New Zealand’s investor migrants; Decision making and experiences

Mary Adams and Natalie Ellen-Eliza
Pathways conference, July 2015
Overview

• Context
• Overview of research

• Findings
  • Motivation
  • Investment
  • Expectations and contributions

• Summary
• Next steps
A place for business
Why and what we did

• To understand the experience of investor migrants before, during, and after making an application

• Online survey of 772 applicants
• Qualitative interviews with 5 agents and 20 applicants
Profile of survey respondents

• Demographics
  • Investor two category ($1.5M), men, aged 40-49, from China, more recently approved for residence

• A diverse group
  • At different stages of career and life
  • Leading business people
Lifestyle/personal factors were a key reason for choosing New Zealand

- NZ's climate/landscape: 79%
- NZ's lifestyle: 68%
- NZ's political stability: 64%
90% of investor migrants indicated that financial/business factors were important.

- NZ's political stability: 63%
- Transparent investment options: 52%
A variety of push and pull influencers at work

Push factors

• State of home country
  • Economy
  • Environment
  • Policy
  • Politics

• Fear circumstance will worsen at home

Pull factors

• NZ lifestyle
• Prior visits
• Friends/family
• Business investments (minority)
Half of investor migrants made a passive investment

Investment chosen for residence application

- Passive (by mainly investing in Government /Corporate /Bank bonds)
- Balanced/ mixed investment
- Active investment (by mainly investing in Shares /Company equity /Venture Capital)
Passive investment a conscious decision driven by...

- **Lack of knowledge** – of NZ businesses and investment environment at the time of having to transfer funds

- **Lack of networks** – no trusted contacts to identify business opportunities

- **Wanting to ‘tick the box’ and keep risk low** – making investments that were easy to manage, simple and definitely meet immigration requirements
Amount invested in New Zealand

- The amount required by the investor policy: 28%
- A bit more: 33%
- Significantly more: 2%
- Unsure: 37%
Expectations of life in NZ mostly met in terms of personal/lifestyle gains but some large gaps

- Expectations of personal/lifestyle gains met: 89%
- Opportunity to make good investments in NZ: 74%
- Expectations of financial/business gains met: 62%
- Opportunity to make a significant contribution to NZ: 62%
- NZ makes the most of investors' talents and networks: 31%
More can be done to make the most of investor migrants talents and networks

Expected to be able to make a significant contribution to NZ
*(Total % Agree)*

- 85%

Have had the opportunity to make a significant contribution to NZ
*(Total % Agree)*

- 62%
There is interest in contributing to NZ businesses....

Networking into NZ businesses

- A role for INZ
- Investor should do themselves
- Private sector sponsored networking initiatives
- Public/private sector initiative
Take home points

• NZ lifestyle is the key motivator
  • Interests widen over time
Take home points

• Many investing more than the policy requires
  • Open to making more active investments
  • Want to contribute more, particularly once ‘in the system’

• More engagement by NZ Inc is welcome
  • Potential to tap in to their skills and networks to support national/firm growth
  • Opportunities for NZ Inc to develop this
And finally...


Next steps
- ‘Flow-on’ investment research with banks

Mary.Adams@mbie.govt.nz  Natalie.Ellen-Eliza@mbie.govt.nz