

**IN CONFIDENCE**

**OFFICE OF THE MINISTER FOR ECONOMIC DEVELOPMENT**

The Chair

Cabinet Economic Growth and Infrastructure Committee

**NEW ZEALAND INVESTMENT ATTRACTION STRATEGY**

**Proposal**

1. I propose that Cabinet agree to develop a New Zealand Investment Attraction Strategy to attract higher levels of business investment to New Zealand and accelerate growth throughout New Zealand.

**Executive Summary**

2. Achieving the government's goal of building a strong competitive economy with increasing numbers of higher paid jobs will require ongoing significant increases in business investment, and international investment will be an important source of capital to fund this increase. High quality international investment will assist with increasing exports to 40 per cent of GDP, help lift research and development intensity to one per cent of GDP, and bring additional benefits to the economy. We have not yet been as effective as we can be in attracting the type of high quality international investment we need.
3. An investment attraction strategy can lift our international investment performance, by enabling a more concerted and better integrated New Zealand-wide effort that targets the attraction of high quality investment to New Zealand. A common set of priorities, goals and key actions will support a step change in investment attraction efforts to enable the seamless facilitation of investment opportunities.

**Background**

4. As a Government, we have set ourselves four priorities to deliver a stronger and more prosperous New Zealand. The Business Growth Agenda (BGA) is central to delivering our priority to build a more productive and competitive economy. Lifting productivity and competitiveness is critical to creating business opportunities, more jobs, and higher wages, and the higher living standards to which New Zealanders aspire. Actions within the BGA collectively help provide the enabling conditions for business, sectoral and regional success.
5. One of the main ways the Government encourages business investment is by maintaining macroeconomic stability. This promotes more stable and competitive exchange rates and interest rates, which are a fundamental driver of business investment and the flow of capital to the export sector. The Government needs to set appropriate 'rules of the game' that give investors confidence and allow businesses to access capital effectively and at a low cost.

6. Rebalancing the economy towards savings and productive investments, which drive a more productive and competitive economy, requires more than stability and confidence alone. We also need to ensure that we attract investors to engage in markets that have investment opportunities and offerings.

### ***Increased focus on investment attraction***

7. Businesses use capital from investment to grow and expand their operations, and benefit from the skills and knowledge of experienced investors. Good quality investment opportunities also enable New Zealanders to increase their wealth.
8. Achieving the government's goals of increasing exports to 40 per cent of GDP and lifting business expenditure on research and development (R&D) to 1 per cent of GDP requires significant increases in business investment. The Ministry of Business, Innovation and Employment's (MBIE) research suggests that \$160 to \$200 billion of additional business investment is required. Our domestic markets alone cannot service these capital demands while high quality international investment can also bring additional benefits to the economy.

### ***Role of international investment***

9. As well as bringing financial capital, high-quality international investment can bring a range of benefits including:
  - a. Enhancing New Zealand's access to export markets, integration with global value chains and linkages with international knowledge networks
  - b. Bringing new technologies, processes and know-how to domestic firms and industries and improving the economic infrastructure that underpins growth and productivity improvement in key industries
  - c. Creating skilled jobs and lifting investment in human capital
  - d. Increasing regional economic activity and competitiveness, especially in areas with unrealised economic potential.
10. We know there are very real information issues that present barriers to investment. New Zealand is often off the radar for many international investors; many are simply not aware of opportunities here. We are a small market and the costs of acquiring information can be a hurdle.
11. We need to actively seek out the benefits of increased investment and resolve the barriers to that investment, by targeting our efforts and resources towards attracting high-quality international investment. I propose that the development of an international investment attraction strategy be a priority.

### **Why do we need a Strategy?**

12. In the past decade, our ability to attract overseas investment has been weaker than other small, advanced economies, mirroring our lower business investment rates in the economy generally. We have not been as effective as other countries in ensuring that overseas investment into New Zealand has provided the additional benefits set out in paragraph 7.

13. Government agencies have defined roles to attract investment. Lifting New Zealand's international investment performance requires a more concerted and better integrated New Zealand-wide effort that assembles a pipeline of investable opportunities and targets the attraction of high quality investment to New Zealand. A common set of priorities, goals and key actions are needed to support a step change in investment attraction efforts to enable the seamless facilitation of investment opportunities.

### **A New Zealand Investment Attraction Strategy**

14. MBIE, alongside New Zealand Trade and Enterprise (NZTE), Callaghan Innovation, the Ministry of Foreign Affairs and Trade (MFAT), the Ministry for Primary Industries and the Treasury have prepared a draft New Zealand Investment Attraction Strategy.

15. The draft Strategy has an overall goal of attracting to New Zealand higher levels of business investment to accelerate growth throughout the whole of New Zealand. In support of this overarching goal, the Strategy proposes three thematic priorities for investment attraction:

- a. The attraction of high-quality foreign direct investment in areas of competitiveness for New Zealand.
- b. The attraction of overseas investment in R&D, especially encouraging multi-national corporations to locate their R&D activity in New Zealand.
- c. Expanding New Zealand's pool of smart capital by attracting individual investors and entrepreneurs to reside in New Zealand.

16. Each of the thematic priorities has a specific and ambitious target to provide a sharp focus for progress. Each theme has a set of articulated priorities, for both sector and market, where we think we can have the biggest impact. A set of criteria for each theme will help ensure that we attract high-quality international investment.

17. Alongside these thematic priorities are a set of three cross-cutting actions:

- a. More visible investment opportunities
- b. Ensuring all of New Zealand benefits from investment attraction efforts
- c. New governance and reporting arrangements for a better integrated New Zealand-wide investment attraction effort.

18. Each of the cross-cutting actions will be progressed through the thematic priorities, but provide confidence in, and underpin the strategy as a whole.

19. The attached A3 (Annex one) provides a high-level summary of the draft Strategy.

### ***Overall goal: attracting to New Zealand higher levels of business investment to accelerate growth throughout the whole of New Zealand***

20. Aligning the goal of the Strategy to the overall BGA goal for investment means a focus on lifting the rate of net business investment as a percentage of GDP. More specific targets are proposed for each priority to supplement this broader measure.

21. Applying an overall strategic approach will enable us to better deploy our efforts to attract the investments that provide the biggest benefits to New Zealand. Sharing insights across agencies and working together to address barriers will help us be more successful than if agencies operated in isolation.

***Theme 1: attract high-quality foreign direct investment in areas of competitiveness for New Zealand***

22. This theme targets the attraction of investments that can bring a range of benefits to New Zealand, whether they are in the form of enhanced market access and integration with global value chains, the transfer of new technologies, processes and know-how to New Zealand firms, the creation of highly skilled jobs, the development of our natural resources, or improved infrastructure.
23. The bulk of overseas investment into New Zealand in the last decade has been in the non-tradable sectors and, in particular, by investors seeking market penetration largely in the business and financial services, retail and property sectors. Aside from increasing competition, these investments are unlikely to produce wider benefits to the economy. We need to increase the quality of overseas investment, which means an active shift towards the tradable or innovation enhancing sectors, where investment is more likely to produce these additional benefits to New Zealand.

*Target*

24. We propose the target for theme 1 be to facilitate investments with a potential direct economic impact of \$5 billion over three years.
25. Potential direct economic impact measures the benefits of investment in terms of any increased profits back to New Zealand shareholders, increased salaries and wages to New Zealand and increased spending with New Zealand based suppliers.

*Proposed actions*

26. The types of actions that support the achievement of this priority include lead generation and brokering activities, which help investors to understand and connect to the investment opportunities available in New Zealand, such as through showcases to promote investment opportunities and updated investment promotional material. Specific investment attraction activity will target identified markets to help match prospective investors with opportunities.
27. It will also be necessary to work with regional and Māori partners to develop propositions to an 'investment ready' status, whether through supporting individual propositions or through aggregating to scale. Gaining visibility of existing propositions and opportunities will help clarify where additional effort can achieve the best impact for the economy, including the timing of international investment.
28. Alongside these activities, this priority area will require the development of comprehensive, all of government (including national, regional and local decision-makers) facilitation services that can identify and remove barriers to high-quality investment. Tailored aftercare programmes will also be needed to monitor past investment and encourage follow-on investment by overseas investors.

***Theme 2: attract overseas investment in R&D, especially encouraging multi-national corporations to locate their R&D activity in New Zealand***

29. To achieve the interlinked goals of lifting business R&D and building an internationally connected science system, New Zealand needs to attract more foreign investment in R&D.
30. Attracting overseas firms to establish an R&D presence in New Zealand introduces companies of a greater size into the New Zealand economy and helps transfer valuable skills into New Zealand. Some of these employees will likely later move to other firms, cross-pollinating local firms with the innovative culture of the multinational.

*Target*

31. We propose the target for theme 2 be to attract at least 10 new international companies to undertake R&D activity in New Zealand over the next five years.
32. As this is a new way of looking at R&D investment attraction, we will need to build up a system offering that makes New Zealand attractive to multinational corporations. We do not currently report on overseas investment in R&D activity and the measures we have are imperfect. This target provides a strong signalling effect but we need to acknowledge that this is a long-term game and it may take some time for our attraction efforts to realise additional R&D activity by multinationals.

*Proposed Actions*

33. The types of actions to support the achievement of this priority include, as an initial step, identifying and articulating New Zealand's value proposition as an R&D location, and making visible the package of R&D support available for investors. An investor liaison programme will help encourage existing investors in New Zealand to expand into R&D activity.
34. Engaging with the research community will help develop understanding of the pipeline of R&D investment opportunities (such as through the Lincoln Hub, the Christchurch Innovation Precinct, Food HQ and Technology Valley) and enable us to champion a 'solutions-led' approach to engage with strategically targeted companies to meet their R&D needs, by providing customised R&D assistance to solve actual problems for those companies.

***Theme 3: expand New Zealand's pool of smart capital by attracting individual investors and entrepreneurs to reside in New Zealand***

35. Investor and entrepreneur migration provides a point of difference to other mechanisms for bringing investment into New Zealand. As well as supplying financial capital, individual investors and entrepreneurs bring in new ideas, entrepreneurial flair, overseas networks, and business experience. Our current investor and entrepreneur policies seek to attract wealthy migrants who come to New Zealand to gain residence by investing large amounts of capital for a period of time. These policies have the potential to better contribute to New Zealand's economic development and support the BGA.

*Target*

36. For investor and entrepreneur migrant attraction, we propose to adopt an ambitious target of doubling the amount of actual and committed capital migrant investors and

entrepreneurs have brought to New Zealand from \$3.5 billion to \$7 billion within three years. As part of our ambition to attract better, and not just more, investment, we will be seeking to lift the proportion of active investment (i.e. into New Zealand firms) compared to passive investment (i.e. into banks and bonds).

#### *Proposed Actions*

37. New Zealand's investor and entrepreneur policies are generally performing well and Immigration New Zealand's investor and entrepreneur migrant attraction programme, including working with regional partners (such as ATEED), is delivering benefits. However, there is scope to strengthen and enhance both, to realise the significant potential for investor and entrepreneur migrants to benefit the economy.
38. We need an end-to-end approach, from the design of visa categories and the associated application and approval processes, through to migrant attraction programmes and, importantly, the work that is needed to leverage the presence of investor and entrepreneur migrants already located here. Specific areas of focus will include a review of relevant migrant visa categories to enhance their attractiveness to high-quality applicants, tailored promotional events in key offshore markets to secure investors and entrepreneurs to New Zealand, and the capacity to provide a responsive, personalised service for high value applicants to facilitate further investment. This work aligns with the broader work on the future direction of the immigration system, being led by the Minister of Immigration, recently considered by this committee.
39. An all of government effort (again, at national, regional and local levels) is needed to ensure that migrant investors and entrepreneurs are inducted into local business and investor networks, which will encourage follow-on investments.

#### *Prioritising effort*

40. With limited resource and a highly competitive international environment, we need to be highly targeted in where we seek to attract investment. Bringing oversight of these efforts under a single strategy will help with this targeting. The draft Strategy outlines three sets of prioritisation areas (quality, sectors and markets) to focus effort, which are discussed further in the paragraphs below. Specific market plans will enable an effective interface between these prioritisation areas, aimed specifically to each market.

#### *High-quality investment*

41. New Zealand's comparative advantages will inevitably attract foreign capital investment through market mechanisms. Where we need to concentrate our attraction effort is towards the high-quality investment that provides additional benefits for the economy to enable New Zealand firms to be more productive, more competitive and more internationally focused. Setting out the benefits that we are looking to maximise will help government agencies to coordinate and focus their efforts in attracting this high-quality investment.
42. I propose that priority be given to attracting investment that:
  - a. Enhances New Zealand's access to export markets and domestic firms' integration with global value chains

- b. Brings new value-added technologies, processes, and know-how to New Zealand firms and industries
  - c. Creates more highly-skilled jobs and increases investment in human capital
  - d. Increases the economic returns from natural resources
  - e. Improves economic infrastructure that underpins growth and productivity in key industries.
43. We need to ensure that New Zealand's investor and entrepreneur migrant policies, while requiring minimum investments of capital, also emphasise the soft skills, networks and experience that high net worth investors bring, and the potential to harness those for the benefit of New Zealand. Attraction activity must be targeted towards high-quality migrants with the ideas, entrepreneurial flair, capital, overseas networks and business experience needed to add significant value to New Zealand. These characteristics are difficult to target through the design of eligibility criteria and points systems, but through proactive targeting of promotional effort, and the development of in-market relationships with key partners, Immigration New Zealand is able to reach and promote to select groups of people who satisfy the above criteria.
44. Specifically for the R&D priority, we are seeking investment that will strengthen New Zealand's capabilities in research, development and the commercialisation of innovation; improve connections between New Zealand firms and research institutions and international knowledge networks, increases opportunities for employment in fields of science, technology, engineering and mathematics and can leverage complementary public investment in New Zealand's science and tertiary education infrastructure.

#### *Sector priorities*

45. We want to ensure that investment capital flows into areas where it is most needed, and that will provide the most benefit for New Zealand. Initially I propose to continue priorities that have been identified through NZTE and Callaghan Innovation-led processes. These sectors include the primary industries, premium food and beverage, specialised manufacturing, infrastructure, oil, gas and mining, ICT/digital and shared services. The importance of specific location factors for R&D and the existence of agglomeration effects support a targeted effort.
46. We must continue to monitor areas of potential and actual comparative advantage for New Zealand, as well as for specific regions, and align the investment attraction strategy accordingly.
47. A more effective targeting approach for reaching high net worth individuals and successful entrepreneurs is through the networks they belong to, rather than the industries in which they operate. The Strategy enables a cross-sector approach, leveraging our sector priorities, rather than targeting individuals in particular sectors.

#### *Market priorities*

48. We need to target those countries and regions where New Zealand has existing or emerging relationships, and there is potential for significant investment opportunities that align with our sector and R&D priorities. Building market understanding and partnerships

take time to develop but are critical to reaching the right investors. Sustained effort is required to build momentum in each market and we should be wary of over-reaching.

49. The market priorities in the draft Strategy largely represent a view as to where investor interest is strongest and where potential is greatest. In some regions, it may also represent practicality of where NZTE/MFAT footprints already exist. We will align our international attraction efforts with the existing NZ Inc strategies prepared or being developed for key markets.

### ***Cross-cutting actions***

50. As well as signalling our investment attraction priorities, the draft Strategy outlines a series of cross-cutting actions to support the underlying investment attraction infrastructure. These cross-cutting actions will:
- a. develop and maintain a pipeline of likely investment opportunities at both the national and regional levels, aligning with regional initiatives that progress activities to an 'investment-ready' stage.
  - b. leverage the international networks of MFAT, NZTE, Immigration New Zealand and Kea New Zealand to generate new investment leads.
  - c. ensure the whole of New Zealand benefits from our investment attraction efforts by working with regional and Māori partners to progress investment opportunities and enable sufficient investment attraction capability in the regions to help draw in and connect investors to regional opportunities.
  - d. deliver a better integrated and coordinated effort by agencies through new governance and reporting arrangements.

### ***Retaining agility to respond to opportunities***

51. The draft Strategy outlines the proactive actions that government will take to lift our international investment promotion and attraction efforts. We also need to remain agile and flexible to respond to other opportunities as they arise which, while being outside our identified priorities, may achieve the benefits to New Zealand we are seeking. In establishing this more collaborative and integrated way of working through implementing the Strategy, we will also improve our ability to respond to these other opportunities. There will be a clear pathway for agencies to identify and align responses to opportunities.

### ***Finalising the Strategy***

52. This paper and the attached A3 summary provide an overall direction, targets and priorities for the Strategy. I seek delegated authority to be able to finalise the Strategy as a public facing document.
53. I intend to undertake a targeted consultation with the private sector in advance of finalising the New Zealand Investment Attraction Strategy, to be coordinated through the Minister for Economic Development's office. This will help ensure the Strategy is effective in galvanising effort across the public and private sectors.



## **Implementing the strategy**

54. Our effectiveness in attracting overseas investment depends heavily on the quality of our execution. This will depend on the level of focus on investment promotion, the strategy for targeting investment promotion and attraction efforts, the capability of investment promotion and attraction entities, the adequacy of resources at their disposal, and how well government agencies coordinate their activities.
55. As indicated above, I propose new governance and reporting arrangements to ensure that execution of the strategy remains a focus for government.
56. I propose that the BGA Building Investment Ministers be charged with overseeing progress of the Strategy. The Minister of Finance and I intend to invite the Minister of Immigration to any meetings that include consideration of the Strategy, to ensure close alignment between this work and the future direction of the immigration system. This will not prevent or slow down work that is already in train or progressed through other mechanisms – just that the Building Investment Ministers group will maintain an oversight of progress against the Strategy as a whole.
57. A New Zealand Investment Attraction Taskforce has been formed, comprising senior officials from NZTE, MBIE, MFAT, Callaghan Innovation and the Treasury, and has already assigned responsibilities for progressing action plans in each area. This Taskforce will oversee and coordinate the development and execution of detailed plans for delivering against the targets in the Strategy. The Taskforce will ensure alignment of agency activities and the resources needed to support investment promotion and attraction activity. The Taskforce will monitor and report to Ministers on progress towards the Strategy's goals and thematic targets.
58. In seeking higher levels of business investment, we need to be prudent that we do not jeopardise our hard-earned international reputation. New investment opportunities and new investment partners bring risks that need to be well managed. These include risks to intellectual property, business culture, and national security including critical infrastructure. The Taskforce will be well placed to contribute to managing these risks, by facilitating well-informed decision making. At the same time, an all of government effort may also help New Zealand firms to realise investment opportunities, including in high technology industries. Again, the Taskforce provides a mechanism to align government effort to support these opportunities.
59. It will be important that the Taskforce is able to deliver an enhanced performance framework so that we are monitoring more than the fiscal capital that is attracted through this Strategy – we also need to be assured that the sector, regional and quality components outlined in the Strategy are also being progressed. Requiring the Taskforce to report on progress means that the targets in the Strategy are truly shared and will help achieve a better all of government effort.

## **Consultation**

60. The following agencies have been consulted on this paper: the Ministry of Foreign Affairs and Trade, The Treasury, New Zealand Trade and Enterprise and Callaghan Innovation.

61. The Department of the Prime Minister and Cabinet and the Ministry for Primary Industries have been informed.

### **Financial implications**

62. There are no financial implications arising from this proposal. Resources may need to be re-prioritised to give effect to the actions within the Strategy. Any decisions on resource allocation will be made within existing authorising mechanisms.

### **Human rights**

63. There are no implications for the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

### **Legislative implications**

64. There are no legislative implications.

### **Regulatory impact analysis**

65. A Regulatory Impact Statement is not required.

### **Publicity**

66. The New Zealand Investment Attraction Strategy is a key priority within the BGA refresh. The Minister for Economic Development's office will coordinate publicity.

### **Recommendations**

67. The Minister for Economic Development recommends that the Committee:

- a) **Note** that lifting New Zealand's international investment performance requires a more concerted and better integrated New Zealand-wide effort that targets the attraction of high quality investment to New Zealand.
- b) **Agree** to develop a New Zealand Investment Attraction Strategy.
- c) **Agree** that the overall goal of the New Zealand Investment Attraction Strategy is to attract to New Zealand higher levels of business investment to accelerate growth throughout the whole of New Zealand.
- d) **Agree** that the New Zealand Investment Attraction Strategy has the following priorities:
  - a. The attraction of high-quality foreign direct investment in areas of competitiveness for New Zealand.
  - b. The attraction of overseas investment in R&D, especially encouraging multinational corporations to locate their R&D activity in New Zealand.
  - c. Expanding New Zealand's pool of smart capital by attracting individual investors and entrepreneurs to reside in New Zealand.

- e) **Note** that each of the three thematic priorities has an agreed specific and ambitious target to provide a sharp focus for progress and a set of articulated priorities, for both sector and market, where we think we can have the biggest impact.
- f) **Note** that a set of three cross-cutting actions underpin the New Zealand Investment Attraction Strategy by enabling more visible investment opportunities, ensuring all of New Zealand benefits from investment attraction efforts, and provide new governance and reporting arrangements for a better integrated New Zealand-wide investment attraction effort.
- g) **Delegate** authority to the Minister for Economic Development to finalise the New Zealand Investment Attraction Strategy.
- h) **Note** that there will be a targeted consultation with the private sector in advance of finalising the New Zealand Investment Attraction Strategy, to be coordinated through the Minister for Economic Development's office.
- i) **Agree** that the BGA Building Investment group of Ministers will oversee progress against the New Zealand Investment Attraction Strategy and will report back to this committee as appropriate.
- j) **Note** a Taskforce of senior officials has been formed to lead and oversee the execution of the New Zealand Investment Attraction Strategy.
- k) **Note** there are no financial implications as a result of the New Zealand Investment Attraction Strategy, although re-prioritisation of resources may be required and this will be addressed through existing authorising mechanisms.
- l) **Note** that publicity about the New Zealand Investment Attraction Strategy will be coordinated through the Minister for Economic Development's office.

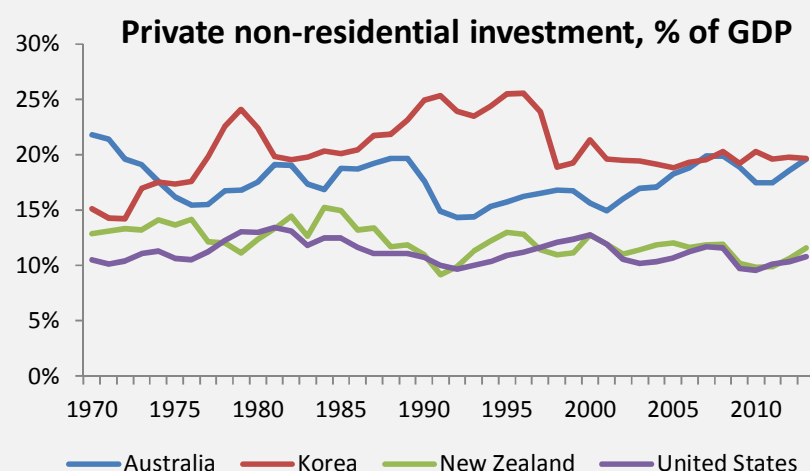
Hon Steven Joyce  
**Minister for Economic Development**

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# New Zealand Investment Attraction Strategy

## Introduction

While public sector investment in New Zealand has been high by OECD standards, private non-residential investment has been low for most of the time since the 1980s.



Achieving the government's goals of increasing exports to 40 per cent of GDP and lifting business expenditure on R&D to 1 per cent of GDP will require significant increases in business investment.

International investment has an important role to play in improving the competitiveness and productivity of New Zealand industries and regions. High-quality international investment can bring a range of benefits to New Zealand including:

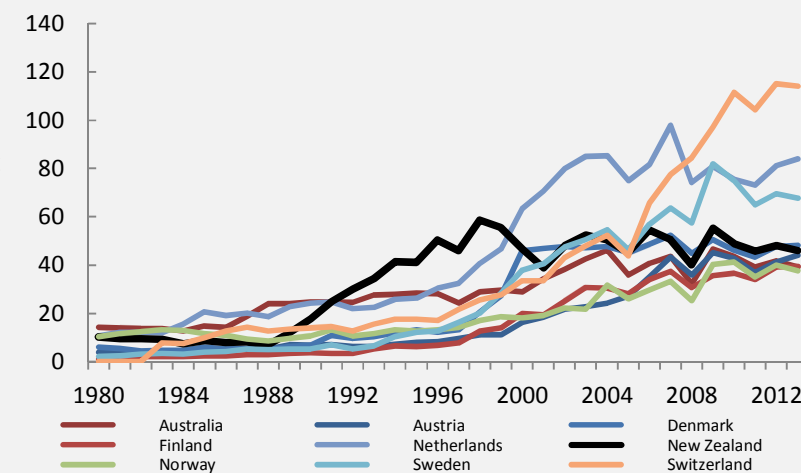
- Enhancing New Zealand's access to export markets and integration with global value chains
- Bringing new technologies, processes and know-how to domestic firms and industries
- Strengthening New Zealand's capabilities in R&D and linkages with international knowledge networks
- Creating skilled jobs and lifts investment in human capital development
- Increasing the economic returns from our natural resource base
- Increasing regional economic activity and competitiveness, especially in areas of with unrealised economic potential
- Improving economic infrastructure that underpins growth and productivity improvement in key industries

## Foreign Direct Investment

NZ's stock of inward FDI (47% of GDP in 2014) is similar to other small, advanced economies. While other countries stocks have grown as a percentage of GDP since the mid-1990s, New Zealand's has remained relatively constant. Further, New Zealand's stock looks low when overseas investment in the finance and insurance sector is excluded. The dominant motivation for foreign investment in New Zealand has been to supply the domestic market and access natural resources.

FDI inflows into New Zealand over the past decade have been slower than for other small advanced economies, mirroring low business investment rates in the economy generally. The most important source countries for New Zealand are Australia, USA, UK, Singapore, Japan and Hong Kong. While China is now New Zealand's largest merchandise trade partner, it is not yet a major source country for investment.

## FDI Stock (% of GDP)

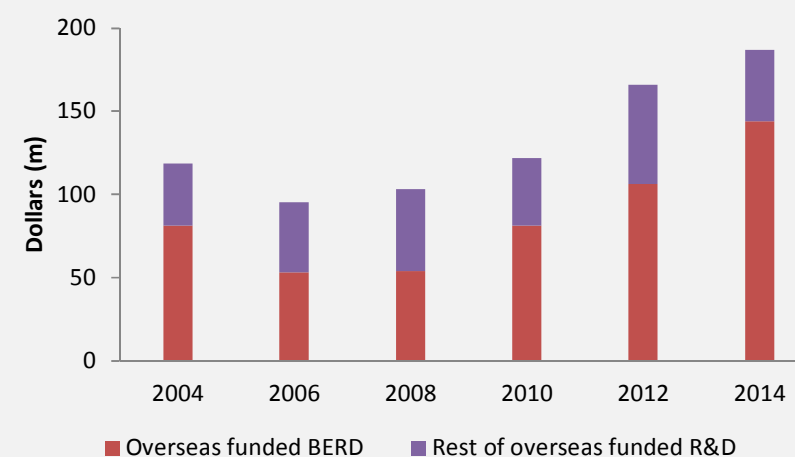


## Foreign Research & Development

To achieve the interlinked goals of lifting business R&D and building an internationally connected science system, New Zealand needs to attract more foreign investment in R&D. While overseas funded R&D in New Zealand has increased steadily since 2006, this has been from a low base. In 2014 overseas funded R&D reached \$187 million, or 7% of all R&D expenditure. Most of this funding was directed towards business expenditure on R&D (77%), with the remainder towards the higher education (14%) and government sectors (9%).

Overseas-funded R&D understates foreign-firms involvement in R&D activity, as R&D funding is often sourced from local affiliates of foreign-owned firms. In 2012, an estimated 32 per cent of business expenditure on R&D was undertaken by foreign-owned firms. These firms comprised 18 per cent of all firms performing R&D, and represent 2% of all firms in the industries. There is significant potential to grow this further.

## Overseas funded R&D



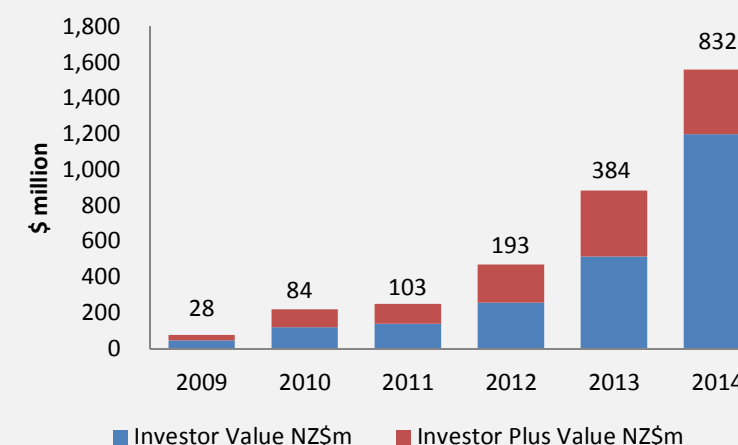
## Investor Migrants

New investor migrant policies were introduced in 2009 to attract investors with networks, knowledge, capabilities and capital that can support growth of New Zealand businesses. These policies aim to capitalise on the significant and largely untapped opportunity to attract globally successful entrepreneurs and investors to New Zealand.

Immigration New Zealand has a dedicated Investor Migrant Attraction team with representatives in key markets (Europe, ASEAN and United States). That team works across government and the private sector to encourage and assist high value investors to relocate to New Zealand.

Since 2009, these policies have attracted over 1,600 investors who have committed \$3.5 billion in investment as part of their applications. Many migrant investors have made further follow-on investments and established valuable connections with New Zealand businesses.

## Number and value of Investor and Investor Plus applicants



# New Zealand Investment Attraction Strategy

<b>Overview</b>	Lifting New Zealand's inward investment performance requires a more concerted and better integrated NZ-wide effort that targets the attraction of high quality investment to New Zealand. This Strategy outlines a set of priorities, goals and key actions to support a step change in New Zealand's investment attraction efforts. Execution of the Strategy will be underpinned by changes to the way agencies work together, including the adoption of shared objectives, joint priority setting, and seamless facilitation of investment opportunities. Development of the Strategy delivers on a key priority of the Business Growth Agenda and complements other actions aimed at strengthening New Zealand's investment environment.		
<b>Goal</b>	To attract to New Zealand higher levels of business investment to accelerate growth throughout the whole of New Zealand.		
<b>Themes</b>	1. Attract high-value foreign direct investment in areas of competitiveness for New Zealand	2. Attract overseas investment in R&D, especially multi-national corporations' R&D activity	3. Expand NZ's pool of smart capital by attracting individual investors and entrepreneurs to reside in NZ
<b>Targets</b>	Facilitate investments with a potential direct economic impact of \$5 billion over three years.	Attract at least 10 new international companies to undertake R&D activity in New Zealand over the next five years.	Double the amount of capital investor and entrepreneur migrants have brought to New Zealand from \$3.5 billion to \$7 billion over three years.
<b>Sector Priorities</b>	Primary Industries, Premium Food & Beverage, Specialised Manufacturing, Infrastructure, Oil, gas and mining, ICT / Digital, Shared Services	Premium Food & Beverage, Agritech, ICTs, Electronics, Health-tech/Therapeutics, High value wood products	Cross-sector attraction of business and entrepreneurial talent
<b>Market Priorities</b>	US, Australia, Singapore, Japan, China, Hong Kong, GCC, UK	US, Australia, China, Japan, UK/Europe	USA, UK and Europe, Japan, China and ASEAN
<b>Criteria</b>	<p>Priority will be given to attracting investment that:</p> <ul style="list-style-type: none"> <li>Enhances NZ's access to export markets and domestic firms' integration with global value chains</li> <li>Brings new value-adding technologies, processes and know-how to NZ firms and industries</li> <li>Creates more highly-skilled jobs and increases investment in human capital</li> <li>Increases the economic returns from natural resources</li> <li>Improves economic infrastructure that underpins growth and productivity in key industries</li> </ul>	<p>Priority will be given to attracting investment that:</p> <ul style="list-style-type: none"> <li>Strengthens New Zealand's capabilities in research, development and innovation</li> <li>Improves connections between NZ firms and research institutions and international knowledge networks</li> <li>Increases opportunities for employment in fields of science and technology</li> <li>Leverages complementary public investments in New Zealand's science and tertiary education infrastructure</li> </ul>	<p>Priority will be given to attracting migrants who:</p> <ul style="list-style-type: none"> <li>Enhance NZ's access to export markets and provide access to global value chains</li> <li>Bring new technologies, processes, governance skills and know-how to NZ firms and industries</li> <li>Create highly-skilled jobs through establishing new enterprises and investing in existing businesses</li> <li>Invest into managed funds that provide capital to earlier stage NZ companies and infrastructure</li> </ul>
<b>Thematic Actions</b>	<ul style="list-style-type: none"> <li>Deliver a programme of Investment Showcases to promote investment opportunities in priority sectors</li> <li>Update NZTE's sector investment prospectuses and promotional collateral</li> <li>Market specific investment opportunities to prospective investors in priority markets</li> <li>Deliver a comprehensive package of investor facilitation services</li> <li>Deliver tailored aftercare programme to monitor past investments and encourage follow on investment</li> </ul>	<ul style="list-style-type: none"> <li>Identify and articulate New Zealand's value proposition as an R&amp;D location</li> <li>Develop a comprehensive package of R&amp;D support available for investors</li> <li>Engage with the research community to develop the pipeline of R&amp;D investment opportunities</li> <li>Engage with strategically targeted companies to meet their R&amp;D needs</li> <li>Deliver an investor liaison programme to encourage existing investors to expand into R&amp;D activity</li> </ul>	<ul style="list-style-type: none"> <li>Review relevant migrant visa categories to enhance their attractiveness to high-quality applicants</li> <li>Deliver a series of tailored promotional events in key offshore markets</li> <li>Strengthen INZ's capacity to provide a responsive, personalised service for high value applicants</li> <li>Develop a programme to introduce migrant investors into local business and investor networks</li> <li>Continue to undertake research into the economic contribution of investor and entrepreneur migrants</li> </ul>
<b>Cross-cutting Actions</b>	<b>More visible investment opportunities</b>	<ul style="list-style-type: none"> <li>Maintain a national pipeline of investment opportunities to underpin coordination of investment attraction activity</li> <li>Leverage the international networks of MFAT, NZTE, INZ and KEA to generate new investment leads</li> <li>Conduct research to underpin the identification of areas of competitiveness and opportunities for investment attraction</li> </ul>	
	<b>Ensuring all of New Zealand benefits from investment</b>	<ul style="list-style-type: none"> <li>Support the development of regional and Māori investment opportunities to an investment-ready stage</li> <li>Build investment attraction capability in the regions through NZTE's Regional Investment Attraction Programme</li> </ul>	
	<b>Better integrated investment attraction effort</b>	<ul style="list-style-type: none"> <li>Establish an NZ Investment Attraction Taskforce to oversee and report to Ministers on implementation of the Strategy</li> <li>Enhance the performance framework, including reviewing the potential direct economic impact methodology</li> </ul>	