OPEN FOR BUSINESS
THE CASE FOR INVESTING IN NEW ZEALAND
“New Zealand is a fantastic place for really, really high tech difficult things, especially where there’s a regulatory element, because I think one of New Zealand’s unique propositions is that tricky regulatory challenges can be dealt with very pragmatically and very easily.”

Peter Beck, Founder and CEO of Rocket Lab
Investors in Rocket Lab include: K1W1; Khosla Ventures; Promus Ventures; Data Collective; and Bessemer Venture Partners
As well as having a far greater range of opportunities than you might have realised, New Zealand has the perfect mix of elements to capitalise on them.

We are shaped by a unique mix of Māori and European culture and this melding of ideas began with the signing of the Treaty of Waitangi in 1840.

Today our progressive nation is built on a fierce appreciation of the land that inspires us, and our desire to deliver sustainable solutions for future generations.

Our success is grounded in our values and there is an opportunity to build businesses that are not just good for New Zealand but are good for the world.

We have a Government that believes in encouraging productive investment to support economic growth and sustainable development, contributing to the economic and social well-being of residents.

New Zealand has a robust regulatory system that encourages sustainable growth, job and wealth creation. You’ll be secure in the knowledge that your property rights (both intellectual and real) are protected, with regulations being business-friendly enough to let you be agile.

Our banking and finance system is as sophisticated as any in the world, encouraging new and strategic capital to internationalise enterprises, promote innovation and support the creation of intellectual property.

As part of Asia and sitting on the Pacific Rim, we’re closely linked to our neighbours through an expansive network of Free Trade Agreements (FTAs), defence and security dialogue, and co-operation in multilateral and regional organisations. 70 per cent of New Zealand’s exports are to countries in Asia-Pacific, and the FTAs mean we get preferential treatment.

We enjoy a simple, low-rate broad-base tax regime.

New Zealand is consistently ranked as one of the easiest countries in the world to do business, with strengths in advanced technology; agrifood; tourism and hotel development; and infrastructure. Skills in those sectors help produce top-quality products to take to the world, and help create an enviable environment and lifestyle.

New Zealand balances economic growth with environmental protection as it injects capital into maintaining domestic and international infrastructure and connectivity.

We take our climate change commitments and the sustainable management of natural resources seriously, though the country contributes to just 0.15 per cent of global emissions. New Zealand is a founding member of the Global Research Alliance into greenhouse gas emissions, and has set a goal of net zero carbon emissions by 2050.

Of course, none of this would be possible without the people. New Zealanders are up front, transparent and ready for anything. We’re curious and daring, with thinking that often defies convention and fosters innovation.

We are open for business.
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THE MOST VIBRANT INVESTMENT MARKETS AREN’T ALWAYS WHERE YOU’D EXPECT

There’s a lot you might not know about New Zealand. For example, they have a highly motivated and lucrative investment market. Take a closer look.

This country has a long history of embracing investment, both local and international, and has investor friendly regulations.

The purpose of this booklet is to enable you to make an informed choice about investing in New Zealand.

Take the time to read through it and see how New Zealand really is open for business.

Within these pages, you’ll learn more about:

• Why New Zealand is ranked first in the world for ease of doing business.

• New Zealand’s highly favourable business climate.

• The power of a regulatory system designed to help move business forward.

• Leveraging New Zealand’s relationships with other nations through Free Trade Agreement (FTAs).

• The outward-looking, nothing-is-impossible nature of New Zealanders.

• The breadth of opportunities across multiple industry sectors.
AN ECONOMY TEEMING WITH OPPORTUNITIES

To say that New Zealand is home to a high-performing, sophisticated and prosperous economy would be something of an understatement.

When you think of New Zealand you should think of a highly competitive, growing economy fuelled by people and businesses that display tremendous ingenuity, an abundance of natural resources, an agile regulatory framework and privileged access to growing markets in Asia.

New Zealand’s track record speaks for itself, having achieved positive economic growth for a staggering 33 of the past 35 years. For the last six years New Zealand’s economic growth has consistently been above the Organisation for Economic Co-operation (OECD) average.

New Zealand offers an unprecedented range of investment opportunities.

New Zealand’s proximity to Asia and extensive network of Free Trade Agreements gives New Zealand based businesses preferential access to over two billion consumers in some of the fastest growing economies in the world.

New Zealand’s infrastructure pipeline is valued at over $125 billion over the next ten years.

The business case for choosing New Zealand for your next investment has never been more compelling.

Sources:
1. Global Opportunity Index, Global Investors’ Growing Focus on Asia, Milken Institute, 2017
3. Treasury - Ten Year Capital Intentions Plan 2016, pg 12
STABILITY AND AGILITY – A POWERFUL COMBINATION

A stable place to invest and do business.

New Zealand has a reputation for honesty. Transparency International’s 2017 Corruption Perception Index ranks its public sector the least corrupt on the planet.

New Zealand takes a tough stance on money laundering with legislation that puts obligations on its financial institutions and casinos to detect and deter money laundering and terrorism financing.

New Zealand boasts sound macroeconomic foundations and is among the top 10 rated sovereigns in the world.

New Zealand’s low net debt to gross domestic product (GDP), low sovereign risk and independently managed inflation rate are bedrocks of stability. This solid foundation instills investor confidence and gives New Zealand the ability to persevere through and bounce back from crises, both economic and physical.

The nation weathered the storm of the global financial crisis (GFC) and came through in remarkable shape.

Sources:
2. Doing Business Index, World Bank, 2018
3. Blackrock Sovereign Risk Index, January 2018
New Zealand’s regulatory approach hits just the right mark in that it’s robust enough to ensure your property rights (both intellectual and real) are protected, while business-friendly enough to keep you agile.

**SPACE – THE LATEST FRONTIER**

One example of New Zealand’s forward thinking regulatory regime is the one governing outer space and high-altitude activities. Space legislation was developed in just nine months to meet and future-proof the requirements of New Zealand’s rapidly growing aerospace industry.

**DIGITECH**

New Zealand is internationally acclaimed as a hub of digital innovation, in visual effects, augmented reality (AR), virtual reality (VR) and image processing. The Government has expedited growth in these areas by taking an agile and pragmatic policy approach to attracting and retaining investment.
THE BEST PLACE FOR BUSINESS

Ease of doing business is only one of the things that makes New Zealand the best place for business.

Compared to other parts of the world, starting a business is simple – it only requires one step and can be completed in half a day. There is a straightforward, business-friendly taxation system.

Over the past three decades, New Zealand has advanced to having some of the most investor friendly regulations in the Organisation for Economic Co-operation and Development (OECD).

There are fewer layers of bureaucracy, both in the public and private sectors, with decision makers easily accessible.

New Zealand offers significantly lower costs to do business in areas such as export compliance costs, wages and facility costs compared to neighbouring Australia.

1ST OF 190 ECONOMIES FOR EASE OF DOING BUSINESS
0% PAYROLL TAX SOCIAL SECURITY TAX CAPITAL GAINS TAX
2ND OUT OF 139 NATIONS FOR BUSINESS FRIENDLINESS

CENTRALLY POSITIONED, GLOBALLY CONNECTED

New Zealand is 12 hours ahead of Greenwich Mean Time (GMT), positioning the country favourably for conducting global business.

Making it an ideal hub from which to base offshore operations, and as a link between Asia and the Americas.

Unit daylight hours’ in common with New Zealand

New Delhi | Jakarta | Shanghai | Auckland | Los Angeles | New York | Santiago

Sources:
2. Forbes Best Countries for Business, 2017
3. Using 7am-7pm as the daylight hours and using time comparisons during NZ’s daylight savings hours from September-April
GATEWAY TO THE ACTION IN ASIA-PACIFIC

Free Trade Agreements (FTAs) with 15 Asia-Pacific countries gives New Zealand preferential access to over two billion consumers.

New Zealand forging firsts in Asia, and was the first developed nation to sign an FTA with China. This has placed New Zealand in good stead, with exports to China quadrupling since the FTA was signed in 2008. Today, China is New Zealand's largest trading partner.

70% of New Zealand's exports go to countries in Asia-Pacific.

NEW ZEALAND'S FREE TRADE AGREEMENTS OPEN DOORS

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<tr>
<th>IN FORCE</th>
<th>CONCLUDED BUT NOT IN FORCE</th>
<th>UNDER NEGOTIATION</th>
<th>PROSPECTIVE FTAs</th>
<th>SUSPENDED FTAs</th>
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Source: Ministry of Foreign Affairs and Trade, 2018

* New Zealand has FTAs with China, Hong Kong China and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.
** Economies that New Zealand already has FTAs in force with may also be part of FTAs which have been concluded but are not in force or which are currently under negotiation.
*** The US signed the TPP but then withdrew its support (without which the deal cannot enter into force).
**** India is a party to two FTAs that New Zealand is negotiating: a bilateral FTA, and also a regional agreement – the 'Regional Comprehensive Economic Partnership' with 15 other economies.
AN INGENIOUS ECO-SYSTEM

THE PIONEERING SPIRIT

New Zealand was founded on exploration and adventure, and that curiosity is still evident today in the way it drives those involved in the country’s technological and entrepreneurial endeavours.

New Zealanders have long been at the very forefront of technological advances and scientific breakthroughs. Being the first to split the atom and summit Mt Everest were only the beginning.

Entrepreneurship is actively encouraged, with a range of R&D grants offered, and progressive immigration policies to attract entrepreneurs and investors who are committed to a sustainable and equitable future for New Zealand and the world.

5TH IN ASIA-PACIFIC FOR INNOVATION
44 NEW ZEALAND COMPANIES MADE THE DELoitTE ASIA-PACIFIC TECHNOLOGY FAST 500

3RD OUT OF 139 NATIONS FOR GLOBAL CREATIVITY

1. Global Innovation Index, INSEAD Business School, 2017
2. Deloitte Asia-Pacific Technology Fast 500, 2017
3. Global Creativity Index, Martin Prosperity Institute, 2015
A CULTURE OF INNOVATION

Innovation and self-sufficiency are built into the history and culture of New Zealand.

**FLYING MACHINE**
Richard Pearse performed pioneering experiments in aviation.

**NOBEL PRIZE CHEMISTRY**
Ernest Rutherford won a nobel prize for chemistry.

**SPLIT THE ATOM**
Ernest Rutherford split the atom.

**ELECTRIC FENCE**
William Gallagher built the original concept of the electric fence.

**SUPER CAR**
Bruce McLaren founded McLaren and pioneered new technologies in motor sport.

**PHYSIOLOGY & MEDICINE**
Maurice Wilkins won a nobel prize for physiology and medicine.

**JOGGING TECHNIQUE**
Arthur Lydiard invented the concept of jogging, a new training technique.

**THE SYRINGE**
Colin Albert Murdoch invented the disposable hypodermic syringe.

**BU NGY JUMP**
AJ Hackett commercialised the bungy jump.

**NOBEL PRIZE CHEMISTRY**
Alan MacDiarmid won a nobel prize for chemistry.

**AMPHIBIOUS VEHICLE**
Alan Gibbs invented the first road-legal, high-speed amphibious vehicle.

**SPACE ROCKET**
Peter Beck designs a revolutionary rocket engine using 3D printed components and a battery powered fuel system.
SECTORS OF OPPORTUNITY

Whichever industry you’re looking to invest in, you’ll be spoilt for choice in New Zealand.

From high-end manufacturing plants, research facilities, natural resources or a fast growing business looking to go global, New Zealand has a number of sectors which provide investors with fantastic opportunities.

ADVANCED TECHNOLOGY

Technology is New Zealand’s fastest-growing sector with 19% year-on-year growth. New Zealanders have a culture of creative self-sufficiency and resilience leading to the design of clever, pragmatic innovations. It is no wonder they are game-changers in Fintech, Meditech, Digitech, Agritech and Aerospace.

- Fisher & Paykel Healthcare leads the world in respiratory care with an estimated 10 MILLION patients treated with F&P products every year.
- New Zealand has long been a LEADER IN AGRITECH, FROM INVENTING THE ELECTRIC FENCE, THE ROTARY MILKING PLATFORM, TO TODAY’S GPS TRACKING, SOLAR POWERED COW COLLAR, HALTER, THAT SELF-HERDS COWS FOR TWO YEARS RUNNING.
- Rocket Lab broke new ground when its Electron rocket, launched from New Zealand, reached space. It was the first orbital-class rocket launched FROM A PRIVATE SITE IN THE WORLD.
- Weta Digital is a world-leading visual effects company with 6 OSCARS, 6 BAFTAS AND 10 ACADEMY SCIENCE & TECHNOLOGY AWARDS.
- New Zealand is home to Xero, the cloud-based accounting firm rated THE WORLD’S MOST INNOVATIVE GROWTH COMPANY BY FORBES FOR TWO YEARS RUNNING.
AGRIFOOD

New Zealand has deep agricultural roots; the climate, fertile soil, geography and agricultural ingenuity have positioned the country as a global leader in primary industry and food and beverage production. New Zealand takes the sustainable management of their natural resources seriously.

New Zealand has a vast capacity for food production and already FEEDS 40 MILLION PEOPLE ALMOST TEN TIMES THEIR POPULATION

TOURISM AND HOTEL DEVELOPMENT

New Zealand’s tourism industry is booming and will only continue to grow. To meet its requirements, more hotel infrastructure is needed, so there are many opportunities for large scale investment.

International visitor arrivals to New Zealand are forecast to reach 4.9 MILLION VISITORS BY 2023, UP 39 PER CENT FROM 2016, CREATING EXCITING OPPORTUNITIES FOR HOTEL DEVELOPMENT

INFRASTRUCTURE

New Zealand has a large infrastructure pipeline. Strong economic and population growth have created a steady flow of greenfield and brownfield investment opportunities.

There is a pipeline of over $125 BILLION OF INFRASTRUCTURE PROJECTS OVER THE NEXT DECADE

1. Treasury – Ten Year Capital Intentions Plan 2016, pg 12
THE MĀORI ECONOMY IS SAILING AHEAD

Māori business represents one of the most exciting opportunities for investment in the developed world.

To date, Māori economic growth has centred around four main sectors with strong links to natural resources, land and culture. These include:

- Agri-sector, forestry and fishing
- Tourism
- Property, construction and infrastructure
- Technology and innovation.

Exciting opportunities exist for investors that can bring complimentary skills and access to global customers.

50% of New Zealand’s fishing quota is owned by Māori

$50 bn is the value of the Māori asset base

WORLD-CLASS PEOPLE, UNBEATABLE LIFESTYLE

A HIGHLY SKILLED AND EDUCATED WORKFORCE

New Zealand offers a highly skilled and educated workforce, prepared for the demands of competitive businesses.

QUALITY OF LIFE THAT’S THE ENVY OF THE WORLD

Enjoy some of the highest quality of living in the world. Whichever way you look at it, a good lifestyle for you and your employees is good for your business. In this regard, New Zealand is without equal.

3

GLOBALLY PLACED UNIVERSITIES

New Zealand’s eight universities rank in the global top 3% based on research, resourcing, graduate employability and internationalisation.

3RD MOST DESIRABLE CITY

Auckland ranks 3rd and Wellington 15th for most desirable cities for international employees.

7TH FOR DEVELOPING & DEPLOYING DOMESTIC TALENT

New Zealand ranks 7th out of 130 countries for developing talent, examined against a life-course approach to human capital, education, skills and employment prospects for citizens.

3RD TOP PLACE TO LIVE FOR EXPATS

New Zealand is ranked 3rd in the top places to live for expats, out of 45 countries based on economics, experience and family.

Sources:
1. QS World University Rankings, 2018
3. Quality of Living City Rankings, Mercer 2017
4. Expat Explorer Survey, HSBC, 2017
INVESTORS WELCOME

New Zealand wants to collaborate with individuals and businesses to deliver sustainable prosperity and growth.

New Zealand’s overseas investment regulations are highly transparent and designed to ensure investment makes a positive contribution to the economy, environment and society.

The New Zealand Government is seeking to attract high quality investment into all regions of New Zealand, through:

- FOREIGN DIRECT INVESTMENT
- INVESTMENT IN RESEARCH AND DEVELOPMENT
- INVESTOR AND ENTREPRENEUR MIGRANTS

Those looking to invest in New Zealand will find that support comes in many forms, at all levels of Government and business and at every point in the investment journey.

The New Zealand Government provides the following services to investors:

- Information on the New Zealand business and regulatory environment
- Market intelligence and development of investment opportunities
- Identification of suitable investment locations and partners in New Zealand
- Advice on New Zealand Government agencies, funding programmes and approval processes
- Planning and conducting a visit to New Zealand
- Continued support post-investment
New Zealand Trade & Enterprise (NZTE) aims to make investing in New Zealand easy. NZTE offers a wide range of support to investors wanting to invest in and work with New Zealand companies.

www.nzte.govt.nz

Ministry of Business, Innovation & Employment’s Innovative Partnerships team is dedicated to helping research and development (R&D) investors connect, collaborate and partner in New Zealand.

www.mbie.govt.nz

Immigration New Zealand has progressive immigration policies to attract entrepreneurs and investors to New Zealand.

www.immigration.govt.nz