



Pacific Trade Online mini program

One of PTI China's significant achievements this year was the launch of the WeChat mini program, Pacific Trade Online (outlined on page 18 and 19 of this report). Our work to help Pacific businesses showcase their brands and offerings on the app, included setting up their accounts, designing their landing pages on Pacific Trade Online, uploading their product images and translating their information for a Chinese audience.

As part of our efforts to promote the mini program, we published articles about its launch on WeChat and the Pacific Trade Invest website. We also secured media coverage about through the *Fiji Sun* daily newspaper and Papua New Guinea's leading newspaper *The National*. To support this initiative, PTI China designed training materials for our Pacific Islands businesses, hosted webinars and filmed footage for a user guide for the app. During our webinars, participants were shown the promotional platform, the processes and technical back-end know-how, registration steps, and how to load product information and images to promote and showcase their brands.

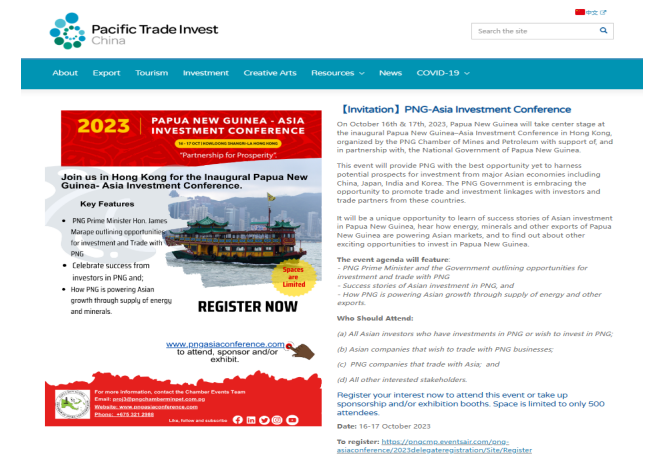
Trade show and exhibition support

Our activities in 2023 also extended to the design of promotional and exhibition material for several Pacific brands showcasing their offerings (noni, sea salt, peanut butter, coffee beans etc) at Hotelex, SIAL China and the SME International Fair. We created promotional material for the Guangdong Seafood Expo and designed an exhibition display for a Cook Islands' fashion brand at the SME International Fair. The PTI China export department also supported a Samoan skincare brand to participate in the China International Import Expo (CIIE).



Pacific Trade Invest website activity

PTI China published a number of articles on the Pacific Trade Invest website in 2023. These included stories about the reopening of China's borders and its impact on investment in the Pacific; the launch of our Pacific Trade Online app; selling coffee to China; how Pacific SMEs can attract interest in China; and our collaboration with the PNG Chamber of Mines and Petroleum supporting the inaugural PNG-Asia Investment Conference in Hong Kong.



WeChat promotional activity

Our weekly articles on WeChat covered a variety of topics. These ranged from our trade and investment activities and the promotion of specific Pacific brands, tourism and culture to visits to exhibitions and expos and regional government agency and ministerial news.

Our articles have included topics such as the Blue Pacific 2050 Strategy; Kiribati's announcement of its return to the Pacific Islands Forum; the promotion of Fiji tourism following a Chinese billionaire's travel to the Islands; Pacific brands participating in the SME International Fair; the China International Development Cooperation Agency delegation's visit to the Solomon Islands; a look at the history of French Polynesia, plus its black pearls, sea salt and candle brands, ahead of the surfing competition it hosted as part of the 2024 Olympic Games; Chinese President Xi's meetings with PNG Prime Minister Marape and Solomon Islands Prime Minister Sogavare; outcomes of PNG-Asia Investment Conference; the opening of the

Solomon Island's embassy in China; our involvement in discussions with GACC and Papua New Guinea's National Fisheries Authority on standardising China's fishery import registration and inspection procedures; and the inauguration of new President of the Federated States of Micronesia.

Throughout 2023, PTI China also promoted a wide range of products and opportunities from Pacific Island businesses on WeChat. These included Frezco Beverages, Fiji Water, and The Distillery Co, the skincare brands Grow Fiji, KUKI Samoa and Rito Cook Islands, as well as Fiji investment projects at Beqa Lagoon Resort, Beachcomber Island Resort and Uprising Beach Resort.

CELEBRATING OUR ACHIEVEMENTS STAKEHOLDER ENGAGEMENT

The PTI China team had another full calendar of engagements in 2023, attending events, forums and meetings with numerous key stakeholders and strategic partners in China to discuss areas of mutual support and collaboration. The Trade Commissioner attended quarterly meetings with the Pacific Islands Ambassadors Group (PIAG) and engaged with the Heads of Missions from Australia, New Zealand, Fiji, the Solomon Islands and Samoa to discuss areas of mutual interest and cooperation.

China's reopening in early 2023 notably saw several Pacific businesses, heads of private sector organisations and high-level government delegations visit Beijing. These included the President of the Samoa Association of Manufacturers & Exporters (SAME) in Beijing to explore further trade opportunities for Samoan products. PTI China also received a government delegation from the Papua New Guinea National Fisheries Authority to meet with the General Administration Customs of China (GACC) to discuss market access and import protocol issues.

Discussions on regional initiatives and trade and investment opportunities between China and Pacific nations were priorities this year. The Trade Commissioner met with Mr Tang Zhiwen, the new Deputy Director-General of the Department of North America and Oceania Affairs, Ambassador Vincent Sivas of the Federation States of Micronesia, the CEO of the Cook Islands Business Trade & Investment Board, Board members of the Cook Islands Chamber of Commerce, and David Zhang from the Beijing Asia and Africa Silk Road Commercial Centre about its plans to expand its scope of services to Pacific Island countries.

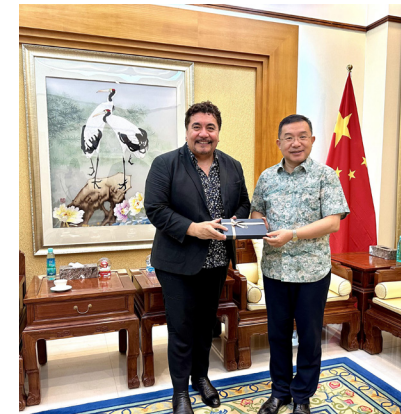
The Trade Commissioner also met with Rob Donnelly Trade Commissioner of Austrade in China to discuss synergies in trade promotions and events in market and met with the political team at the Australian Embassy to discuss trade and investment opportunities. A meeting with the head of trade and the First Counsellor of the EU Representative desk in Beijing helped gain a better understanding of the European Union's trade work in China.

The Trade Commissioner and Marketing Coordinator visited Fiji and the Solomon Islands to re-engage with clients and key stakeholders after three long years of COVID restrictions. New connections were made with businesses with an export strategy for China. They also visited existing clients and relevant government ministries and made courtesy calls to the Chinese Embassies of Fiji and the Solomon Islands to update both ambassadors on PTI China's work.

Later in the year, we facilitated the presence and program for a kava mission from Fiji led by the Country Manager of PHAMA Plus for Fiji. PTI China also helped the Solomon Islands Embassy with logistics and events support to welcome the Prime Minister of the Solomon Islands to Beijing. These activities reiterate Pacific Island businesses' ongoing market interests in China and the confidence of Pacific governments in our ability to support high-level delegations and the private sector in China.

At the China-Pacific Fisheries Forum in Jiangsu, PTI China's Export Manager and Investment Manager provided support to the Pacific delegations from the Ministries of Fisheries and Agriculture. Our Export Manager and Trade Commissioner attended the Blue Partnerships Forum on marine opportunities organised by the Qingdao Government. The Trade Commissioner also attended the Policy and Practice Forum on China Aid and International Development Cooperation organised by the China International Contractors Association. Both the Trade Commissioner and Investment Manager of PTI China met with the Chairman of China's Overseas Development Association to discuss future forums and opportunities for PTI China to promote Pacific investment opportunities.

Other promotional events attended by PTI China program managers included events hosted by the governments of Qingdao and Shenzhen in partnership with the Beijing Diplomatic Services. The Trade Commissioner attended the national day celebrations of Japan, Cameroon, Samoa, Tonga and Cypress, the 48th anniversary celebrations of Papua New Guinea's Independence Day, and events to celebrate China's National Week.



MAKING AN IMPRESSION AT THE CHINA INTERNATIONAL SME EXPO



PTI China attends a number of trade shows each year where we work with Pacific enterprises to get their offerings in front of an Asian audience.

In June, the China International SME Expo and the second SME International Cooperation Forum opened in Guangzhou. Held at the Guangzhou International Convention and Exhibition Center, the expo welcomed domestic and foreign small and medium-sized enterprises, giving them the chance to show, trade, exchange and cooperate

This was PTI China's first time attending this expo and it was an excellent opportunity to help showcase the local culture and trade and investment opportunities of the South Pacific Island countries.

Among our efforts, we helped promote Cook Islands clothing and fashion brand TAV Pacific. Collaborating with Papua New Guinean business representatives, we also livestreamed a series of interviews with country delegations and hosted a coffee tasting of Papua New Guinea brand Haus Win Roastery at our PTI China booth. The unique story behind



this coffee brand as a product grown in the highlands of PNG generated a lot of interest from consumers. As we have done with export businesses represented at the exhibition, PTI China will continue to support market entry strategies and help guide Pacific businesses exporting their products to China.

The Pacific presence at the expo was extremely well received and it was an excellent opportunity for relationship building within the region.

Having understood the rapid economic development of Guangdong province, PTI China hoped to enhance co-operation and promote trade between the South Pacific and China under the framework of the Belt and Road Initiative. This would help attract more Guangdong enterprises to invest in South Pacific Island countries.



AUDITOR'S REPORT

To Pacific Trade Invest China



Opinion

We have audited the accompanying financial statements of Pacific Trade Invest China (hereafter referred to as "the Trade Commission"), which comprise the statement of financial position as at December 31, 2023, the statement of expenses for the reporting year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trade Commission as at December 31, 2023, and its operating results and its cash flows for the year ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trade Commission in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

This audit report is intended solely for the annual reporting to the Pacific Islands Forum Secretariat (PIFS) by the Trade Commission and should not be used for any other purpose.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trade Commission's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trade Commission or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain and understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trade Commission's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trade Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trade Commission to cease to continue as a going concern.
5. Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO China Shu Lun Pan CPAs LLP
Date: February 2, 2024

Footnote: This auditor's report and the accompanying notes to the financial statements are English translation of the Chinese auditor's report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

2023 FINANCIALS

Pacific Trade Invest China Statement of Financial Position

As at December 31, 2023

(All the amounts are denominated in CNY unless otherwise stated.)

ASSETS	NOTE	AS AT DECEMBER 31, 2023	AS AT DECEMBER 31, 2022
<i>Current assets:</i>			
Cash and cash equivalents	5.1	3,817,212.07	3,387,384.22
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Advances to suppliers	5.2	525,675.00	—
Other receivables	5.3	58,218.02	63,077.78
Inventories			
Contract assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets			
Total current assets		4,401,105.09	3,450,462.00
<i>Non-current assets:</i>			
Creditor's right investments			
Available-for-sale financial assets			
Other creditor's right investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments			
Other investments in equity instrument			
Other non-current financial assets			
Investment properties			
Fixed assets	5.4	90,743.19	105,482.36
Construction in progress			
Right-of-use assets	5.5	514,354.77	—
Intangible assets			
Development costs			
Goodwill			
Long-term deferred expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets		605,097.96	105,482.36
Total assets		5,006,203.05	3,555,944.36

Pacific Trade Invest China Statement of Financial Position (Continued)

As at December 31, 2023

(All the amounts are denominated in CNY unless otherwise stated.)

LIABILITIES AND OWNERS' EQUITY	NOTE	AS AT DECEMBER 31, 2023	AS AT DECEMBER 31, 2022
<i>Current liabilities:</i>			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Contract liabilities			
Employee benefits payable	5.6	5,000.00	—
Taxes and surcharges payable			
Other payables	5.7	45,564.90	82,788.33
Liabilities held for sale			
Non-current liabilities maturing within one year	5.8	244,399.22	—
Other current liabilities			
Total current liabilities		294,964.12	82,788.33
<i>Non-current liabilities:</i>			
Long-term borrowings			
Bonds payable			
Lease liabilities	5.9	276,737.93	—
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		276,737.93	—
Total liabilities		571,702.05	82,788.33
<i>Owners' equity:</i>			
Paid-in capital (or share capital)			
Other equity instruments			
Capital reserves			
Other comprehensive income			
Special reserves			
Surplus reserves			
Retained profits			
Other owners' equity		314,776.36	314,776.36
Balance of appropriation		4,119,724.64	3,158,379.67
Total owners' equity		4,434,501.00	3,473,156.03
Total liabilities and owners' equity		5,006,203.05	3,555,944.36

Pacific Trade Invest China Statement of Expenses

As at December 31, 2023

(All the amounts are denominated in CNY unless otherwise stated.)

ITEMS	NOTES	2023	2022
Revenue			
Appropriation received from headquarter		4,686,180.00	4,229,335.00
Interest income		2,891.24	2,450.41
Tax return revenue		55,886.46	50,196.17
Other income		359,930.08	0.21
Total revenue		5,104,887.78	4,281,981.79
Expenses			
Financial expenses		77,511.63	-347,590.36
Foreign exchange gain		58,343.15	-359,360.78
Bank expenses		19,168.48	11,770.42
General and administrative expenses		2,988,470.18	2,852,496.29
Salaries		2,043,792.84	2,139,201.47
PTI network governance		359,930.00	—
Depreciation cost		311,381.55	388,247.66
Third parties service fees		103,871.09	147,994.41
Motor vehicle expenses		51,561.24	47,165.51
Telecommunication fees		41,505.64	41,594.95
Office supply and service		22,684.86	27,779.47
Warehouse rental fee		18,000.00	18,000.00
Labor cost		16,800.00	16,800.00
Office Maintenance cost		9,268.52	17,743.16
Utilities		4,100.62	4,752.65
Transportation		2,885.15	1,317.78
Express & postage		2,688.67	1,899.23
Others		—	—
Work program expenses		1,077,561.00	682,305.54
Investment promotion		267,115.74	131,431.62
Trade promotion		325,073.89	322,767.60
Special projects		273,527.25	110,652.04
Marketing & Communications		211,844.12	117,454.28
Tourism promotion		—	—
Impairment of assets		—	—
Total expenses		4,143,542.81	3,187,211.47
3. Balance of appropriation		961,344.97	1,094,770.32



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TUVALU
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