

Overseas Investment: Analysis of Transactions

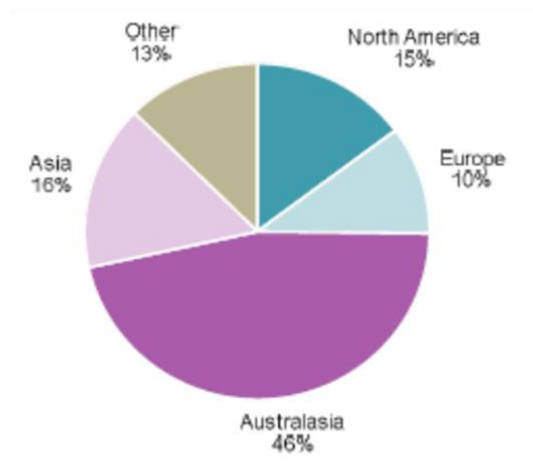
KPMG has carried out analysis of Overseas Investment Office consents granted during the period July 2010 to December 2012¹. The results make interesting reading. Perhaps contrary to expectations, Chinese investors made up a small proportion, both by value and by land area.

Total Asian investment was only 16% of total gross consideration. Japanese investments made up 53% of that Asian investment.

Gross consideration for transactions approved during this period was approximately \$18 billion. (In many cases the value of the transaction has been kept confidential.)

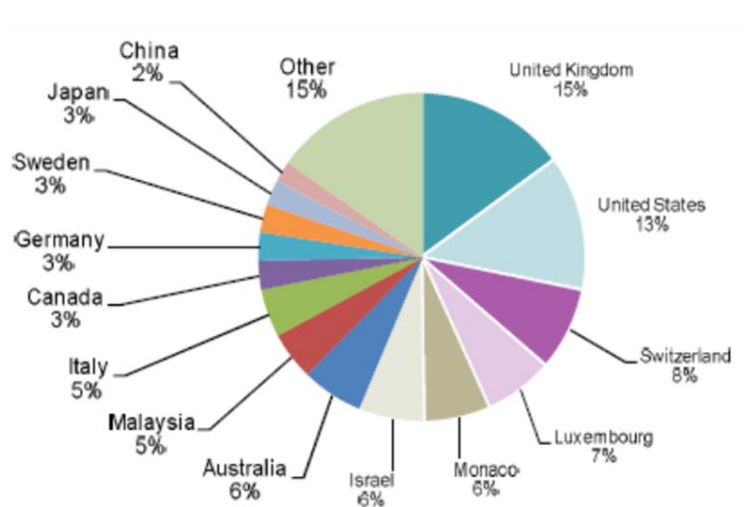
Excluding sales from one overseas person to another, the net foreign investment in New Zealand over this period is less than 35% of the gross consideration.

Overseas Investment (gross consideration) by region (July 2010 to June 2012)



Source: OIO statistics for the period July 2010 to December 2012

Gross land area – Approved investments (January 2010 to December 2012)



Source: KPMG analysis of OIO statistics

The analysis also reveals that agribusiness makes up only about 12% of total overseas investment. The balance is spread over a wide range of industry sectors. The leading countries for investment in agribusiness are China (including Hong Kong) at 21% followed by Germany on 17%.

But Chinese investors purchased only 2% of the land area approved for sale to overseas investors during this period. The largest overseas investors in New Zealand land were the United Kingdom at 15% and United States at 13%.

The KPMG analysis reveals that foreign investment in New Zealand is across a diverse range of industry sectors and from many different countries.

Lesley Brook, Partner

P: 03 467 7164

M: 027 434 5295

E: lesley.brook@andersonlloyd.co.nz

¹ "Foreign Direct Investment in New Zealand", KPMG June 2013, available at <http://www.kpmg.com/NZ/en/IssuesAndInsights/ArticlesPublications/Press-releases/Documents/KPMG-NZForeign-Direct-Investment.pdf>