



# Foreign Direct Investment in New Zealand

**Trends and Insights into OIO  
decision summaries (2013 to 2015)**

October 2016

[kpmg.com/nz](http://kpmg.com/nz)





# Contents

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|   |    |
|---|----|
| Introduction                              | 1  |
| Report highlights                         | 2  |
| Approach                                  | 4  |
| Origin of foreign investment              | 5  |
| Destination of foreign investor by sector | 11 |
| Agribusiness investment                   | 25 |
| Land acquisition by foreign investors     | 31 |

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## Important Information

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.



# Introduction

**FUELLING  
PROSPERITY**

Foreign direct investment  
is a lever to fuel prosperity  
in New Zealand

**Awareness and interest in Foreign Direct Investment has been growing over recent years. Issues such as ownership of dairy land and house prices have been frequently debated in the media.**

Understanding the source and focus of Foreign Direct Investment (FDI) provides an insight into how New Zealand connects to the world.

This is the third report KPMG has prepared on FDI; the first was published in 2013 and followed by another in 2015.

This report covers Overseas Investment Office (OIO) decisions over the last three years (2013 to 2015). Since our last publication, we have had a number of requests to provide further analysis on where investment is being targeted. In response, we have extended this report to include more detailed insights into investment by sector, and by country.

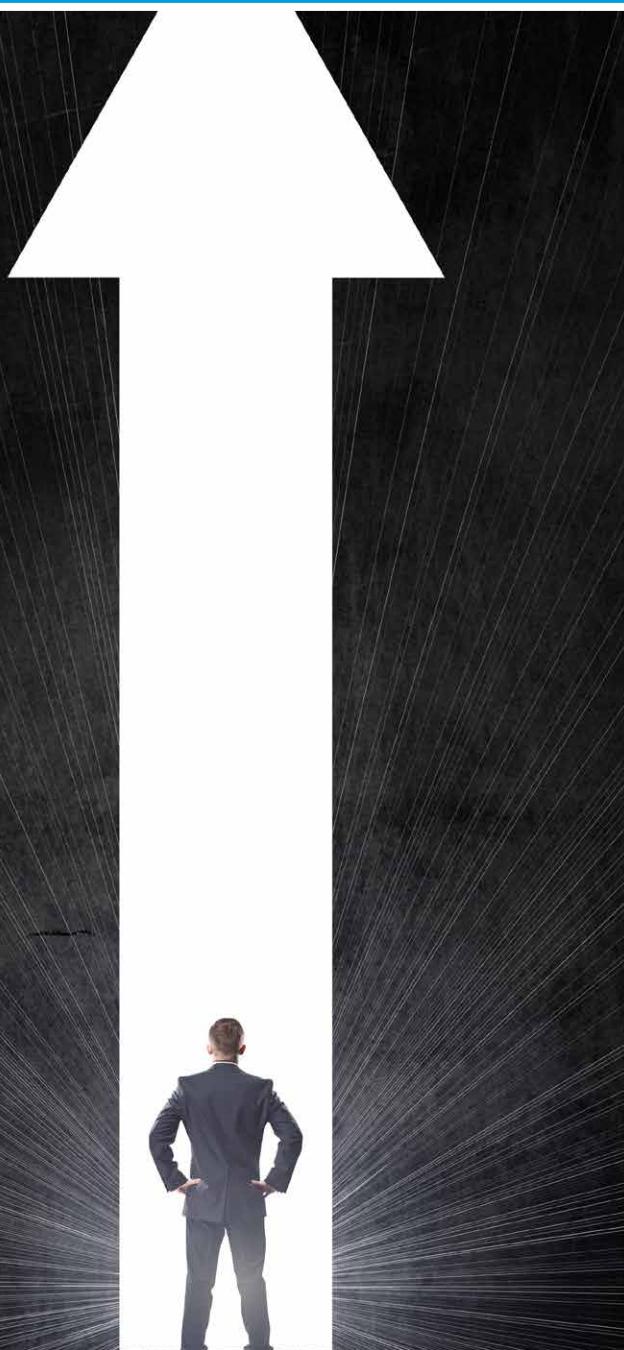
It should be noted that the majority of these transactions are between an offshore vendor and an offshore investor. So while the assets are New Zealand based, the consequent value to the New Zealand economy will depend on the perspective and intended activities of the asset owner.

We hope that this report aids discussion on FDI. If you have any feedback, or would like to discuss these findings in more detail, you are welcome to get in touch with us at KPMG.

Kind regards

**Justin Ensor**  
Partner

**Greg Knowles**  
Partner



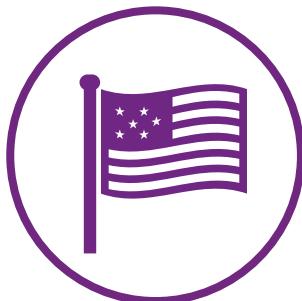


# Report highlights

Foreign Direct Investment has a direct impact on the prosperity of New Zealand – both by cementing trade relationships, and creating employment through investment in New Zealand businesses.



## Our analysis highlights:



**The United States and Canada were New Zealand's most significant source of FDI over the last three years, based on gross consideration data provided by the OIO; followed closely by Australia, China and Singapore.**



At first glance, Australia's influence on New Zealand through Foreign Direct Investment appears to have reduced in comparison to previous reports. However, we believe this is primarily due to changes to the regulations which have relaxed the requirement for Australian companies to obtain OIO approval, rather than a material shift in investment. Our recent experience suggests that many Australian companies are considering investment in New Zealand given our strong economic growth over previous years.



**Singapore accounted for 20% of FDI in 2015, measured by gross consideration, making Singapore the largest source of FDI in 2015.**



Investment in New Zealand continues to be broad-based across a range of sectors. However, when evaluated on a country-by-country basis, **Asian countries have generally had a narrower investment focus on dairy, food and the waste management sectors. By contrast, the traditional investment markets of the United States and Australia have a much broader base of investment**, perhaps reflecting the maturity of their economies and their investment networks.



**Over the short run, New Zealand's FDI statistics are heavily influenced by a few large transactions.** The largest 10 transactions over the three year period accounted for 33% of the disclosed total overseas investment. Asia accounted for over half of the largest 10 transactions. The majority of these transactions relate to transactions between offshore investors.



**Dairy, Forestry and Milk Processing are the leading areas for investment in the agribusiness sector.** We expect that investment in milk processing will be subdued until dairy prices recover. However, this may be offset by speculative buying of farms in the event that forced sales occur in this sector.



**The United States is the largest acquirer of land for the 2013 to 2015 period (40%),** followed by China (11%) and Hong Kong (7%). Forestry transactions are the most significant driver behind this statistic.



**Canterbury, Otago and Southland account for 49% of freehold land transactions consented to under the Overseas Investment Act 2005.**



# Approach

## Methodology for analysis of Overseas Investment

**Office (OIO) data.** The analysis which follows is based on statistics provided by the OIO, combined with an analysis of OIO approvals.

### Where we have reviewed specific approvals, we have adopted the following procedures in analysing the OIO data:

- The majority of the analysis performed in producing this report has been provided by way of summary data from Land Information New Zealand (LINZ);
- Where pertinent information could not be obtained via correspondence with LINZ, we have retrieved the relevant information from the decision summary cases on the Overseas Investment Office Website; <http://www.linz.govt.nz/overseas-investment/decisions> and from the Overseas Investment Office;
- In situations where an applications consideration is "confidential", yet the decision discloses consideration exceeding \$100m, we have assumed a value of \$100m as the gross consideration;

- A standardised list of macro industry sectors and their constituent sub-sectors was used in conjunction with overseas investment decision summary descriptions to guide the categorisation of each application;
- Country-specific contributions are calculated by taking a country's percentage stake in the applicant and multiplying it by the total consideration stated in the said application;
- Where "cost of development" has been cited in place of consideration, we have treated the figure quoted as gross consideration;
- Where the "asset valuation" of the vendor was stated in place of consideration, we have treated the figure quoted as gross consideration; and
- Where a foreign entity purchases a controlling stake in a New Zealand company, the total land area controlled by the overseas entity is recorded in the land area statistics.

### Caveats to this report

With the exception of the origin of investment and the land acquisition statistics, there are several caveats to the conclusions drawn in this report. Specifically:

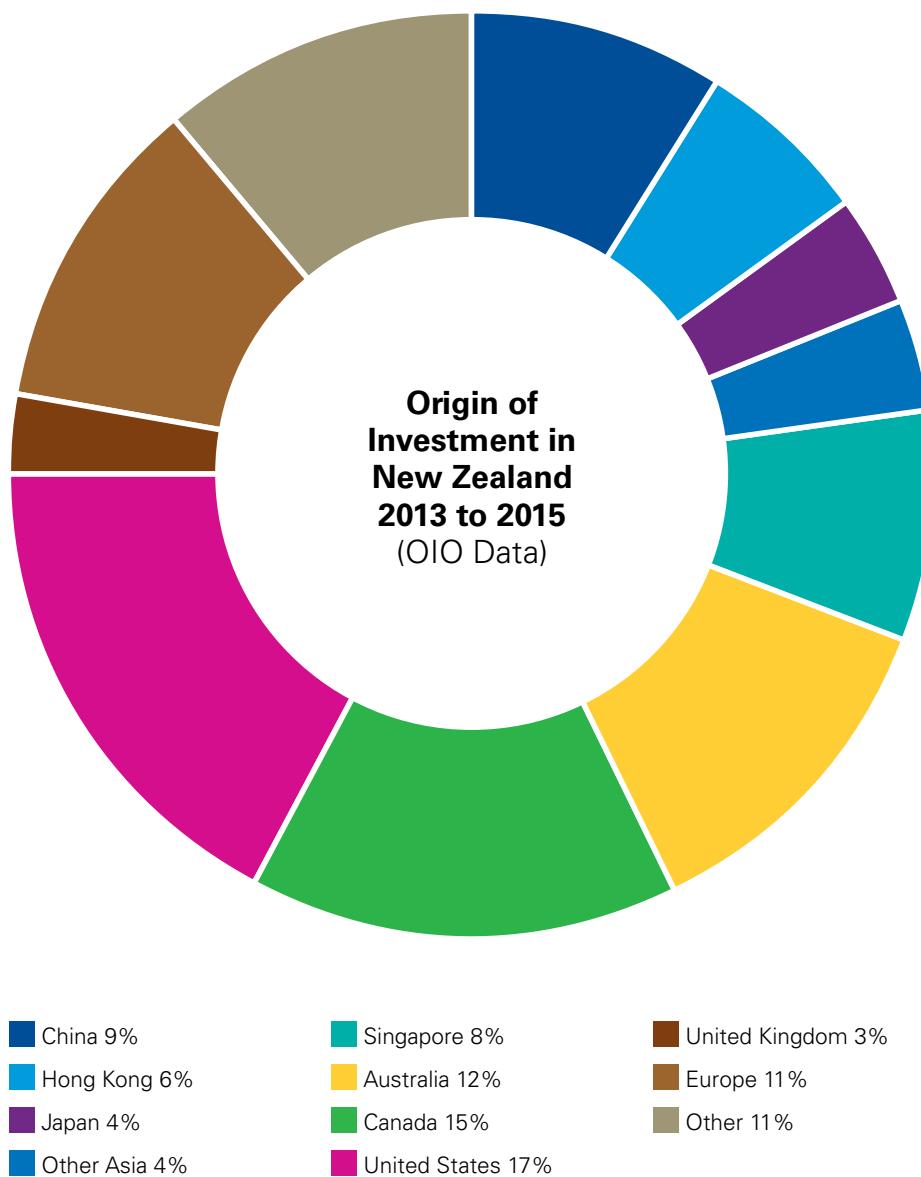
- A number of transactions are deemed to be confidential. At the country level over the 2013 to 2015 period, over 90% of consideration values were able to be recovered, with the residual being withheld under confidentiality. There are various reasons why information may be confidential. A frequent ground for withholding official information is that the release will result in "prejudice to a person's commercial position";
- A number of well-known New Zealand listed companies are captured in the data by virtue of their share register containing overseas investors, for example SKYCITY and Z Energy;
- Takeovers occurring in overseas markets and IPOs can trigger OIO application requirements in New Zealand markets by virtue of the change in control, for example Metroglass;
- With the introduction of new regulations, certain Australian investors are no longer required to make an OIO application where the consideration is less than \$496 million, and the investment does not include any sensitive land or fishing quota. This is likely to have reduced the level of observed Australian investment relative to our previous reports; and
- Not all OIO decisions necessarily proceed to settlement or result in an investment. Therefore, the information cannot be interpreted as actual investment data.



# Origin of foreign investment



# Origin of investment – 2013 to 2015



Source: OIO statistics for the period January 2013 to December 2015.  
Note: Europe is an aggregation of countries from the European Union.

## Key findings

For the 2013 to 2015 period, Canada, the United States and Australia were the most significant investors in New Zealand in terms of gross consideration. This was followed closely by China and Singapore.

Australian applicants no longer require approval for NZ investment below \$496m where the investment does not include any sensitive land or fishing quota. This analysis therefore may underestimate Australia's level of investment relative to other countries.

## Quick facts

Canada, the United States and Australia were the most significant investors in New Zealand, followed closely by China and Singapore.

# Top 10 Investments

## Top 10 transactions (Jan 2013 to Dec 2015)

| Date         | Sector                      | Gross consideration (\$m) | Target company     | Origin of dominant vendor | Origin of dominant overseas investor |
|--------------|-----------------------------|---------------------------|--------------------|---------------------------|--------------------------------------|
| 18 Feb 15    | Consumer staples            | 1,278                     | Goodman Fielder    | Australia                 | Singapore/ Hong Kong                 |
| 6 Nov 14     | Materials                   | 1,037                     | Carter Holt Harvey | New Zealand               | Japan                                |
| 6 Nov 14     | Real estate                 | 1,101                     | AMP Property       | New Zealand/ Australia    | Canada                               |
| 9 Mar 15     | Real estate                 | 1,019                     | St Lukes Group     | Australia                 | Singapore                            |
| 9 Jun 14     | Energy, power and utilities | 950                       | Waste Management   | Australia                 | China                                |
| 17 Nov 15    | Energy, power and utilities | 785                       | Chevron            | United States             | Australia                            |
| 29 Oct 14    | Consumer staples            | 741                       | NZ Snack Food      | United States             | Philippines                          |
| 2 May 13     | Consumer staples            | 688                       | Heinz              | United States             | United States                        |
| 9 May 13     | Healthcare                  | 658                       | EBOS               | New Zealand               | Switzerland                          |
| 17 Sept 15   | Financials                  | 590                       | Custom Fleet NZ    | United States             | Canada                               |
| <b>Total</b> |                             | <b>8,847</b>              |                    |                           |                                      |

Source: OIO statistics for the period January 2013 to December 2015. Note: Gross consideration includes asset value and development costs, where gross consideration was not specified.

## Key findings

The total investment for the 3-year period Jan 2013 to Dec 2015 was approximately \$26.3 billion, with the 10 largest transactions accounting for \$8.8 billion or 33% of this.

The acquisition of Goodman Fielder for \$1.3 billion was the largest transaction during the last three years. The investors were Singapore-based Wilmar International and Hong Kong-listed investment firm First Pacific Company Limited.

Asia was responsible for more than half of the top 10 transactions, accounting for approximately \$5 billion or 57% by consideration.

Although Australia accounted for 12% of overall investment, it does not feature within the largest 10 transactions.



## Quick facts

Asia accounted for more than half of the 10 largest FDI transactions.

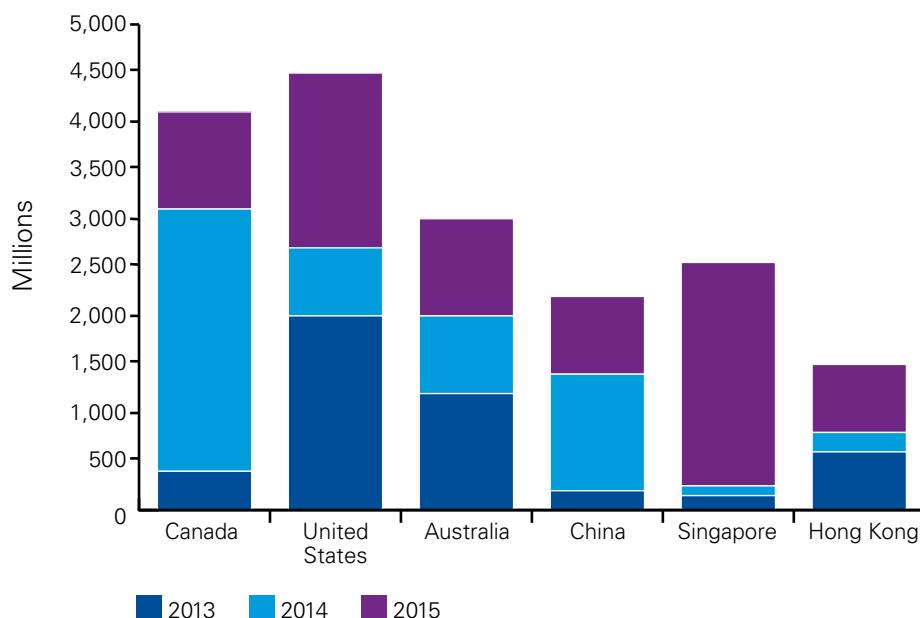
# Three-year trends

## Key findings

United States, Australia, China and Canada have consistently invested in New Zealand over the last three years. They accounted for half of our investment.

Singapore had been on a buying spree in 2015.

### Origin of Investment in New Zealand (Gross consideration)



Source: OIO statistics for the period January 2013 to December 2015.

## Quick facts

United States, Australia, China and Canada have consistently invested in New Zealand over the last three years. They accounted for half of our investment.

# Origin of investment: 2015 year

## Key findings

The total consideration for the period of 2015 was approximately \$10.1 billion, with the top 10 transactions accounting for \$5.1 billion or 50%.

Singapore accounted for 20% of total investment in New Zealand during 2015, as measured by gross consideration.

United States, Australia, Canada, China and Hong Kong accounted for a further 55% of investment in 2015.

The largest single transaction was the \$1.3 billion acquisition of Goodman Fielder by Singapore-based Wilmar International and Hong Kong based investment firm First Pacific Co.

The second largest transaction was Singaporean Government Investment Corporation's investment into St Luke's Group for \$1 billion.

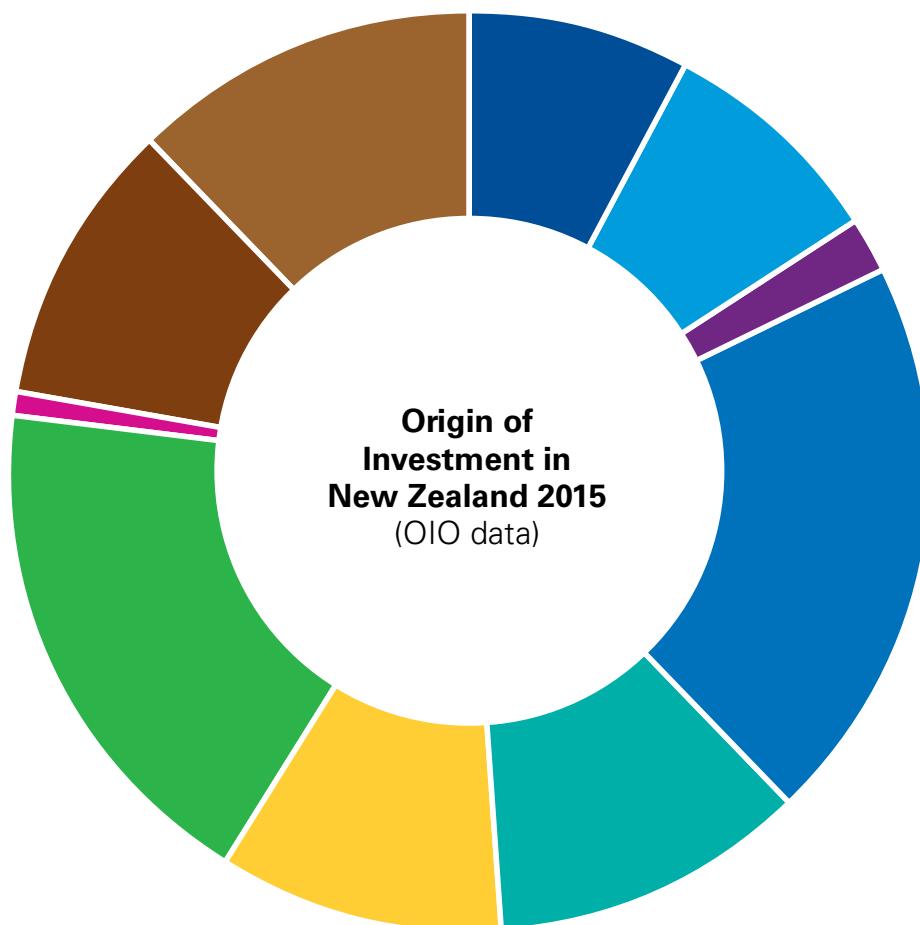
The table summarises the most significant transactions.

## Top 10 transactions 2015

| Date         | Industry                    | Gross consideration (\$m) | Target company          | Origin of dominant overseas investor |
|--------------|-----------------------------|---------------------------|-------------------------|--------------------------------------|
| 18 Feb 15    | Consumer staples            | 1,278                     | Goodman Fielder         | Singapore/ Hong Kong                 |
| 9 Mar 15     | Real estate                 | 1,019                     | St Lukes Group          | Singapore                            |
| 17 Nov 15    | Energy, power and utilities | 785                       | Chevron                 | Australia                            |
| 17 Sept 15   | Financials                  | 590                       | Custom Fleet            | Canada                               |
| 12 Oct 15    | Energy, power and utilities | 397                       | Waste Management        | China                                |
| 18 Jun 15    | High technology             | 250                       | CallPlus                | Australia                            |
| 25 June 15   | Financials                  | 254                       | LeasePlan               | Austria                              |
| 14 Oct 15    | Retail                      | 232                       | Office Depot            | United States                        |
| 5 Feb 15     | Agribusiness                | 170                       | Yashili                 | France                               |
| 15 Feb 15    | Industrials                 | 167                       | Orica Chemical Holdings | United States                        |
| <b>Total</b> |                             | <b>5,142</b>              |                         |                                      |

Source: OIO statistics for the period January 2015 to December 2015. Note: Gross consideration includes asset value and development costs, where gross consideration was not specified.

# Origin of investment: 2015 year



Source: OIO statistics for the period January 2015 to December 2015.

| Origin         | Percentage |
|----------------|------------|
| China          | 8%         |
| Hong Kong      | 8%         |
| Japan          | 2%         |
| Singapore      | 20%        |
| United Kingdom | 1%         |
| United States  | 18%        |
| Canada         | 10%        |
| Australia      | 11%        |
| Europe         | 10%        |
| Other          | 12%        |



## Quick facts

Singapore accounted for 20% of FDI in 2015, measured by gross consideration.



# Destination of foreign investor by sector



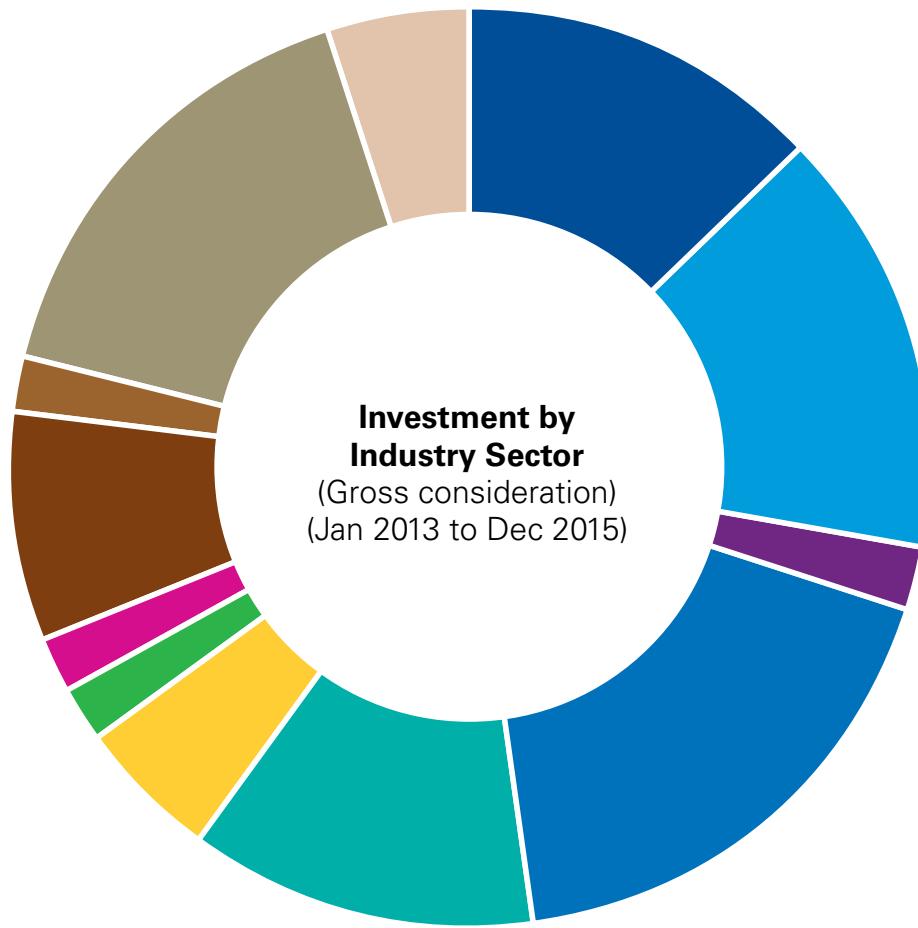
# Overview



## Key findings

Energy, power and utilities – followed by real estate – were the two largest sectors of investment for the 2013 to 2015 period. Energy, power and utilities includes waste management transactions.

Investment in consumer staples, agribusiness and financial services also attract significant investment. Interestingly, it is agribusiness which receives the most attention, perhaps due to the sale of freehold land.



- Agribusiness 13%
- Consumer staples 15%
- Consumer products and services 2%
- Energy, power and utilities 18%
- Financials 12%
- Healthcare 5%
- High technology 2%
- Industrials 2%
- Media and entertainment 2%
- Real estate 16%
- Retail 5%
- Materials 8%

Source: KPMG Analysis of OIO decision summaries.



## Quick facts

Energy, power and utilities, and real estate, were the two largest sectors of investment for the 2013 to 2015 period.

## United States

# Significant transactions and investment focus

### Top 10 transactions made by the United States

| Date         | Industry         | Gross consideration (\$m) | Target company     |
|--------------|------------------|---------------------------|--------------------|
| 11 Jun 14    | Financials       | 455                       | Wesfarmers Broking |
| 2 May 13     | Consumer staples | 375                       | Heinz              |
| 14 Oct 15    | Retail           | 232                       | Office Depot       |
| 1 Nov 13     | Retail           | 208                       | OfficeMax          |
| 12 Feb 15    | Materials        | 167                       | Orica              |
| 21 Feb 13    | Agribusiness     | 163                       | Matariki Forests   |
| 28 Jan 13    | High technology  | 150                       | Endace             |
| 24 Jun 15    | Consumer staples | 126                       | Charger Top Holdco |
| 12 May 15    | Financials       | 100                       | Secure Funding     |
| 8 Oct 13     | Healthcare       | 100                       | Life Technologies  |
| <b>Total</b> |                  | <b>2,077</b>              |                    |

Source: KPMG Analysis of OIO decision summaries.



### Key findings

The graph on the following page summarises the target sectors for investment from United States investors. This is based on public disclosures of transactions, and does not include consideration of those listed as 'confidential'.

As a general comment, United States investment is broad based.

The financial services, retail, consumer staples and agribusiness sectors accounted for over 70% of investment for the 2013 to 2015 period.

The United States' total investment was \$4.6 billion, with the top 10 transactions accounting for 46%.

The table summarises the most significant transactions.



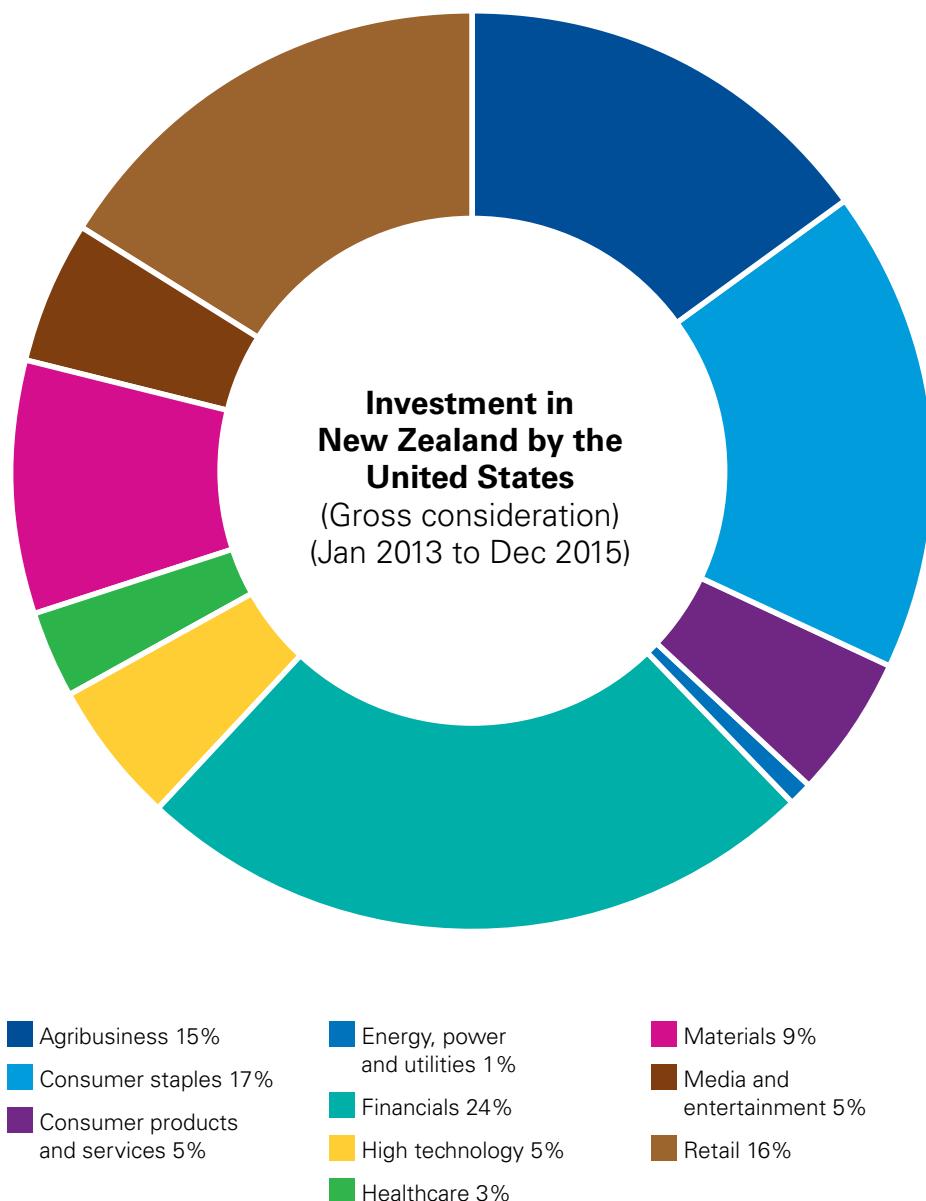
United States

# Significant transactions and investment focus



## Quick facts

The financial, retail, consumer staples, and agribusiness sectors accounted for over 70% of United States investment.



Source: KPMG Analysis of OIO decision summaries.



Canada

# Significant transactions and investment focus

## Top 10 transactions made by Canada

| Date         | Industry                    | Gross consideration (\$m) | Target company                     |
|--------------|-----------------------------|---------------------------|------------------------------------|
| 6 Nov 14     | Real estate                 | 1,033                     | AMP Property                       |
| 17 Sept 15   | Financials                  | 549                       | Custom Fleet                       |
| 20 Mar 13    | Energy, power and utilities | 405                       | Waihapa Production Station         |
| 14 May 15    | Real estate                 | 137                       | NorthWest International Healthcare |
| 10 Dec 14    | Agribusiness                | 46                        | Cumberland Dairy Farm              |
| 12 Oct 15    | Materials                   | 29                        | Newmont Waihi Holdings             |
| 1 Jul 14     | Agribusiness                | 17                        | New Land Investment                |
| 22 Oct 14    | Financials                  | 15                        | ANZ Terminals Pty                  |
| 15 Sept 15   | Agribusiness                | 15                        | Emerald Dairy Farm                 |
| 24 Jun 13    | Agribusiness                | 12                        | New Land Investment                |
| <b>Total</b> |                             | <b>2,258</b>              |                                    |

Source: KPMG Analysis of OIO decision summaries.

## Key findings

Real estate, financial services, and energy and power accounted for the majority of disclosed Canadian investment. The investment into forestry by the Public Sector Investment Pension Board was listed as confidential, and has not been disclosed in the graph on the following page. The investment into agribusiness is therefore understated.

Canada's top 10 disclosed investments account for 56% of their total investment.

The table summarises the most significant transactions, based on decision summaries with disclosed considerations.



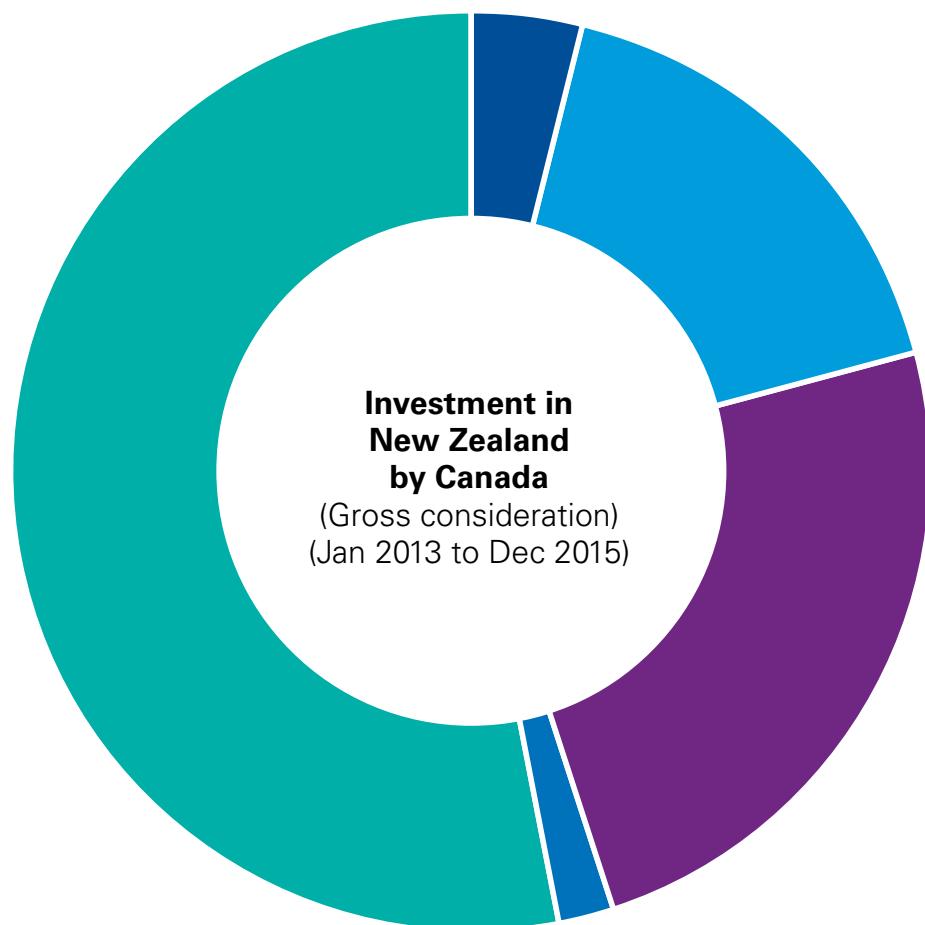
Canada

# Significant transactions and investment focus



## Quick facts

Real estate; financials; and energy, power and utilities accounted for the majority of Canadian investment.



■ Agribusiness 4%

■ Energy, power and utilities 17%

■ Financials 24%

■ Materials 2%

■ Real estate 53%

Source: KPMG Analysis of OIO decision summaries.



China

# Significant transactions and investment focus

## Top 10 transactions made by China

| Date         | Industry                    | Gross consideration (\$m) | Target company                     |
|--------------|-----------------------------|---------------------------|------------------------------------|
| 9 Jun 14     | Energy, power and utilities | 950                       | Transpacific Industries            |
| 12 Oct 15    | Energy, power and utilities | 397                       | BCG Investment Holding             |
| 20 Mar 13    | Agribusiness                | 110                       | Yashili Farms                      |
| 21 Mar 13    | Agribusiness                | 85                        | Forest plantation – new investment |
| 21 Mar 13    | Agribusiness                | 85                        | China National Forest Products     |
| 16 Feb 15    | Industrials                 | 75                        | Martin Aircraft Company            |
| 31 Jan 14    | Agribusiness                | 63                        | Synlait Farms                      |
| 1 Apr 14     | Real estate                 | 56                        | China Merchants Pacific NZ         |
| 9 Jun 14     | Real estate                 | 40                        | Acquisition of land at Orewa       |
| 3 Jul 13     | Media and entertainment     | 29                        | Shanghai Real Estate               |
| <b>Total</b> |                             | <b>1,890</b>              |                                    |

Source: KPMG Analysis of OIO decision summaries.

## Key findings

Energy, power and utilities and agribusiness accounted for 86% of observable Chinese investment. The acquisition of waste management has been the most significant investment in New Zealand over recent years.

Chinese investment has slowed in FY15.

China's total investment in New Zealand was \$2.3 billion in gross consideration, with the 10 largest transactions making up 83% of this.

The table summarises the most significant transactions, based on decision summaries.



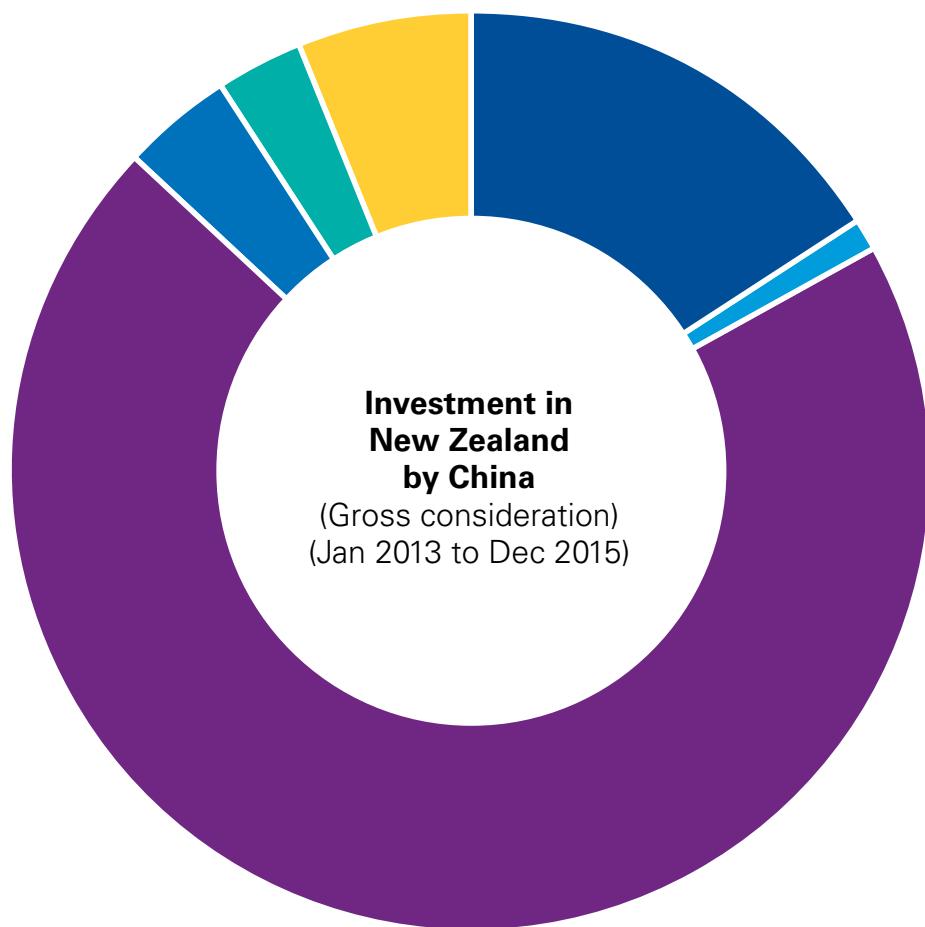
China

# Significant transactions and investment focus



## Quick facts

Investment has slowed for China in FY15.



■ Agribusiness 16%

■ Consumer staples 1%

■ Energy, power and utilities 70%

■ Industrials 4%

■ Media and entertainment 3%

■ Real estate 6%

Source: KPMG Analysis of OIO decision summaries.



## Hong Kong

# Significant transactions and investment focus

## Top 10 transactions made by Hong Kong

| Date         | Industry                    | Gross consideration (\$m) | Target company           |
|--------------|-----------------------------|---------------------------|--------------------------|
| 18 Feb 15    | Consumer staples            | 639                       | Goodman Fielder          |
| 8 Apr 13     | Energy, power and utilities | 490                       | Enviro Waste Services    |
| 4 May 15     | Agribusiness                | 58                        | Greenhold Group          |
| 11 Mar 14    | Agribusiness                | 46                        | Accolade Wines           |
| 20 Feb 13    | Consumer staples            | 42                        | Maehtech Pty Ltd         |
| 16 Mar 15    | Agribusiness                | 30                        | Cheung Kong (Holdings)   |
| 16 Mar 15    | Energy, power and utilities | 30                        | Hutchinson Whampoa       |
| 16 Feb 15    | Industrials                 | 25                        | Martin Aircraft Company  |
| 16 Mar 15    | Agribusiness                | 17                        | Kiwi Forests Investments |
| 5 Sept 13    | Agribusiness                | 16                        | QWIL Investments         |
| <b>Total</b> |                             | <b>1,393</b>              |                          |

Source: KPMG Analysis of OIO decision summaries.



## Key findings

Energy, power and utilities, consumer staples and agribusiness accounted for 96% of observable Hong Kong investment.

Hong Kong's gross consideration invested in New Zealand was \$1.7 billion, with the largest 10 transactions accounting for approximately 82%.

The table summarises the most significant transactions, based on decision summaries.



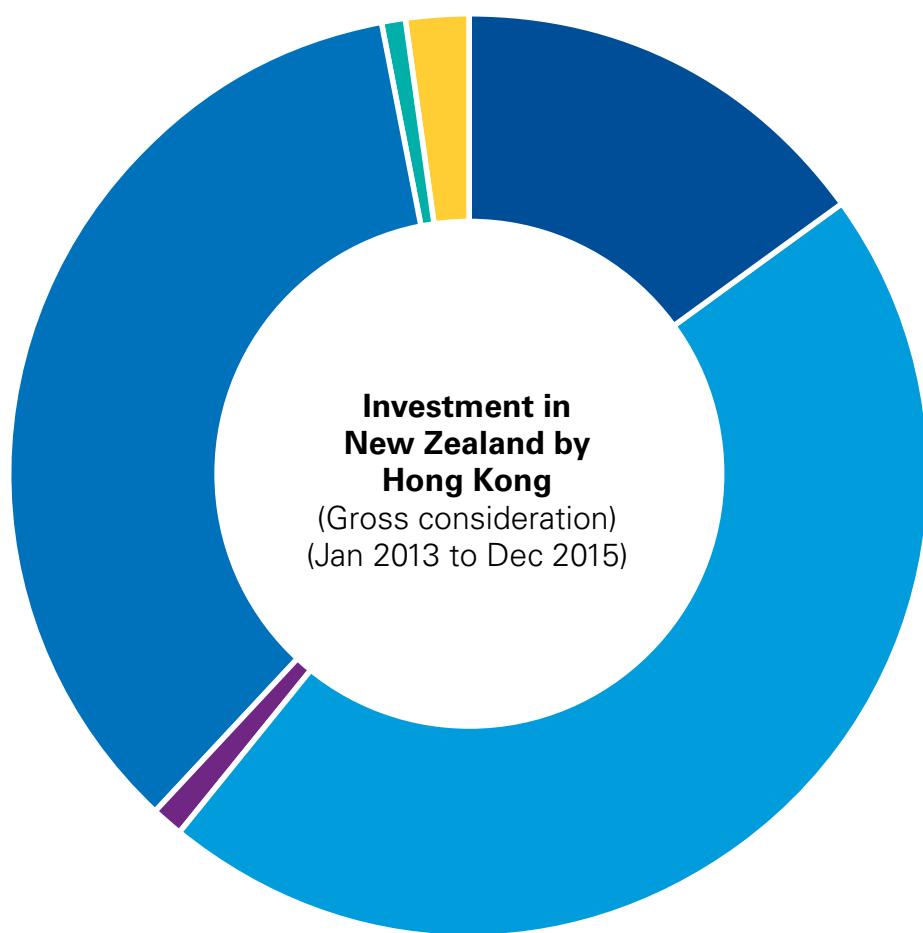
Hong Kong

# Significant transactions and investment focus



## Quick facts

Energy, power and utilities; consumer staples, and agribusiness accounted for 96% of Hong Kong investment.



■ Agribusiness 15%

■ Energy, power and utilities 35%

■ Consumer staples 46%

■ Healthcare 1%

■ Industrials 2%

■ Consumer products and services 1%

Source: KPMG Analysis of OIO decision summaries.

# United Kingdom & Europe

# Significant transactions and investment focus

## Top 10 transactions made by the United Kingdom & Europe

| Date         | Industry                | Gross consideration (\$m) | Target company       | Country                      |
|--------------|-------------------------|---------------------------|----------------------|------------------------------|
| 9 May 13     | Healthcare              | 658                       | EBOS Group           | Switzerland                  |
| 21 Aug 14    | Industrials             | 254                       | Porsche Automobile   | Germany                      |
| 25 Jun 15    | Financials              | 236                       | LeasePlan            | Austria                      |
| 5 Feb 15     | Agribusiness            | 170                       | Yashili              | France                       |
| 16 Mar 15    | Real estate             | 161                       | AMP Capital Property | Switzerland                  |
| 7 Nov 14     | Agribusiness            | 139                       | Lumley Centre        | Germany                      |
| 12 Aug 13    | Media and entertainment | 104                       | MediaWorks           | United Kingdom & Netherlands |
| 9 Jul 13     | Consumer staples        | 90                        | Allflex Holdings     | United Kingdom               |
| 13 Nov 13    | Financials              | 70                        | Sankaty Advisors LLC | Various European             |
| 4 Dec 14     | Agribusiness            | 60                        | Southern Pastures    | Germany, Sweden, Luxembourg  |
| <b>Total</b> |                         | <b>1,942</b>              |                      |                              |

Source: KPMG Analysis of OIO decision summaries.

## Key findings

The gross consideration of investment from the United Kingdom and Europe was \$3.6 billion, with the 10 largest transactions accounting for 54%.

Healthcare, financial services, and agribusiness accounted for 62% of European investment.

Similar to the United States, European investment is broad-based.

The table summarises the most significant transactions.



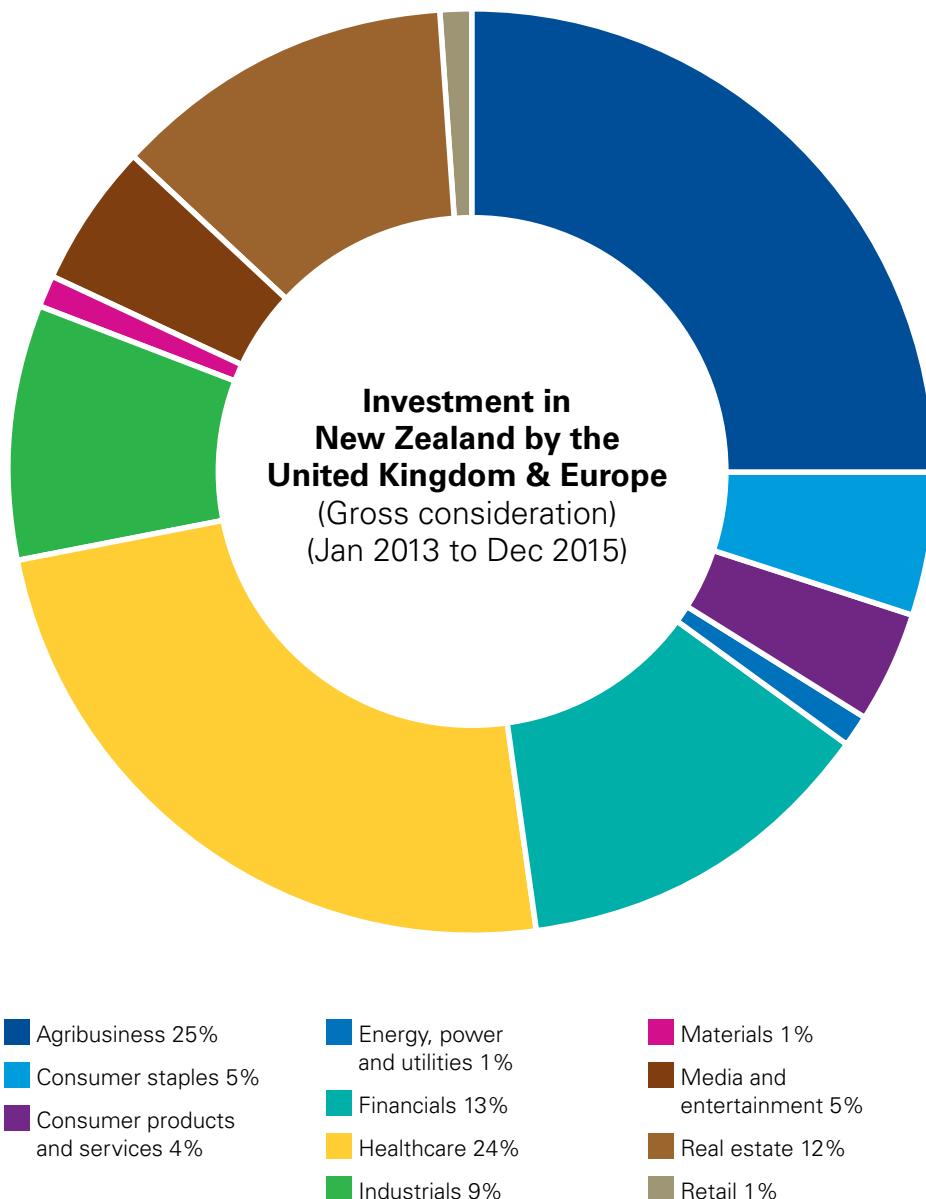
United Kingdom & Europe

# Significant transactions and investment focus



## Quick facts

Healthcare, financials and agribusiness accounted for 62% of European investment.



Source: KPMG Analysis of OIO decision summaries.



## Australia

# Significant transactions and investment focus



## Key findings

Financials; energy, power and utilities; and retail accounted for 78% of Australian investments.

Gross consideration was \$3.1 billion, with the top 10 transactions accounting for 61%.

The table summarises the most significant transactions.

### Top 10 transactions made by Australia

| Date         | Industry                    | Gross consideration (\$m) | Target company               |
|--------------|-----------------------------|---------------------------|------------------------------|
| 12 Nov 13    | Energy, power and utilities | 453                       | Powerco                      |
| 6 Mar 14     | Financials                  | 373                       | Lumley Insurance             |
| 27 Aug 13    | Retail                      | 345                       | Ezibuy                       |
| 17 Nov 15    | Energy, power and utilities | 261                       | Chevron                      |
| 18 Jun 15    | High technology             | 144                       | CallPlus                     |
| 27 Mar 13    | Financials                  | 100                       | Fleet Partners               |
| 1 Nov 13     | Financials                  | 81                        | The Co-operative Bank        |
| 13 Nov 13    | Financials                  | 78                        | Sankaty Advisors LLC         |
| 15 Jan 14    | Financials                  | 48                        | Complectus Limited           |
| 5 May 15     | Retail                      | 47                        | General Distributors Limited |
| <b>Total</b> |                             | <b>1,929</b>              |                              |

Source: KPMG Analysis of OIO decision summaries.



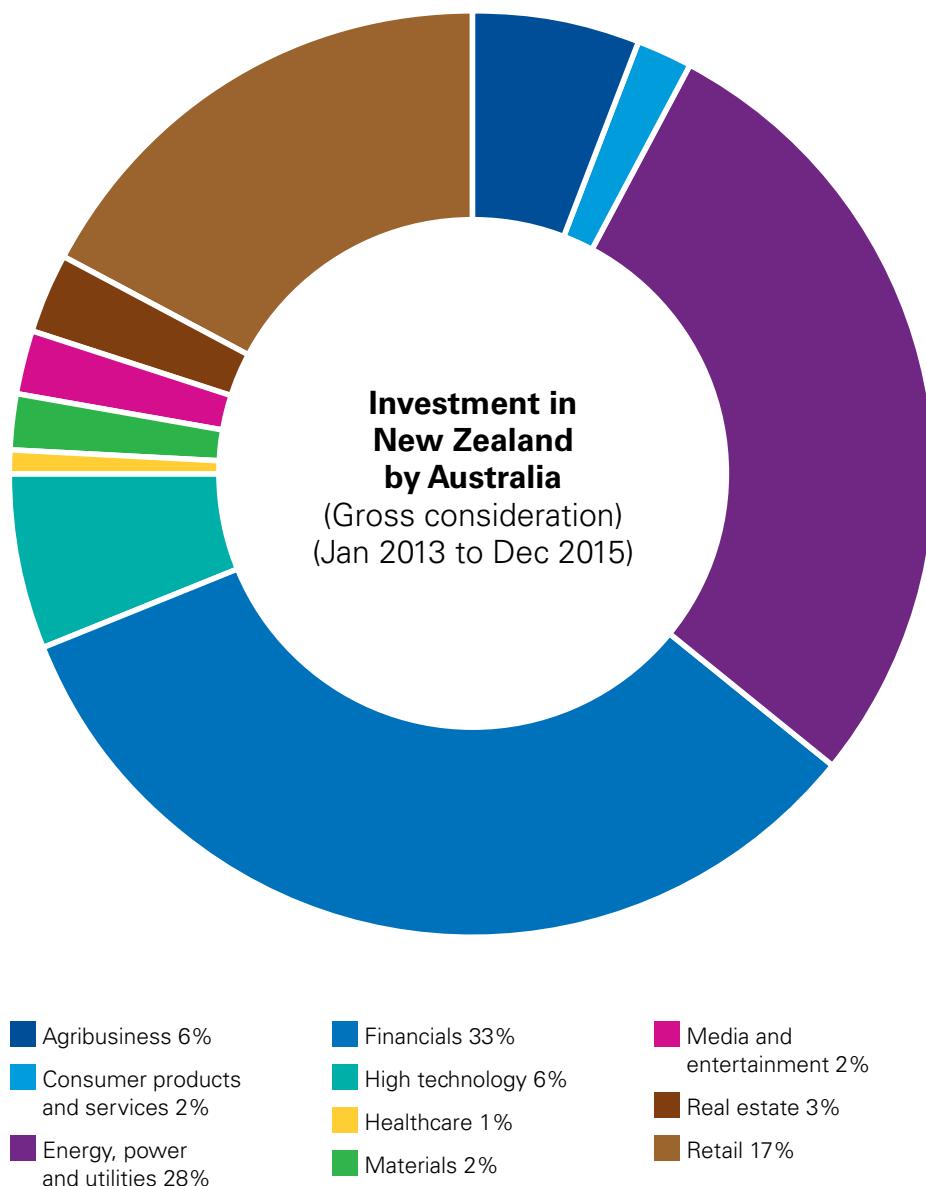
Australia

# Significant transactions and investment focus



## Quick facts

Financials; energy, power and utilities; and retail accounted for 78% of Australian investments.



Source: KPMG Analysis of OIO decision summaries.

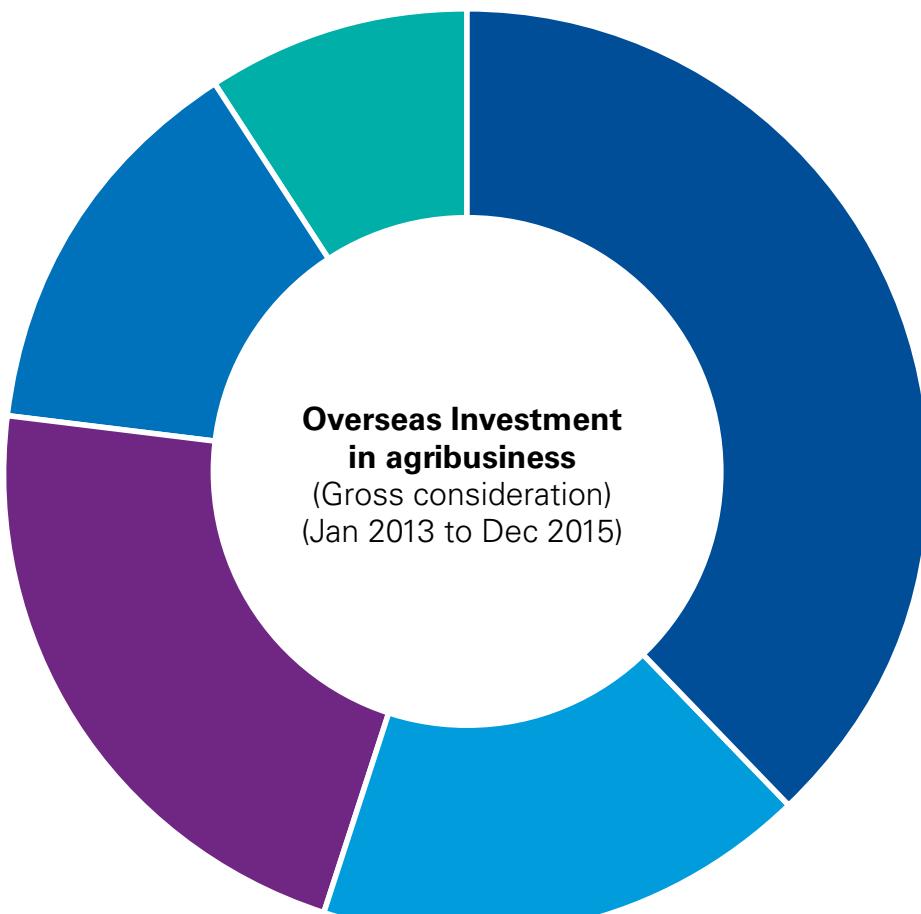




# Agribusiness Investment



# Overview of investment in agribusiness



- Dairy and milk processing 38%
- Wine 14%
- Forestry 17%
- Beef and sheep 9%
- Other agribusiness 22%

Source: KPMG Analysis of OIO decision summaries.

## Key findings

Investment in dairy and milk production accounted for 38% (or \$1.3 billion) of all agribusiness investment.

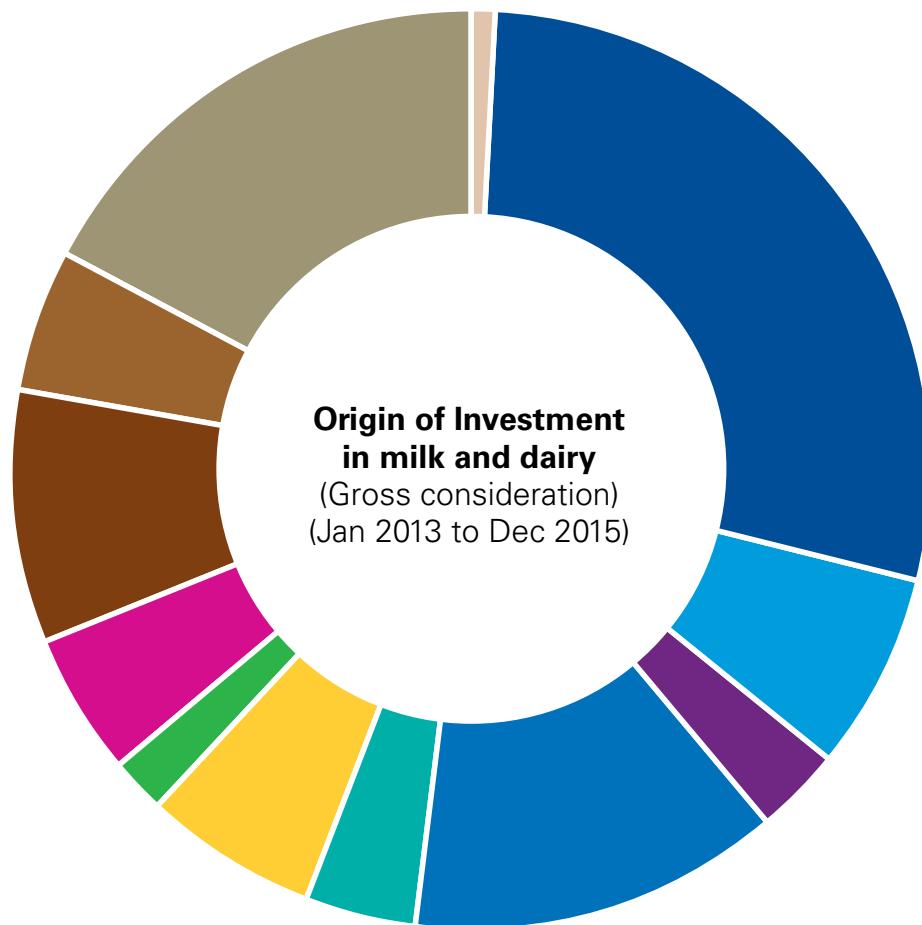
Total investment into agribusiness was approximately \$3.4 billion for the period January 2013 to December 2015.



## Quick facts

Total foreign investment in agribusiness was \$3.4 billion for the period January 2013 to December 2015.

# Origin of investors in dairy and milk processing



Source: KPMG Analysis of OIO decision summaries.

| Investor Origin | Percentage |
|-----------------|------------|
| China           | 28%        |
| United Kingdom  | 7%         |
| France          | 13%        |
| United States   | 9%         |
| Canada          | 5%         |
| Other           | 17%        |
| Hong Kong       | 1%         |
| Cayman Islands  | 4%         |
| Sweden          | 6%         |
| Italy           | 2%         |
| New Zealand     | 5%         |
| Switzerland     | 3%         |

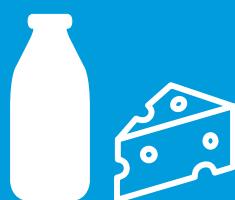
## Key findings

Dairy and milk processing is the largest sector for investment in agribusiness, accounting for 38% of total investment, or just over \$1.3 billion.

China is the largest foreign investor in this sector, accounting for 28%; followed closely by France and the United States.

The largest dairy transaction was by the Chinese-based Yili Group (\$214 million).

Hong Kong is shown at a lower percentage than in previous reports. As noted in our 2015 report, there was a potential double count of investment in dairy by China and Hong Kong due to an investment in the Yashili effectively appearing twice. (This was as a consequence of the Hong Kong-listed company, China Mengniu Dairy Company, acquiring a majority shareholding in Yashili). Based on the current shareholding, this investment might best be considered as a mixture of Chinese and Hong Kong investors. Our presentation is consistent with that adopted by the OIO.



## Quick facts

China is the largest foreign investor in the dairy sector, accounting for 28% of investment in the dairy sector.

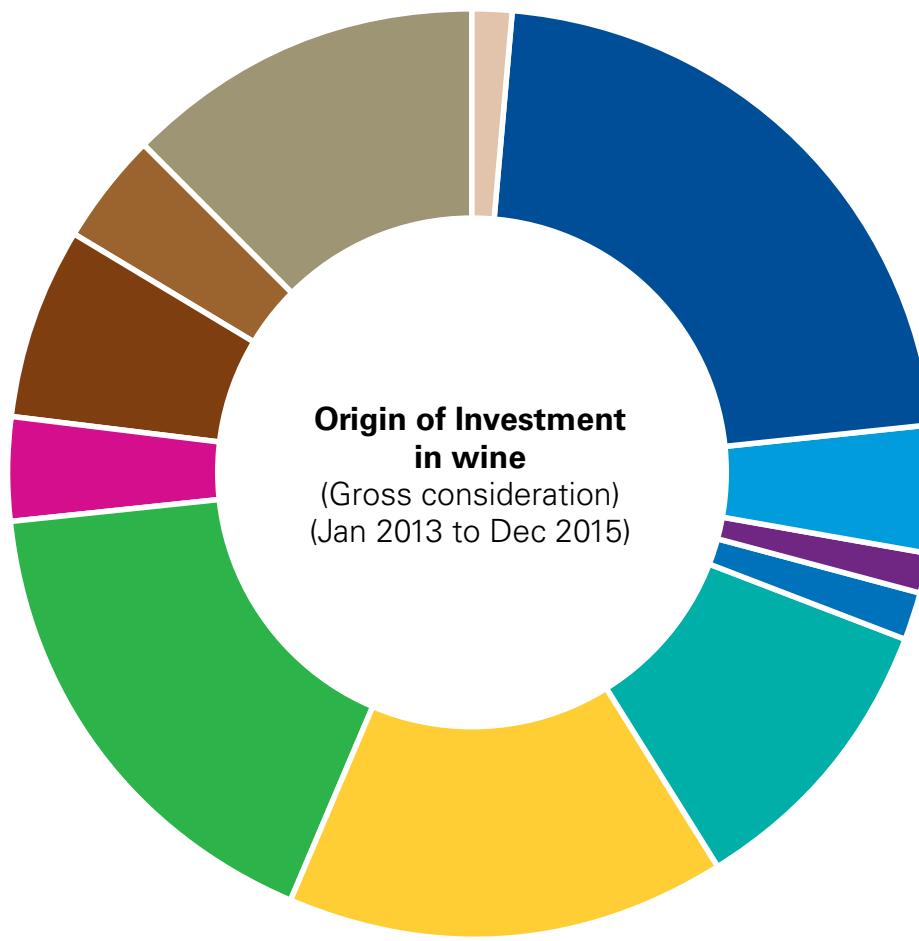
# Origin of investors in wine

## Key findings

Approximately half a billion dollars has been invested into the wine sector by foreign investors.

Hong Kong, Australia and the United States were the most significant investors in this sector.

The majority of investment in the wine industry took place within the Marlborough region.



China/Hong Kong 30%

United Kingdom 6%

Netherlands 2%

France 2%

Australia 14%

United States 21%

Other 23%

Japan 2%

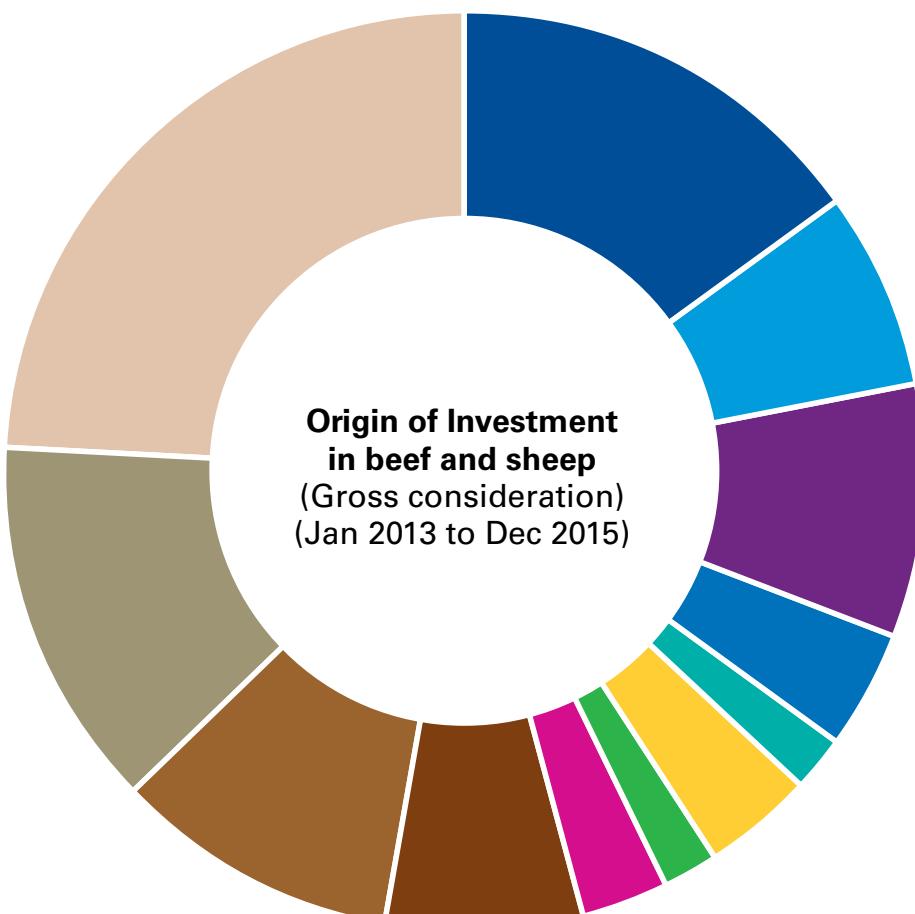


## Quick facts

Majority of investment in wine took place within the Marlborough region.

Source: KPMG Analysis of OIO decision summaries.

# Origin of investors in beef and sheep farming and processing



China/Hong Kong 15%  
United Kingdom 7%  
Netherlands 9%  
Switzerland 4%

Austria 2%  
Germany 4%  
Ireland 2%  
New Zealand 3%

Australia 7%  
United States 10%  
Japan 13%  
Other 24%

Source: KPMG analysis of OIO decision summaries

## Key findings

China and Hong Kong accounts for 15% of total investment in the beef and sheep sector, and is the largest source of investment followed by Japan.

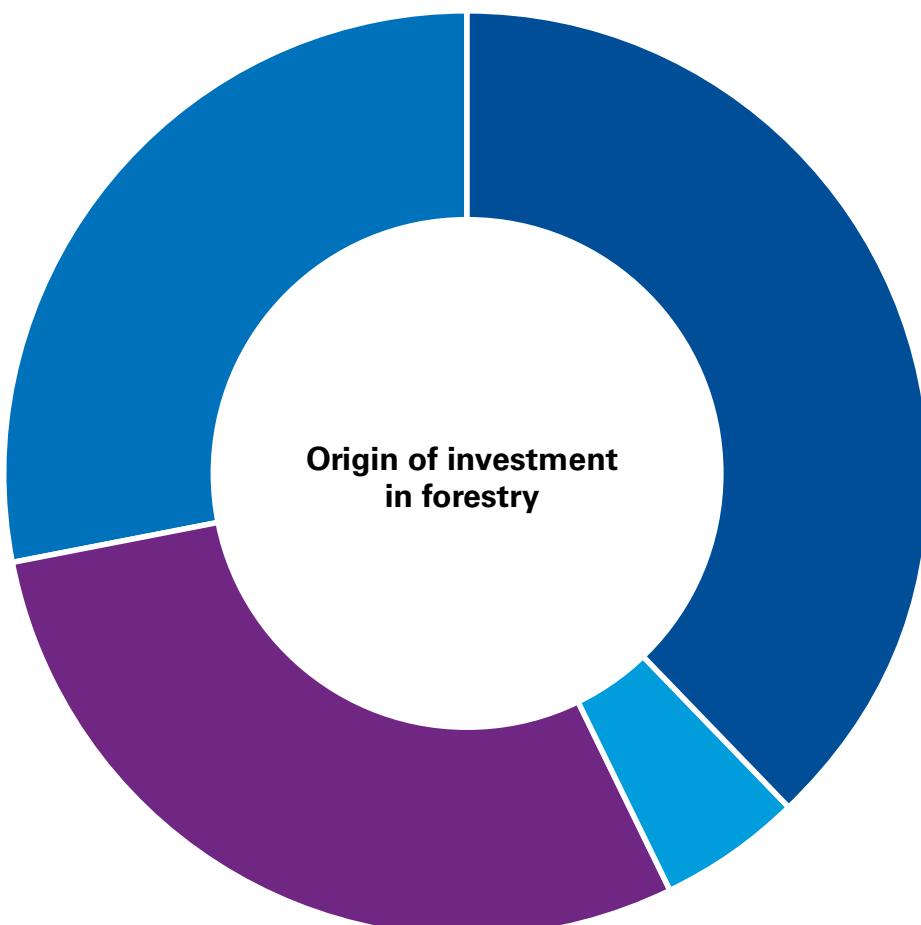
The largest beef and sheep transaction to take place throughout the three year period was the purchase of 50% of the shares in New Zealand Pastures Ltd for \$32 million.



## Quick facts

China/Hong Kong accounts for 15% of the total investment in beef and sheep farming and processing.

# Origin of investors in forestry



■ China/Hong Kong 38%  
■ Japan 5%

■ United States 29%  
■ Other 28%

## Key findings

Approximately \$600 million has been invested by foreign investors into forestry. This does not include Canada's Public Pension Investment Pension Board's investment into forestry which was confidential. This estimate is therefore understated. (KPMG has also excluded the acquisition of the Kinleith pulp and paper mill from the statistics, on the basis this is downstream processing).

China accounted for 38% of the investment in forestry followed by the United States with 29%.

Matariki Forests was the largest forestry transaction at \$163.5 million, with 99% of this invested in by the United States.



## Quick facts

China accounted for 38% of the investment in forestry.

Source: KPMG Analysis of OIO decision summaries.



# Land acquisition by foreign investors



# Freehold land acquisition by region

## Freehold hectares by region (2013 to 2015)

| Region            | % of hectares |
|-------------------|---------------|
| Canterbury        | 19%           |
| Otago             | 18%           |
| Southland         | 12%           |
| Hawkes Bay        | 11%           |
| Northland         | 10%           |
| Waikato           | 6%            |
| Bay of Plenty     | 6%            |
| Gisbourne         | 4%            |
| Marlborough       | 3%            |
| Manawatu-Wanganui | 3%            |
| Auckland          | 3%            |
| Wellington        | 3%            |
| Taranaki          | 1%            |
| Nelson            | <1%           |
| West Coast        | <1%           |
| Tasman            | <1%           |
| <b>Total</b>      | <b>100%</b>   |

## By Island

|                  |             |
|------------------|-------------|
| North            | 47%         |
| South            | 53%         |
| New Zealand wide | 0%          |
| <b>Total</b>     | <b>100%</b> |

Note: Some transactions include land that is NZ wide. KPMG has allocated the land based on publicly available information where available. Source: KPMG analysis of OIO decision summaries and OIO data.

## Key findings

Canterbury, Otago and Southland regions accounted for 49% of freehold land acquired by foreign investors which were subject to the OIO application process (for the period 2013 to 2015). These statistics do not include residential land sales.

Nelson, Tasman, and the West Coast remain relatively untouched, with less than 800 freehold hectares of land sold in each.

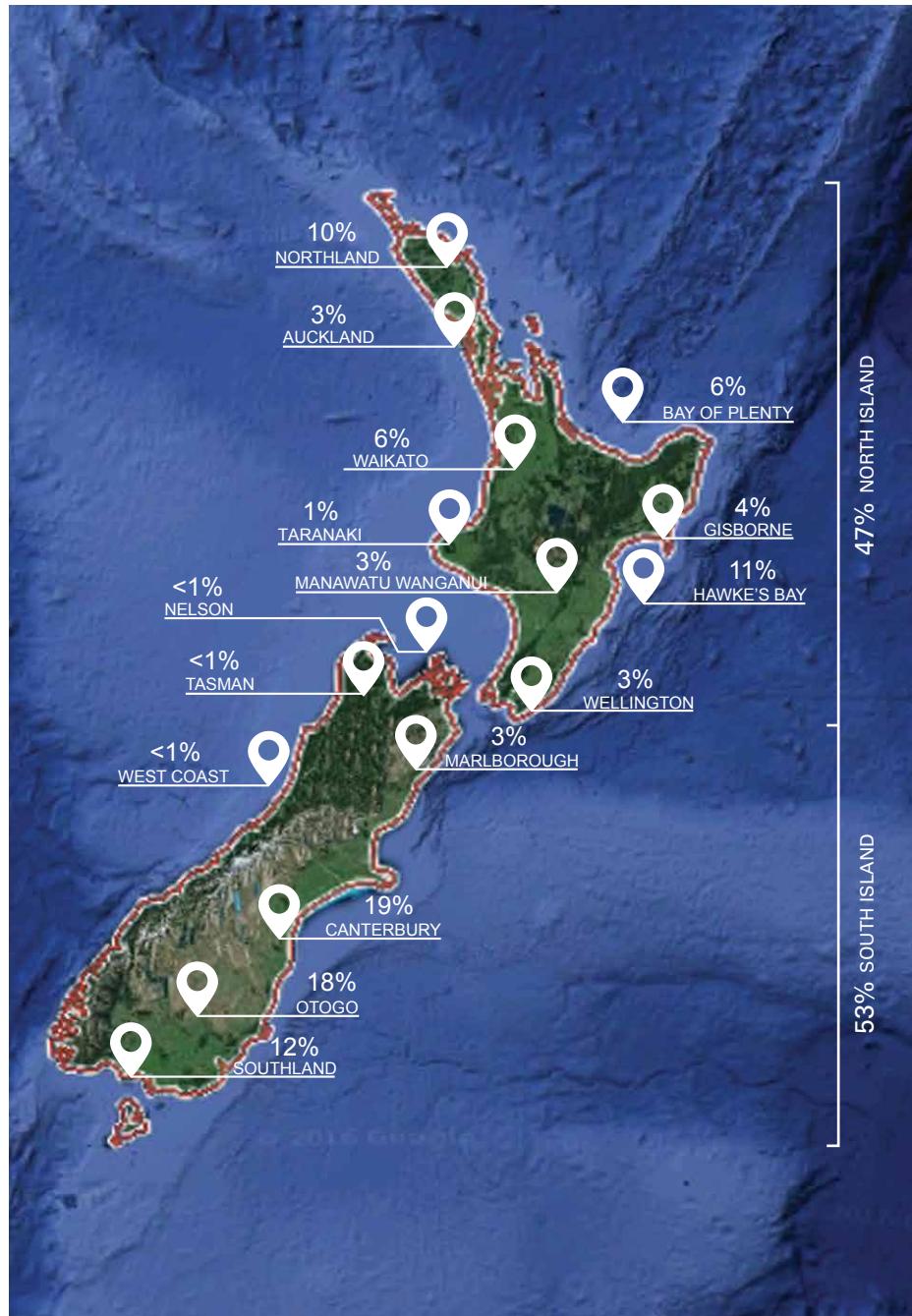


# Freehold land acquisition by region



## Quick facts

The Canterbury, Otago and Southland regions account for 49% of all freehold land consented to under the Overseas Investment Act 2005.

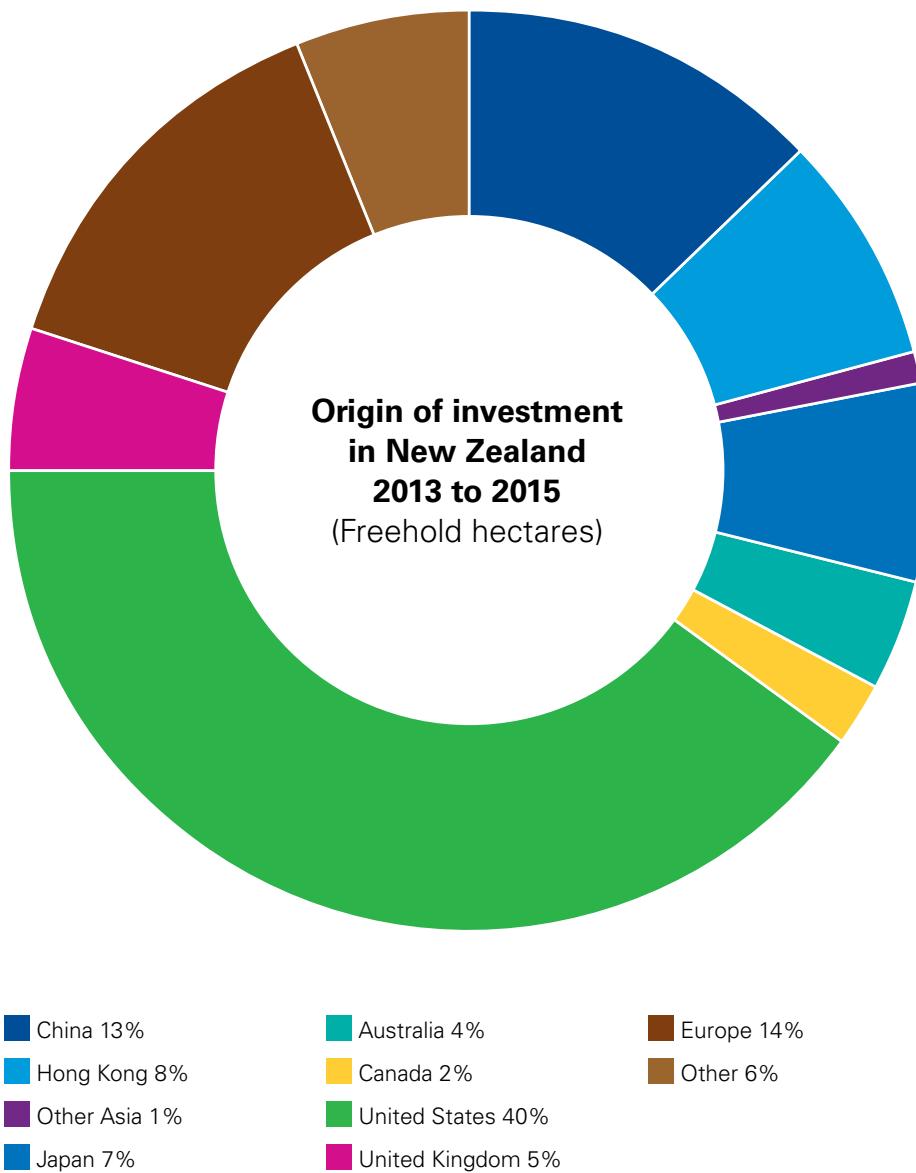


# Origin of investors (measured by freehold hectares acquired)

## Key findings

The United States accounts for 40% of freehold hectares acquired throughout New Zealand for the 2013 to 2015 period. This is in large part due to forestry acquisitions made by United States companies.

China and Europe also account for a large proportion of land acquired with their focus on forestry and dairy.



Source: OIO statistics for the period January 2013 to December 2015. Note: Gross consideration includes asset value and development costs, where gross consideration was not specified.



## Quick facts

The United States accounts for 40% of freehold hectares acquired.

# Contact us

## **Justin Ensor**

Partner

KPMG  
18 Viaduct Harbour Avenue  
PO Box 1584, Auckland 1140  
Auckland, New Zealand

T: +64 (0) 9 367 5934  
E: [jmensor@kpmg.co.nz](mailto:jmensor@kpmg.co.nz)

## **Greg Knowles**

Partner

KPMG  
18 Viaduct Harbour Avenue  
PO Box 1584, Auckland 1140  
Auckland, New Zealand

T: +64 (0) 9 367 5989  
E: [gknowles@kpmg.co.nz](mailto:gknowles@kpmg.co.nz)

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