HE AHA TE MEA NUI O TE AO?
WHAT IS THE GREATEST THING IN THE WORLD?

HE TANGATA, HE TANGATA, HE TANGATA!
IT IS PEOPLE, PEOPLE, PEOPLE!

Ministry of Business, Innovation and Employment have commissioned KPMG to prepare the Māori Economy Investor Guide as part of its commitment to He kai kei aku ringa – the Crown-Māori Economic Growth Partnership.
Māori are the indigenous people of New Zealand. There is a long tradition of commercial enterprise and international trading among Māori, dating from first encounters with other nations. This tradition has endured and re-emerged strongly in the 21st century. This report includes some outstanding examples of Māori enterprise on the world stage.

Today, the Māori economy is thriving. Māori people and enterprises hold significant assets in our primary industries, in farming, forestry and fisheries. These assets are growing. Māori are major stakeholders in the tourism sector and are growing their presence in ICT and other high-tech sectors. The New Zealand Government is committed to working together with Māori enterprises, iwi (tribes) and organisations to grow the New Zealand economy. We give effect to this commitment through He kai kei aku ringa: the Crown-Māori Economic Growth Partnership.

As the Māori economy grows, Māori enterprises seek to build relationships with investment partners for mutual benefits. Māori enterprises have some special features, including a strong platform of cultural values, an intergenerational perspective on economic development and a particular focus on enduring relationships. Combined with the business acumen of Māori economic leaders, these special features provide unique entry points and opportunities for investors.

I welcome you to come and learn more about doing business with Māori.

He aha te mea nui o te ao?
What is the greatest thing in the world?
He tangata, he tangata, he tangata!
It is people, people, people!

Hon Te Ururoa Flavell
Minister for Māori Development
Associate Minister for Economic Development

MESSAGE FROM THE MINISTER FOR ECONOMIC DEVELOPMENT

Nau mai, haere atu tāku pānui, e rere ki ngā hau e whā. Nei rā te reo powhiri o te iwi Māori e karanga nei ki te ao, haere mai, haere mai.
It is my pleasure to introduce investors to the Māori economy. Welcome, welcome, thrice welcome.

MESSAGE FROM THE MINISTER FOR MAORI DEVELOPMENT

I am delighted to present the Māori Economy Investor Guide which highlights and emphasises one of the most exciting opportunities for investment in the developed world.

The New Zealand economy continues to grow, and the Māori economy within that is leading the way.

The guide offers insights as to how and where potential investors can engage with Māori enterprises, embrace the distinctive global advantages of the Māori economy, and forge strong partnerships for the future.

Investment in Māori enterprises lifts our economy’s overall ability to be innovative, agile and productive. In return, Māori enterprises offer investors an opportunity to be involved in a new wave of development and expansion.

Achieving higher levels of business investment is a key priority of the New Zealand Government’s Business Growth Agenda and international connections are important if we are to be productive and competitive in the global market place.

In 2015, the New Zealand Government launched an Investment Attraction Strategy, aiming to attract high quality international investment into New Zealand to accelerate economic growth.

This guide is intended to complement and support the Investment Attraction Strategy through showcasing the strength of the current Māori asset base, and the potential for strong growth and exciting opportunities within it.

Our unique Māori economy has huge potential and Māori are increasingly looking to partner with others to reach that potential.

As the guide notes, the Māori economy is on the rise and is expected to grow strongly, with estimates that the value of Māori assets could grow from $50 billion to $100 billion by 2030.

New Zealand offers investors a stable business environment – and as the guide notes, we are recognised as being among the most economically open, culturally diverse and globally connected nations in the world.

I trust this guide will prove equally valuable for investors, and businesses as we work together to promote and accelerate investment in this unique opportunity.

Hon Simon Bridges
Minister for Economic Development
The Guide is intended to give insight into where and how potential commercial investors can engage with Māori enterprises, embrace the distinctive global advantages of the Māori economy, and forge strong partnerships for the future.

Section 1: An introduction to Māori. This section provides an overview of Māori history and societal context, as well as key values inherent in the culture and in the way Māori approach business. To enhance cultural understanding, a glossary of language terms is provided on page 100.

Section 2: The Aotearoa New Zealand economic story. This section provides an overview of the wider New Zealand economy, and its impressive growth performance in recent years.

Section 3: Māori acceleration in the New Zealand economy. To bring statistics to life, this section includes a series of business snapshots and investment success stories.

Section 4: Investment opportunities. We outline the 12 key areas of focus for investors who are looking to partner successfully with Māori to explore opportunities across the value chain.

Section 5: Information on the engagement process. This section provides guidance for investors on the engagement process with Māori, as well as information on New Zealand’s regulatory environment.

Section 6: Invitation to engage. For practical assistance, and to facilitate introductions within the Māori economy, investors are invited to make contact with New Zealand Trade and Enterprise (NZTE). As the New Zealand Government’s international business development agency, NZTE works with domestic and international investors to connect with businesses operating in the Māori economy.

Contact details can be found on page 96.
EXECUTIVE SUMMARY

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

On the back of New Zealand’s world-class strength in food and agribusiness, there are a new generation of Māori businesses which are proving themselves to be stand-out performers. Their strengths include innovation, collaboration, and a proven ability to protect and grow intergenerational wealth.

Similarly, while the world’s businesses strive to create authenticity and depth in brands, Māori businesses are built on centuries of tikanga (customs, practices and traditions) that resonate deeply with consumers. The Māori economy is on the rise. There is an opportunity to connect, invest, and collaborate with Māori. You can be part of the journey in which this deep history of innovation and trade takes flight.

Compelling reasons to invest in the Māori economy:

1. Momentum of the Māori Economy – Within New Zealand, the Māori economy is contributing strongly to New Zealand’s economic growth success story and investors will benefit from this momentum.

2. Natural Resources in Key Sectors – Māori enterprises own and manage a wealth of natural resources which provides a platform for key focus areas of the Māori economy – food & beverage, forestry, tourism, construction and high-tech industries.

3. Intergenerational Investment Horizon – Co-investing alongside Māori comes with a natural commitment to building long-term sustainable value for future generations.

4. Authenticity – Māori business values deliver genuine and real depth to the quadruple bottom line for both investors and customers. The authenticity in their care for people, the environment and overall wellbeing is reflected in the way in which they conduct business.

5. Preferential Rights and Options – Māori possess Preferential Rights and Options to purchase real assets such as land and property where both investors and Māori could generate significant value under partnership arrangements.

Who are Māori?
Māori are the indigenous people of Aotearoa New Zealand, with a domestic resident population of 723,500. The Māori population is relatively young, with 70% aged less than 40 years compared to 50% for non-Māori. The population is growing at twice the rate of the non-Māori population.

Māori have a recognised and powerful constitutional role in New Zealand society, and a critical and increasing role in the economy. Today, after a 40-year period of consolidation and rebuilding, the Māori economy is poised for accelerated growth.

Over the next 20 years, Māori enterprises are predicted to invest $1.5 billion to $2.0 billion per annum. They will look for partners with complementary capabilities to support this, and accelerate their rate of growth.

Aotearoa New Zealand: the growth story
The continued momentum of the wider New Zealand economy provides a foundation for the positive outlook of the Māori economy.

Few countries emerged from the 2009 Global Financial Crisis as strongly as New Zealand did. Since 2009, it has consistently been one of the top-performing global economies. New Zealand is ranked among an elite group of small, agile and socially-progressive economies (including Finland, Sweden, Norway) that have sustained superior growth.

Given New Zealand’s proximity to Asia, few economies are better positioned to leverage the positive global trends arising from Asia’s growing middle class. There is very strong alignment between New Zealand business resources and the natural product and service characteristics desired by these consumers (particularly in the areas of food and beverage production, tourism services, and high-value technology).

New Zealand is projected to sustain average GDP growth rates of >3% for the next 5 years. These will secure its place in the top five highest-performing economies in the OECD. There are opportunities to raise the bar further in the medium term, through a combination of increased innovation, immigration, and sustained investment across industry value chains.

Fuelling this growth, Aotearoa New Zealand is recognised as being among the most economically open, culturally diverse and globally connected nations in the world. There are few constraints to growth and increased prosperity, and this is driving confidence for foreign enterprises to engage and invest in the New Zealand economy.

Māori domestic resident population: 723,500

New Zealand is projected to sustain real GDP growth rates of:

- 3.1% in 2017
- 3.5% in 2018
- 3.8% in 2019
**Executive Summary**

The leadership of Māori enterprises has transitioned through 40 years of change and transformation. Māori leadership is resilient and ambitious, and is developing a track record for achieving results.

This represents a launch pad for growth. Key areas of investment over the next 20 years will include:

- optimising existing assets to bring them into full production;
- investing in downstream activities including food processing assets, tourism facilities, new products and partnerships to take products and services closer to consumers in global markets;
- investing in enabling infrastructure (water and logistics); and
- investing in technology and innovation to add greater value.

The exciting opportunities for engaging and investing in the Māori economy are diverse and evolving rapidly. This Guide provides an invitation to explore the opportunities, and begin the process of engagement that will deliver mutual benefits.

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**The Māori economy**

The Māori economy is broadly defined as those privately-owned and collectively-owned businesses that acknowledge their genealogical links to Māori ancestors. It currently represents $50 billion dollars in assets, which is approximately 6% of the total New Zealand asset base.

Māori enterprises represent a rapidly growing segment of the wider New Zealand economy. They are poised to accelerate their rate of growth and increase their relative proportion of New Zealand’s asset base and GDP. The New Zealand economy has been growing at 2-3% per annum and many of the key economic indicators for the Māori economy have been improving more rapidly than this at >5% per annum (including the growth in assets and incomes). This could result in the value of Māori assets growing from $50 billion to $100 billion by 2030.

Māori are at the forefront of New Zealand’s economic momentum.

**Investment opportunities**

It is expected that Māori will invest NZ$1.5 billion to NZ$2.0 billion per year over the next 10 years; and some of this investment will be enhanced through joint ventures and partnerships with other parties. The level of investment will range from venture funding ($1 million to $20 million), to significant initiatives requiring >$100 million and potentially up to $500 million, depending on the role of the investor.

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.

These sectors are critical to the New Zealand economy, and to export growth in particular. Māori play a pivotal role in each since they control 50% of New Zealand’s sustainable fishing quota, and own around 1.4 million hectares of land with significant opportunities for development.

New Zealand’s primary sector has a global reputation for unrivalled natural resources and world-leading innovations. Traditionally, Māori have operated successfully in the farming and agribusiness sector, and are continuing to leverage their significant assets in farming, fisheries, forestry and other emerging agri-sectors (such as viticulture). There is a growing desire for moving towards a closer understanding of the customer experience as a basis for capturing more value.

The Māori economy currently represents:

- $50bn in assets

It is expected that Māori will invest:

- $1.5bn--$2bn per year over the next 10 years

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**Māori control**

50% of New Zealand’s fishing quota and collectively own approximately 1.4m hectares of land (additional land areas are owned privately by Māori individually).
From earliest times, Māori have shown they are a people of courage, curiosity and resilience. Their ancestors were willing to strike out from their homeland and cross unknown oceans in search of new possibilities; they traversed the Pacific Ocean and arrived in New Zealand between 1200 and 1350AD.

When the first European settlers arrived, in the early 1800s, Māori utilised their natural resources as a foundation for international trade.

In the latter half of that century, however, colonialism became a constraining influence. Due to the loss of their asset base, Māori experienced economic troughs. From the 1970s onwards, the New Zealand Government began to address some of these historical injustices.

Sheer determination of Māori leadership in the 1970s paved the way for the growth Māori are now experiencing. In the years since, the resilience and tenacity displayed during those times have been instrumental in the emergence of from periods of hardship into a time of significant promise and potential.
In Māori culture, land ownership and commercial activities can be undertaken both privately and collectively (as is also the case for other indigenous cultures around the world).

Māori individuals, and their families (whānau), own and operate businesses in their private capacities. This functions in the same way as it does for any other private or family-owned business.

Māori can also collectively own land and assets, and operate businesses. Ownership of these is either held in common or shared between many individuals and families (according to iwi or hapū lines).

The parent of the collective organisations will usually be a Trust (or occasionally an incorporated society). ‘Māori land’ owned by these collective organisations is recognised in legislation as a special category of asset, and is protected by specific legislation. Where there is a parent organisation, it will usually have commercial subsidiaries charged with generating economic returns.

A brief history of Māori in Aotearoa New Zealand

Māori are the indigenous or ‘first peoples’ of Aotearoa New Zealand. They settled here after leaving their original homeland in Polynesia, and traversing the challenging Pacific Ocean between 1200 and 1350AD.

European settlers started to arrive during the 1820s and 1830s. Prior to the arrival of settlers, through to the late 1850s, economic activity among Māori was strong and they were actively trading internationally.

In the 1830s, a government scheme was introduced aimed at raising the productivity of the remaining lands still held by Māori. The activity on these lands still forms a core part of the Māori economy.

The first of these remedies occurred in 1989 for pan-tribal groups, and in 1995 for the first tribes. This settlement process is nearing completion. The current environment is generally described as the ‘post-settlement era’.

The European world discovered New Zealand when Dutch explorer Abel Tasman journeyed up the west coast in 1642. In 1769, British explorer James Cook became the first European to come ashore and establish contact with Māori.

In 1840, the Treaty of Waitangi was signed between a number of Māori chiefs and representatives of the British Crown. This guaranteed Māori possession of their lands, forests and other property; and gave Māori the rights of British subjects.

Between 1840 and 1930 land occupied and controlled by Māori reduced from 100% of the country to 5%. The change in ownership included land seizures by European settlers, land sales, compulsory acquisition by the Crown and gift by Māori.

The status and rights of Māori under the Treaty were not always honoured. The passing of the Treaty of Waitangi Act 1975 established the Waitangi Tribunal to hear claims of violations of the Treaty, and to provide remedies. The remedies have mainly taken the form of apologies from the Crown and payment of financial redress.

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While farming production is the main activity for Māori Trusts and Incorporations, there are businesses that have diversified their interests into other areas, including geothermal energy, property, forestry, honey production, horticulture and fisheries.
Some Key Māori Cultural Values

Māori values and culture play a vital part in both social and commercial activities. For the potential investor, having an understanding of these values is important for a number of reasons.

WHANAUNGATANGA
The Importance of Relationships
Developing enduring relationships built on trust and integrity is important when partnering with Māori. The value that Māori place on whanaungatanga stems from traditional kinship, the kind of relationship built through shared experiences and working together which provides a sense of belonging. This can also extend to others to whom one develops a close familial, friendship or reciprocal relationship. This can improve business arrangements as parties are more confident in one another.

MANAAKITANGA
The Value of Caring for Others
Extending hospitality and caring for other people is an important value for Māori. This reflects a person’s character with their ability to show respect and generosity by caring for others. Māori food and beverage producers bring this sense of care when preparing products for their end consumers (no matter where they are in the world). Similarly Māori operating in the tourism sector feel a personal responsibility for ensuring visitors feel welcome.

KAITIAKITANGA
The Importance of Guardianship, Stewardship
Māori consider themselves to be guardians of the environment, protecting and ensuring sustainable natural resources for future generations. Kaitiaakitanga demonstrates the commitment Māori have to consider long-term sustainability of the resources and people impacted by any business decisions.

ŪKAIPŌTANGA
A Strong Connection to the Natural Environment
Ūkaipōtanga refers to the place where one is nurtured, where one finds their strength and their energy, grounding themselves to the land and home. It is recognition of origins, of treasured ancestral land passed down from generation to generation. They therefore have a sense of responsibility to care for and protect the place that passed on to them, as well as create the conditions for future generations to thrive.

RANGATIRATANGA
The Value of Leadership (Tino rangatiratanga – Self-determination)
Rangatiratanga is the expression of the attributes of a rangatira (leader) including humility, leadership by example, generosity, altruism, diplomacy and knowledge of benefit to the people. In the Māori world view rangatira are held in high esteem as they are often able to influence and motivate the masses. For many Māori Sir Apirana Ngata is the epitome of rangatiratanga, as a leader who was at the forefront of leading Māori to strive for self-determination.

Tino rangatiratanga refers to self-determination, sovereignty and autonomy.

Māori place a high value on self-determination. While operating as global citizens – and being open to and adapting to other cultures and ways of doing business – Māori will always hold true to the aspirations of their people, and to their own destiny. For investors, this provides a strong platform for corporate social responsibility.

Sir Apirana Ngata is the epitome of rangatiratanga. For many Māori he was the leader who was at the forefront of leading Māori to strive for self-determination.
ECONOMIC AND EVENTS TIMELINE: 1100–2020

1100–1200
- 1100 (approx) Kupe, the great Polynesian navigator and explorer, is believed to have discovered Aotearoa
- 1200–1300 Māori become the indigenous ‘first peoples’
- 1300–1800s Māori social, cultural, and economic development

1800
- 1800 New Zealand’s first major export activity began (Flax to Australia)
- 1820 New Zealand’s first major export (200 kauri trees for ship spars)
- 1820–1860s Trade economy (includes Māori supply of produce to European settlers and other trading partners)
- 1840–1860s Māori Wars in Waikato and Taranaki. Conflict over sovereignty and land led to battles between government forces and some Māori tribes
- 1840 The Treaty of Waitangi was signed, under which Māori ceded some power of governance and retained possession of land and treasures
- 1865 Native Land Court established

1900
- 1900 Māori Councils Act
- 1907 Partition of New Zealand declared with a population of 1 million
- 1940 Māori Battalion in WWII (12% of the armed force vs 7% of the whole population)

1940–1950
- 1940 Māori Battalion in WWII (12% of the armed force vs 7% of the whole population)
- 1940–1950 Years of export boom (agribusiness exports to the UK)
- 1952 Population reaches 2 million

1950–1960
- 1952 Population reaches 3 million
- 1952–1966 Post-war and the Great Depression

1960–1970
- 1962 New Zealand Māori Council established
- 1962 Māori Land March led by Dame Whina Cooper
- 1975 the Treaty of Waitangi Act established the Waitangi Tribunal to hear claims of the Crown’s violations of the Treaty of Waitangi

1970–1980
- 1975 Māori Land March led by Dame Whina Cooper
- 1977 Bastion Point occupied by protesters
- 1977 First Kohanga Reo established (a total immersion Māori language programme for young children)
- 1982 Australia: Closer Economic Relations
- 1982 Population reaches 3 million
- 1987 Employment of Māori women in the workforce

1980–1990
- 1987 Employment of Māori women in the workforce
- 1987–2000 Years of social programme

1990–2000
- 1990–2000 Years of social programme
- 2000–2010 Years of social programme

2000–2020
- 2000–2010 Years of social programme
- 2000–2010 Years of social programme

1900 1940 1100 1200 1800

Section 1: An Introduction to Māori

Māori Economy Investor Guide
The overall growth story for Aotearoa New Zealand underpins the platform for Māori investment. In the following section we provide a snapshot of New Zealand’s current economic performance - and outline the factors that are driving the country’s growth.

Few countries emerged from the recent Global Financial Crisis as strongly as New Zealand. It is currently ranked among an elite group of small, agile and socially progressive economies - including Denmark, Finland, Sweden, Switzerland and Norway - that have sustained superior growth.

This is being driven by a unique combination of positive factors. In addition to a stable government, and a robust regulatory approach to the banking sector, the country has a number of distinct competitive advantages. These include: enviable natural resources, an enterprise-friendly environment, a growing pool of globally-connected people, favourable market access, international demand for our exports, and an ability to earn price premiums.
These figures provide a snapshot of New Zealand’s strong economic performance in recent years.

**EVIDENCE OF ECONOMIC ACCELERATION**

New Zealand is projected to continue to grow GDP for the next five years at:

- **>3% per annum** compared to the OECD and developed world average of just 2%.2

Foreign Direct Investment approved by the New Zealand Office of Overseas investment of:

- **$39bn** between 2011 and 2015.9

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**Rapid economic growth**

New Zealand has achieved a 14% increase in GDP over the past five years. This is 70% higher than the 8% average growth of OECD countries. Furthermore, New Zealand is projected to continue to grow at 3% per annum, compared to the OECD and developed world average of just 2%.

Importantly, there has been steady growth across New Zealand’s key sectors. The increase in real GDP includes an annual rate of 6.1% for agriculture, forestry and fishing; 6.2% for construction; and 4.5% for retail trade and accommodation.

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**Strong investment levels**

New Zealand enjoys strong and balanced levels of foreign direct investment (FDI). FDI in New Zealand companies equates to approximately $110.0 billion, or 46% of GDP. The Overseas Investment Office (OIO) approves more than 150 overseas investment applications each year, between 2001 and 2015. This equated to $36.6 billion of gross investment.

Domestic investment in assets and infrastructure is also strong. There has been an average 5% annual real increase in Business Gross Fixed Capital Formation – increasing from 16% of GDP in 2011, to 18% of GDP for June 2016 (and equating to $58.0 billion).

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**Annual exports have increased to:**

- **$71bn**

**Increasing exports**

The real value of New Zealand exports has been growing at an annual average of 3.2% between 2011 and 2016. Annual exports represent 30% of GDP for June 2016, equating to NZ$71 billion. New Zealand exports are expected to continue growing.

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**A booming tech sector**

New Zealand’s dynamic tech sector is a key driver of economic growth – and is attracting international interest. In 2016, the country’s top 200 technology companies achieved revenue growth exceeding $1 billion13. The thriving ecosystem of tech companies is spread across different company sizes, market sectors, and geographies. Since 2011, there have been 31 foreign acquisitions13 among the top 100 firms, and 14 public listings13.

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**Strong tourism growth**

New Zealand is one of the world’s most desirable tourist destinations. Over the last five years, international tourism visits have increased by 34%11, and expenditure by 57%. Tourism visitors are projected to increase by a further 40% between 2016 and 2023. This will take New Zealand’s international tourism visitor numbers to 4.9 million by 202311.
Māori make up 15% of the New Zealand population.

The Māori population is young; 70% of Māori are younger than 40 years old (compared to 50% non-Māori and 48% for the OECD).

In 2015/2016 net migration of 69,100 was the highest annual net gain on record.

Culturally diverse and globally-connected young people

New Zealand’s young people are highly talented and increasingly worldly. Many draw on their global experiences to add value to the New Zealand economy, both as employees and entrepreneurs.

The dynamic composition of New Zealand’s population is a strong factor driving investment and economic growth. In 2015/2016 net migration of 69,100 was the highest net gain on record. In an increasingly volatile global environment, New Zealand’s reputation for safety and high standards of living makes it a highly-desirable country for immigration. In the 2014 HSBC Expat Explorer Survey, it was voted as the best place in the world to raise a family. It is also becoming one of the world’s most culturally-diverse societies. The population includes strong Asian (12%), Polynesian (8%) and fast-growing Latin American, Middle Eastern, and African populations.

In addition, tourism and student visitors make a significant contribution to the culture and the economy. In 2016, the number of international tourists rose to 3.5 million.

As the ‘first peoples’ of New Zealand, and comprising 15% of the population, Māori hold a unique and enduring place in the cultural landscape. The role of Māori in New Zealand society, and in the economy, is recognised globally as a leading example for other Indigenous peoples to follow.

Māori Economy Investor Guide

WHAT IS DRIVING NEW ZEALAND’S STRONG ECONOMIC GROWTH?

Momentum behind the country’s performance is underpinned by a combination of six factors...

1. DIVERSE POPULATION

A youthful nation of culturally diverse and globally-connected people.

2. WEALTH OF RESOURCES

Abundant and high-quality natural resources.

3. EASE OF DOING BUSINESS

Progressive and competitive policy settings for business.

4. FAVOURABLE MARKET ACCESS

Strong favourable market access via a network of trade agreements.

5. ALIGNMENT WITH GLOBAL MEGATRENDS

Alignment with changes in the global landscape (mega trends), and demand for premium products.

6. GLOBAL DEMAND FOR NEW ZEALAND PRODUCTS

Alignment of export product attributes with evolving consumer expectations.

GROWING EXPORT GROWTH AND THE ENVIRONMENT FOR FOREIGN INVESTMENT.

I. DIVERSE POPULATION

Section 2: The Aotearoa New Zealand economic story
2. WEALTH OF RESOURCES

New Zealand is blessed with key environmental advantages that provide an enviable lifestyle and underpin its strong agribusiness, seafood and tourism industries.

These include a temperate climate, abundance of arable land and fresh water, pristine coastal waters, a natural resource base, and stunning scenery.

- New Zealand has an open, innovative and growing commercial sector.
- It is ranked first in the world by the World Bank for ease of doing business.
- New Zealand is supported by Free Trade Agreements, including an agreement with China.
- New Zealand is one of the least regulated countries in the OECD.
- It has an emerging technology sector that grew revenue 7.3% and exports 7.5% in 2015 (TIN200).
- New Zealand forestry export revenue is forecast to grow an average of 6.3% annually; from $4.7 billion in 2015 to $6.3 billion in 2020.
- New Zealand forestry covers 1.7m hectares of land (or 7% of New Zealand’s total land area).
- Approximately 70% of the plantation forest production is exported.
- China, Australia, South Korea and Japan are New Zealand’s biggest markets for forest products.
- New Zealand forestry export revenue is forecast to grow to $5.7 billion by 2020 (from $4.7 billion).
- The sector is known for its environmental advantages and innovative, world-leading technology.
- Wine is the most significant export, valued at $1.4 billion (66% is Sauvignon Blanc) and shows strong growth.
- New Zealand’s top horticulture markets (by value) are Australia, the EU, the USA and Japan.
- Exports are expected to grow to $5.7 billion by 2020 (from $4.7 billion).
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- Wine is the most significant export, valued at $1.4 billion (66% is Sauvignon Blanc) and shows strong growth.
- New Zealand’s top horticulture markets (by value) are Australia, the EU, the USA and Japan.
- New Zealand provides one of the world’s finest marine farming environments.
- It boasts the fourth largest ocean economic zone, at 5.7 million square kilometres.
- Its oceans are free of pathogens and inorganic toxins.
- Around 90% of New Zealand’s commercial seafood production is exported; worth $1.8 billion.
- Exports are forecast to grow to $2.1 billion by 2020.
- New Zealand is known as a quality source of beef, wool, kiwifruit, apples and seafood products.
- New Zealand-grown produce feeds over 40 million people.
- New Zealand is known as a quality source of beef, wool, kiwifruit, apples and seafood products.
- It exports animal and dairy products to more than 100 markets every month.
- Dairy exports account for 36% of New Zealand’s primary sector exports, and are forecast to grow from $14.0 billion in 2015 to $17.7 billion in 2020.
- Meat exports have grown from $7.8 billion in 2013 to $9 billion in 2015.

Data sourced from Statistics New Zealand, Ministry for Primary Industries and Ministry of Business, Innovation and Employment.
New Zealand has a stable government and political environment. Across 19 independent indices, it ranks highly for economic freedom, prosperity, peace, and transparency.

With its range of progressive and competitive policy settings, New Zealand provides a very favourable environment for business and enterprise. The World Bank ranked New Zealand number one in the world for Ease of Doing Business, in 2015 and 2016.

**Favourable open market**

New Zealand has been a global leader in eliminating trade-related constraints to growth, and developing new global trade agreements. In order to optimise its resource use, New Zealand has eliminated mechanisms that protect inefficient producers, such as subsidies, price controls, and tariffs. New Zealand’s tariff settings are generally among the lowest in the world; most are at zero.

The New Zealand Government does not provide subsidies for production, and has transparent and low tax regimes.

Negotiations have either concluded or are underway with other key trading partners; these provide New Zealand businesses with favourable market access terms, and are opening up a range of future growth opportunities. With the global economic focus shifting towards Asia, New Zealand’s geographic location has become one of its advantages.

The graphic above highlights the various Free Trade Agreements to which New Zealand is a party.
5. ALIGNMENT WITH GLOBAL MEGATRENDS

Today, few economies are better positioned than New Zealand to leverage the impact of emerging megatrends that are currently shaping the global economy.

Population growth in the developing world and higher life expectancy / falling birth-rates are changing the global demographic profile.
- One billion increase in population by 2030; the majority of this growth is in Asia and 90% of global youth will be from developing countries.
- Economic development will see the middle income population grow by 3 billion by 2030.
- World’s population of people aged 65+ will double to 1 billion by 2030.

Opportunity for New Zealand
The change in global demographics will directly drive increased demand for New Zealand products and services, particularly food, tourism and technology.

By 2030 almost two-thirds of the world’s population will live in cities, creating significant opportunities for social and economic development.
- Almost all of the increase in population (1 billion) will be in urban cities. 80% of this urban growth will be in Africa and Asia.
- The top 600 cities account for 50% of global GDP (US$34 trillion) - this will grow to US$65 trillion by 2025, US$131 trillion by 2030.

Opportunity for New Zealand
The transition to an urban economy rapidly increases retail spending. Increased volumes of food must be sourced to support urban consumers.

Rising greenhouse gases are causing climate change, with unpredictable change in the environment and impacts on the resilience of natural and built systems.
- Current CO2 emissions are already 14% higher than the global 2020 target and are continuing to rise. With a 2 to 4-degree Celsius warming of the Amazon rainforest and Greenland ice and 20% to 50% of animal species could be at risk.
- The cost of adapting to and mitigating change will amount to 1 or 2% of global GDP.

Opportunity for New Zealand
New Zealand is located in a favourable isolated temperate climate zone with a relatively abundant source of water.

The combined pressure of population growth, industrialisation and climate change is causing stress on the world’s natural resources of ocean life, freshwater, arable land and energy.
- A 50% increase in food production will be needed to feed the population in 2030.
- In the global context, New Zealand has abundant natural resources – including land, freshwater, and ocean resources. These are being future-proofed by advanced policy and regulatory systems, along with world-leading food safety and traceability systems.

Opportunity for New Zealand
New Zealand is now creating an environment that combines digital, environmental, advanced policy and regulatory systems to protect its abundant natural resources. These are supported by a combination of world-leading food safety and traceability systems.

Growing online sales will reach US$4.3 trillion (5 billion in 2030).
- 75% of the global population has access to a mobile phone (5 billion in 2030).
- Global online sales will reach US$4.3 trillion (19% of sales of retail sales – this is higher in Asia).
- The number of smart objects (digitally connected devices will double from 20 billion in 2015 to 50 billion in 2020).
- Digital disruption is creating a sharing economy (Uber, Airbnb).

Opportunity for New Zealand
Adoption of technology creates many new opportunities for all economies - New Zealand has a track record of rapid technology adoption.

Opportunity for New Zealand
The connected global economy will see a continued increase in the level of international trade flows. Global trade as a percentage of GDP is projected to increase by 5% annually.
- Global trade as a percentage of GDP has increased from 40% in 1980 to 63% in 2011, and is projected to increase by 5% annually (2.5 times the 80% of reciprocal global trade agreements that are in place today have been created since 1990).

Opportunity for New Zealand
New Zealand’s vibrant economy is supported by an extensive network of Free Trade Agreements.

Opportunity for New Zealand
The country has been performing strongly and is accelerating. There is solid demand for investment and new capital to sustain this growth, particularly as New Zealand enterprises are focused on investing to add value to products, and connecting more closely with customers.
6. GLOBAL DEMAND FOR NEW ZEALAND PRODUCTS

Alignment of export organisations with shifting consumer preferences.
Across all markets, consumer purchase decisions are being driven by a greater focus on specific attributes of the product and the organisation that produces it.
Increasingly consumers’ decisions take into account the social and environmental responsibility of the producer.
At a product level, consumers (particularly the wealthy) are increasingly focused on health and well-being, safety, social responsibility and transparency. There is strong alignment between the attributes desired by these consumers and the elements that New Zealand enterprises consistently deliver; particularly in the areas of food and beverage production, tourism services and high value technology.

In a global context the attributes that can be more strongly associated with New Zealand products and services include:
- social well-being and wider community benefits of purchasing;
- wellness and the contribution of the product and services to both physical and emotional health;
- safety, including product and service safety and all the systems that support this;
- trust, including the inherent trust in brands and provenance; and
- the ability of New Zealand products and services to demonstrate delivery on the attributes – this supports price premiums.

Hierarchy of consumer values
New Zealand companies are well placed to fulfil a number of attributes that international consumers value. Global consumers’ purchase decisions are evolving in response to changes in incomes and recognition of values that are important to both individuals and society. The focus of consumers is on moving up the hierarchy, from functional to emotional attributes. The peak of the hierarchies occurs where consumer decisions are based primarily on social wellness impacts.

= Attributes that have a stronger alignment with New Zealand brand positioning and attributes.
= New Zealand attributes that are becoming more prominent as enterprises move closer to the consumer.
= Attributes that are usually a focus but that are less advantageous.

Section 2: The Aotearoa New Zealand economic story
In the last three years there has been a significant change in the export sectors – Dairy exports peaked at NZ$14.7 billion in 2014 and declined by NZ$2.9 billion in 2015 as commodity prices declined.

Total exports increased over 10 years by 51% (CAGR of 4.2%) to NZ$71 billion.

Tourism earnings grew by 55% (CAGR of 16%) between 2013 and 2016, to NZ$14 billion.

The national target is to double exports over 10 years by 2025 ($66 billion of growth at CAGR of 7%).

Total two-way trade with China has tripled over the last 19 years, from NZ$8.2 billion to NZ$23 billion (CAGR of 11%).

78% of New Zealand’s export growth over the last 10 years has been driven by the natural product and service sectors (dairy, food & beverage, natural fibres and tourism).

Source: Statistics New Zealand - Goods and Services Trade, Ministry for Primary Industries - Situation and Outlook for Primary Industries

GROWING EXPORT VALUE

The value of New Zealand’s exports has increased by 51% over the last 10 years; with a Compound Annual Growth Rate (CAGR) of 4%.

This includes a 127% increase in dairy, and 62% increase in other food and beverages. In the last three years, the strongest growth has been from tourism, which increased by 55% between 2013 and 2016. This growth is projected to continue; and the New Zealand Government has an objective of doubling exports by 2025 (which implies a CAGR of 7%). Over the next 10 years, New Zealand enterprises will increase their involvement across the value chain (e.g. by in-country sales direct to retailers and online sales to consumers). This trend will magnify the gains in the value of exports.
As outlined in Section 2, the New Zealand economy is a global success story. Underpinned by a range of positive economic settings, it has been growing at 2-3% per annum. Yet the outlook for the Māori economy is even more exciting. Key economic indicators for the Māori economy have been improving by more than 5% per annum, including growth in assets and incomes. These trends are expected to continue, and could see the value of Māori assets grow from $50 billion to $100 billion by 2030. It is expected that Māori will invest approximately NZ$1.5-2.0 billion per year over the next 10 to 15 years. Some of this investment will be enhanced through joint ventures and partnerships with other parties. The level of investment will range from venture funding ($1 million to $20 million) through to significant initiatives requiring more than $100 million, depending on the role of the investor.

An investment in the Māori economy is an investment in the momentum and growth of Aotearoa New Zealand — with distinct additional advantages.
Section 3: Māori acceleration in the New Zealand economy

The Māori economy has experienced solid asset growth from $16.5 billion in 2006 to an estimated $50 billion in 2016. Māori currently number 723,500 and this represents 15% of the total New Zealand population. This is projected to increase to 18% or 1,090,000 by 2038. Also, Māori are a globally connected people; it is estimated that another 250,000 Māori currently live overseas. Importantly, and in contrast to general trends, the Māori population is young; 70% of Māori are younger than 40 years old. This can be compared to 50% for non-Māori and will, therefore, be critical to New Zealand’s future labour force.

In the past 20 years, through settlements with the Government, Māori authorities and enterprises have negotiated a total of almost NZ$2 billion in assets and financial redress. Through astute management, the value of these assets has grown at an average 10% per annum since settlement (15% in the last two years).

The Māori economy: a snapshot

**Total value of settlement**

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**$12 billion in GDP**

The Māori economy contributed $12 billion to New Zealand’s GDP in 2015.

**50% of fishing quota**

Māori own 50% of New Zealand’s fishing quota. The fishing quota asset has a value of approximately $2.5 billion.

**$13 billion in primary sector assets**

Collectively, Māori own $13 billion in primary sector assets (which is approx 10% of the total New Zealand agriculture, forestry and fishing asset base).

**A growing Māori population**

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**A thriving small to medium sized enterprise market**

Māori possess a thriving entrepreneurial base with approximately 8,500 Māori-owned small and medium-sized enterprises; a further 21,000 of Māori are self-employed. These numbers are increasing by 25% per annum. In particular, Māori participation in biotechnology, health ICT, hi-tech manufacturing, agitech and fintech is increasing in one of the fastest growing sectors in the New Zealand economy.

**1.4 million hectares**

There are an estimated 1.4 million hectares of registered Māori land owned by Māori authorities, enterprises and individuals – plus additional privately owned land. A significant proportion of this land is yet to be developed to meet its full potential.

**Capital investment of $1.5 billion–$2 billion per year**

The accelerating Māori economy is expected to keep growing at a much faster rate than will New Zealand’s wider economy (i.e. 5-6% versus 2-3%). This would equate to a doubling of assets by 2030 to $100 billion and include a significant shift in the value and type of commercial assets. It is expected that Māori enterprises will continue to invest at a rate of at least 5% of current asset value or capital investment of approximately $1.5-$2.0 billion and that some Māori enterprises will partner with other parties to add to this capital pool.

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THE SPRINGBOARD: FIVE KEY FACTORS DRIVING GROWTH

These five factors combine to provide a powerful and compelling business case for investing in the Māori economy. We explore these further in the following pages.

1. NATURAL RESOURCES
   Māori own and manage a wealth of natural resources/assets.

2. ALIGNMENT WITH GLOBAL VALUES
   Global business values are aligning with traditional Māori values.

3. MIND-SET FOR GROWTH
   Māori enterprises are in a phase of active growth.

4. BLOSSOMING ECOSYSTEM
   A highly-connected Māori enterprise ecosystem is being developed.

5. STRONG LEADERSHIP
   A new generation of visionary Māori business leaders is emerging.
In a world of increasing resource scarcity, New Zealand is blessed with an abundance of natural resources. Māori have control over a significant share of these valuable resources – and are continuing to leverage their assets in farming, fisheries, forestry and other emerging agri-sectors. Their advantage is further secured by unique and preferential purchase rights to certain land and assets, as negotiated with the Crown.

**COMMERCIAL OUTLOOK**

Māori businesses contributed $26 billion in revenue to the New Zealand economy in 2015.

**INDIGENOUS OPEN LAND**

Māori control an estimated total of 1.4 million hectares of land, either under private ownership or as registered Māori land owned by Māori authorities, enterprises and individuals. An estimated one-third of this land is yet to be developed.

**EXOTIC FORESTS**

Māori own approximately 30% of New Zealand’s plantation forests. Currently, this equates to around 520,000 hectares but is expected to expand further within the next decade as Treaty of Waitangi settlements are finalised.

**OCEANS**

Māori own 50% of New Zealand’s fishing quota (at a value of approx. $2.5 billion), with tradeable rights to harvest. The flagship seafood companies include Moana New Zealand, which exports premium seafood to global markets and is valued at more than $500 million.

**HORTICULTURE**

Māori are actively engaged in the export of pipfruit and kiwifruit and are exploring opportunities for other high demand, high-value produce including berries.
2. ALIGNMENT WITH GLOBAL VALUES

Māori values, practices and beliefs – developed over centuries – help them bring an approach to business that is genuine, authentic and difficult to replicate.

Globally, there is increasing interest in visibility of business practices relating to: sustainability, environmental well-being, and corporate social responsibility. Māori enterprises operate with a unique rhythm and purpose that is closely aligned with these global shifts in attitudes.

This presents significant opportunities to partner with Māori in delivering product and service attributes that are highly valued in the marketplace, that attract a premium price, and that are supported by a rich and authentic story.

The following Māori business provides an example of this.

BUSINESS SNAP-SHOT #1

te Pā Wines

The intergenerational outlook of Māori is epitomised at te Pā Wines, a family-owned and operated business located in Marlborough, New Zealand. The family can trace its existence on the land to the earliest known settlement by Māori, more than 800 years ago. te Pā Wines was launched in 2011 to immediate success; it is backed by a powerful provenance story, bountiful and productive land, and a rich family heritage.

Today, te Pā owns 400 hectares across New Zealand’s sought-after Marlborough wine region. Grapes produced on a further 100 hectares in the central Wairau Valley come from trusted growers.

The vineyards contain a mixture of Sauvignon Blanc, Pinot Gris, Pinot Noir and more recently, Chardonnay. The home block vineyard’s unique location, where the Wairau River meets the Pacific Ocean, is situated on rich topsoil with free-flowing alluvial deposits. This provides the conditions for producing premium New Zealand wines that connect the taste of te Pā with wine lovers all over the world.

The te Pā story continues to resonate with international buyers and consumers thanks to its authenticity, and the people behind it; the result is international recognition in its markets across North America, Asia, the United Kingdom and Ireland, Australia and New Zealand.

The business continues to pursue new markets using both traditional and online channels to grow its presence and value. With land in this popular wine-making region increasingly scarce, te Pā’s unique provenance story provides an evocative point of difference.

www.tepawines.com
As outlined in Section 1, the entrepreneurial spirit of Māori was constrained by the impact of colonisation. This trend began to be reversed from the 1980s and today, the Māori economy is increasing at a rate that is much faster than that of the overall economy. This is an era of revitalisation. With a strong asset base, a growing talent pool and high levels of optimism, Māori businesses have shifted their focus to even greater achievements and future prosperity.

New Zealand’s most in-depth Māori business survey, The ANZ Privately-Owned Business Barometer, Te Tirohanga Whānui - Māori Business Key Insights found that Māori businesses had significantly higher levels of optimism and stronger profit growth than non-Māori businesses.

The following are excerpts from Te Tirohanga Whānui – The Māori Business Key Insights Report – compiled from the findings of ANZ Bank’s annual Privately-owned Business Barometer:

“Māori businesses lead the way on so many fronts – they are building sustainable businesses, adopting new technologies, and have a fast-emerging pool of talent, strong networks and a collaborative approach to business that’s so important in a small market like New Zealand. This year’s Barometer shows a change in perspective, from an often-adversarial period of asset consolidation, to working together with other businesses – Māori and non-Māori – to realise opportunities and grow profits.”

Māori are becoming increasingly involved in the technology industries - driving ICT innovation in sectors such as education, media/film, agribusiness, health and sciences. The following example is a privately-owned technology company with a global reach.

Straker Translations

Globalisation has led to a burgeoning worldwide demand for language translation services. This opportunity was spotted early by the founder of Straker Translations, a privately-owned Māori business. Today, Straker Translations is a Cloud-enabled translation services provider that is ranked among the top 100 translation vendors in the world. Founder and innovator Grant Straker developed a technology platform that enables human translators to lower the cost and time needed for delivering accurate translations.

Established in 1999, the company now has sales offices in nine countries and three major production centres in Auckland (New Zealand), Denver (the United States), and Barcelona (Spain); it services 10,000 clients globally. Husband-and-wife team Grant and Merryn Straker remain as shareholders, while private investors and a private equity firm have funded earlier phases of the international expansion of the company. Straker is now aiming to achieve increased market share within the $40 billion global translation industry.

www.strakertranslations.com

“T’believe Māori are naturally good at innovative thinking. Our ancestors were clearly great engineers... they figured out how to build boats that could traverse the ocean, and how to navigate by the stars.”

– Grant Straker, innovator and founder of Straker Translations.
The modern Māori enterprise ecosystem has significant depth and breadth. It ranges from billion-dollar flagship companies, collectively-owned enterprises and substantial private companies, to the burgeoning network of small businesses and social enterprises.

Māori business leaders have a finely-tuned ability to form, develop and build relationships with others - both within and outside of their networks, locally and globally. They form strategic partnerships to further leverage the benefits of the central ecosystem and to develop and grow businesses jointly with those who share similar values. This includes non-Māori third parties who are willing to partner with Māori businesses in pursuit of common goals.

The blossoming ecosystem of connected and interrelated Māori organisations and enterprises continues to fuel the growth and success of the Māori economy.

Various networks such as Poutama Trust, the Federation of Māori Authorities (FOMA), the Māori membership of Te Hono and a network of tribal asset-holding companies each have different areas of focus but share a common goal of Māori prosperity. The following case study is another example of a Māori-owned business with global reach. Anagenix Group connects offshore partners with New Zealand-based scientists and locally-sourced products.

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New Zealand’s unique growing environment – combined with targeted science and commercial savvy – is unlocking new markets among millions of global health-conscious consumers. Anagenix utilises natural bioactives found in products such as kiwifruit, honey, bee venom and marine resources – then partners with global food and pharmaceutical companies to develop sought-after nutraceutical and nutritional products.

The company began operating in 2010, when the two founders combined their respective backgrounds in science and formulation, and their experience in building technology companies for niche global markets.

Anagenix has developed various branded ingredients, including ACTAZIN™ and ApuraGreen™, which are both derived from the superior bioactive compounds of New Zealand green kiwifruit. The utilisation of lower-grade kiwifruit for gut health products reflects the Māori value of kaitiakitanga and minimising wastage.

Anagenix has established offices in Wellington, Auckland and Singapore; along with multiple international distributors. The directors have ambitious plans for growth, and are open to approaches from new strategic investors who are globally-focused.

**Anagenix Group**

“Business Snap-shot #3

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www.anagenix.com


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The development of Hamilton’s first four star hotel, the Novotel Hamilton Tainui Hotel, was the result of a three-way co-investment between:

» the Hamilton City Council (HCC), a local government body;
» Tainui Group Holdings (TGH), a tribal commercial entity; and
» the Accor Hotels Group (Accor), an international commercial hotel chain.

This arrangement brought the core strengths and resources of each party together with HCC introducing land suitable for the development, TGH and Accor bringing investment capital and Accor also bringing the hotel franchise rights and operational capability. TGH and Accor have extended their partnership to the Ibis Hotel in Hamilton and the Novotel Hotel at Auckland International Airport.

www.novotel.com

The exponential growth in demand for Mānuka honey presented an opportunity for a Māori land trust and a listed company to co-invest. A joint venture between East Taupō Land Trust and Comvita Limited was established to capture the first stage of the Mānuka honey supply chain by leveraging the Trust’s 30,270 hectares of land suitable for hosting Mānuka bee hives with Comvita’s honey extraction and production expertise.

The joint venture is contemplated as a long-term investment, founded on an initial five-year plan but with rights for further extension. The joint venture enables a diversified economic return from land assets, further supply chain certainty for Comvita Limited, and the transfer of respective skills and knowledge between parties.

www.kaimanawahoneylp.com

INVESTMENT SUCCESS STORY #1

Novotel Hamilton Tainui Hotel

INVESTMENT SUCCESS STORY #2

Kaimanawa Honey
Moana New Zealand is the largest Māori-owned fisheries company. Valued at more than $500 million, it holds a 22% quota stake in the total New Zealand commercial fishing industry. Moana provides premium seafood, including finfish, oysters, abalone and lobster, to consumers all over the world. Key export markets include Australia, Japan, Hong Kong and China.

To achieve its aim of delivering premium seafood to the world – while also safeguarding the sustainability of the oceans and fish stocks – Moana New Zealand is committed to investing in innovation and technology. An example includes the development of a revolutionary precision seafood harvesting technology (called Tiaki), in partnership with third parties.

Moana’s story is of kaitiakitanga (guardianship) and of true connection to this place, pristine coastal waters, privileged access, sought-after species and careful harvest, which involves gathering with a lightness of touch.

www.moana.co.nz

BUSINESS SNAP-SHOT #4

Waikato Milking Systems

Sharing the investment risk and working as equal partners were two key success factors in the purchase of Waikato Milking Systems (WMS) by two iwi commercial investment companies, Tainui Group Holdings and Ngāi Tahu Capital, and private equity investment fund, Pioneer Capital.

The three parties jointly acquired WMS, New Zealand’s largest supplier of dairy milking technology. It is a design-led company focused on innovation, performance and durability.

Located in the Waikato region of the North Island of New Zealand, WMS is a trusted brand within the national dairy industry. It has an expanding international presence across 30 countries with sales operations based in Europe, the Americas, Asia and Africa.

Their investment has enabled WMS to execute a global growth plan, develop new infrastructure (including a new manufacturing facility based in the Waikato), and implement productivity enhancements.

www.waikatomilking.com

BUSINESS SNAP-SHOT #5

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Relationships have never been as pivotal as they are today with significant growth coming out of both the Māori economy and the East. Our business culture starts with the people, who are you, where are you from. Relationships built on a mutual trust and understanding of each other in the first instance versus the balance sheet.”

“Māori have a history where our advancement has been out of necessity – the necessity to care for the prosperity of a wide group of people, to think quickly, to act smartly and to collaborate for a purpose much greater than any individual.

“We have a long-term intergenerational perspective and a wealth of natural resources under our control, ownership and management. Both the resources and Māori are not going anywhere; and so we provide stability to anyone looking to work with us.”

“Māori display the characteristics of great cornerstone shareholders. They have an intergenerational outlook and are not necessarily in it for a short-term gain. They have reawakened their confidence in exploring possibility and reignited their discovery DNA. This has certainly been helped by those Māori leaders who have pushed out and shown the way.”

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Māori have built a strong asset base and economic platform within four key sectors – agribusiness (food and fibre), tourism, technology and construction. Further growth in these sectors is being driven by domestic and global trends, as previously outlined.

Within those sectors, we have identified 12 specific focus areas that provide opportunities for investors – and highlight where they might begin their exploration.

The previous analysis of the New Zealand economy, and the role of the Māori economy, has identified a number of key areas for future investment. In this section, we drill down to explore those opportunities further.
The 12 focus areas represent opportunities across the value chain in each of the four sectors.

The focus areas reflect a combination of:

- the ability to leverage existing assets and resources
- areas where Māori have distinctive advantages and capabilities
- the alignment of existing New Zealand strengths or growth
- the potential value-add opportunities that external investors might bring.

**TECHNOLOGY**

### Health
Investing with Māori enterprises in the growing natural health sector to leverage access to natural resources and develop new products for wellness.

### Agritech and biotech
Co-investing in New Zealand agritech and biotech.

### Innovation and agriculture
Co-investing to supply leading edge inputs into food production systems, including combining global and New Zealand technology, leveraging the knowledge of New Zealand farmers and horticulturists to develop products, and accessing partners markets for global sales.

### Advanced processing
Leveraging access to natural resources (fruit, fish, meat, forestry) and working with international partners to develop food products and new processing capability to supply high value foods to global markets e.g. functional foods and products that leverage the natural attributes linked to Māori values.

**FOOD AND FIBRE**

### High-tech manufacturing
Partnering and investing in New Zealand’s thriving advanced high-tech manufacturing network to increase the pace of innovation and development and access global markets.

### In-market operations
Developing in-market operations to take products through the entire value chain to the customer (via retail, food service and online channels).

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**CONSTRUCTION**

### Property funding and operations
Investing in and funding of commercial and residential portfolios.

### Development and construction
Co-investing in commercial property and infrastructure development and construction (including affordable housing) while leveraging access to existing land assets.

### Construction supply
Sourcing of international supply of materials for the construction industry and establishing a construction industry network for the supply of construction services and labour.

**TOURISM**

### Experiences
Developing new high value tourism attractions and activities that leverage natural resources and align with the distinctive cultural experiences offered by Māori enterprises.

### Facilities and hotels
Co-investing in new hotel and accommodation facilities and/or the management of new facilities, including hotels and accommodation linked to specific experiences of Māori tourism activities.

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FOOD AND FIBRE OPPORTUNITIES

Traditionally the focus for foreign investment has been on the growing stage in the value chain. As Māori enterprises evolve, it is expected that there will be opportunities across the entire value chain. These opportunities include co-investment in three critical areas:

1. Suppliers
2. Advanced process
3. Retail-to-Consumer and Wholesale

Industry value-add analysis. (Total value includes $33 billion of exports with a retail value estimated at $200 billion).

Food and fibre account for

47%

of New Zealand’s exports.††

Approximately

15%

of these are linked to Māori resources.

Note: The revenue to the grower may equate to 10-20% of the final retail price paid by the consumer.
3. Land – grow and harvest operations

Leading enterprises
- GroPlus Group, which specialises in orchard management services including robotic pollen application for kiwifruit, and robotic fruit picking and packing.
- Waikato Milking Systems, a leading designer and manufacturer of dairy technology for dairy sheds.

Investment opportunity
Māori enterprises such as Waikato Milking Systems and GroPlus have established a beachhead for the sector. As the global demand for food and technology disrupts food systems over the next 20 years this sector will create opportunities for further investment.

4. Primary and advanced processing

Industry landscape
New Zealand food and fibre enterprises increasingly take farm-gate output through to the final stage of consumer-ready produce or outputs. The development in New Zealand follows two lines:
- Packing and storage to allow the freshest, most natural produce to be supplied directly to the restaurant or home consumer.
- Processing to supply specific functional foods with attributes that support health and well-being.

Leading enterprises
- Ngāi Tahu Farming, which manages nearly 100,000 hectares of farming and forestry land.
- Tamu Group Holdings, which owns more than 4,000 hectares of land, for dairy, sheep and beef operations.
- WakaTū Incorp., which has significant land for horticulture, and marine space for seafood.
- CNI Iwi Holdings Limited, which is the largest owner of forestry land in New Zealand.

Investment opportunity
Māori enterprises own land and may seek opportunities to co-invest in improvement initiatives. This may include conversion to opportunities with higher-value outputs such as beef, dairy and horticulture. Other opportunities might include shellfish, Mānuka plantations, kiwifruit, berry fruit and avocados.

5. Infrastructure and facilities (outside the farm-gate)

Industry landscape
Infrastructure and facilities are required to support the development of land and water in New Zealand. This investment includes ongoing development of irrigation capacity, post-harvest facilities (e.g. packing and controlled-atmosphere storage for fruit), and logistics operations.

Leading enterprises
- Ngāi Tahu, which exports live seafood including crayfish (lobster) and blue cod.
- WakaTū, which produces and exports a wide variety of products including shellfish (oysters, mussels), wine, fruit and food bars.
- The Anagenix Group, which is a collective of New Zealand nutraceutical companies.
- Miraka, which is New Zealand’s only Māori-majority-owned and controlled dairy company.

Investment opportunity with Māori
As Māori enterprises develop scale and capability, the next stage in the evolution of the business model is the establishment of processing capability that enables control of the end-to-end value chain.

6. In-market operations

Industry landscape
New Zealand enterprises are increasingly developing branded products and taking control of the in-market supply chain.

Leading enterprises
- Fonterra’s brands, which include Anchor (milk, cheese, butter, yoghurt and cream products sold directly to consumers), Arnite (the leading adult milk brand across Asia, offering a range of high-calcium products), Anmum (offering a full range of milk products formulated for mothers and their young children) and Anchor Food Professionals (targeted at foodservice professionals).
- Zespri, which controls the marketing of all New Zealand-grown kiwifruit in export markets other than Australia.

Investment opportunity with Māori
Māori enterprises involved in the food and fibre industries start with a strong alignment of brand to natural attributes. Demand for food products with provenance is strong. Parties may co-invest in new opportunities to brand and market the provenance of New Zealand products, the cleanliness and sustainability of its place of origin and the welfare of livestock.
Foreign investment in New Zealand tourism has tended to focus on accommodation and transport investments. Māori investment in tourism has focused on smaller-scale, regional tourism experiences. The future focus for Māori tourism is likely to extend to:

1. Tourism technology and software applications (with global markets) and solutions to engage with tourists;
2. Development of a connected network of Māori accommodation and attractions; and

The tourism industry is being disrupted by a wave of new technologies that are changing both the tourism experience and access to the experience. The greatest causes of disruption are technologies that connect tourists to the experience, including bookings sites and social media used to review the experience. The actual service delivery is now being disrupted by new business models such as Airbnb and Uber. Automated transport will create new opportunities. The application of cognitive technologies that engage with the experience will increase the pace of change. New Zealand is recognised globally as a Beta test-bed for new technologies.

**Leading enterprises**

- Straker Translations, a Māori enterprise leveraging cognitive technologies to deliver translation services.
- Animation Research, the Māori enterprise led by Ian Taylor to deliver computer graphics for sports entertainment and other applications.
- Serko travel software, the leading online booking tool for corporate travel in Australasia since 2007.
- Vista Group International, the global leader in cinema software management enterprise.
- Magic Memories, the design-led technology-enabled imaging company serving 92 tourism sites in nine countries.
- Pushpay, whose financial services technology supports mobile transactions across many sectors including tourism.
- Vend, the cloud-based point of sale retail platform that can support tourism operators.
- 90 Seconds, the cloud video production platform with application in tourism.
- Merlot Aero, for airline resource planning and control software.

**Investment opportunity with Māori**

Investments in Māori tourism innovation and R&D are likely to include a focus on technology which has global applications and markets. New Zealand has a proven track record in both technology and tourism.
Industry landscape
The tourism industry in New Zealand is fragmented with few large-scale organisations (Air New Zealand, Auckland International Airport, Tourism Holdings and Ngāi Tahu Tourism are the exceptions) engaged in the purchase of supplies (fuel, food and accommodation supplies). Goods and services purchased to supply the industry are estimated to represent 20 to 25% of the total tourism industry spend.

Investment opportunity with Māori
The current fragmented state of the supply market provides the opportunity to invest in new ventures or partner with existing players to achieve a strong market share and as yet unrealised economies of scale in a market that will grow with the sector as a whole.

Leading enterprises
The leading Māori tourism accommodation enterprise, Tainui Group Holdings, with three hotels and approximately 600 rooms. This represents less than 2% of the country’s total hotel rooms. A Māori incorporated trust, has also confirmed a new development for Wellington.

2. Suppliers

3. Transport

4. Facilities

Investment opportunity with Māori
New Zealand’s lack of passenger rail services and relatively expensive domestic airfares make road transport popular. Co-investment in regional road transport can target existing platforms (such as Mana Bus) or could utilise new technologies to disrupt travel modes, such as ride sharing and car sharing networks.

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The top 10 owners in New Zealand account for 38% of NZ hotel rooms with the leaders being CP Group (8%) and CDL Hotels (6%). The leading operators are Accor Hotels (17% of total), Millennium Hotel and Resorts (8%) and Scenic Hotel Group (3%).

In New Zealand, 53% of hotels are owned offshore (29% by Singapore interests). In the last 12 months there have been 12 major hotel transactions worth more than $5 million (collectively worth more than $340 million), with a significant number of developments announced for 2016 and 2017 including the first Ritz-Carlton Hotel for New Zealand and developments by Wyndham Hotels, Sofitel and Hyatt.

Investment opportunity with Māori
Co-investment opportunities with Māori include facility development and facility operation: for example, the Novotel and planned Arikinui luxury hotel at Auckland International Airport (planned by the Waikato-Tainui tribe.).
Industry landscape

All tourism operators have processes, systems and partners to connect to the customer throughout the customer journey. In the overall value chain for tourism, the process of ‘connecting’ is the most strategically important, the activity that is being most rapidly disrupted, and the activity most open to competition.

Multiple organisations are now involved in the customer journey, and key developments include the following:

» More than 50% of hotel bookings are made online.

» Decisions concerning accommodation, travel and experiences rely heavily on social media and mobile applications (three in four travellers agreeing that their smartphones are very important or critical).

» Revenue from enterprises like TripAdvisor (which had 350.0 million unique monthly visits, 6.6 million hotels and experiences and 385.0 million reviews and opinions in 2016) is growing rapidly. It expanded by 130% over four years to be worth more than US$1.5 billion in 2015.

Leading enterprises

Air New Zealand is New Zealand’s leading connection organisation, with 15 million passenger trips per year managed through its network.

Investment opportunity with Māori

Māori tourism and technology enterprises are increasingly focused on new ways of creating value. In a rapidly changing operating environment, there are expected to be many opportunities for collaboration, co-development and co-investment at an enterprise and sector level.

5. Experience

Industry landscape

Tourism experience, including attractions, retail and food, make up approximately 50% of the $30 billion tourism spend (note that this excludes spending by local residents on the same activities). The activities with the highest levels of participation include:

» Natural environment and spectacular landscape experiences, which includes 2.3 million visits.

» Māori cultural experiences, including visits to places of Māori significance and activities related to Māori enterprises (overall, 6 million international activities or visits related to Māori or Māori enterprises).

» Adventure activities such as bungy jumping, jet boating and skiing.

» Food and beverage related activities (35% of the New Zealand restaurant trade is linked to tourism).

Leading enterprises

The tourism experience industry is highly fragmented. Leading Māori enterprises include:

» Ngāi Tahu Tourism, which operates jet boats and other attractions.

» Whale Watch Kaikoura for marine mammal sightseeing.

6. Connections

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TECHNOLOGY OPPORTUNITIES

The technology sector in New Zealand has grown by $2 billion over the last five years to $9.4bn in 2016 (based on the TIN200 revenue and including exports of $6.9 billion).13

The domestic market for technology in New Zealand is small and exports make up 73% of the total revenue. In 2016 exports grew by 13%.13

The New Zealand technology sector includes ICT, high technology manufacturing and biotechnology, and involves a range of companies with close links to the Food, Health and Entertainment sectors.

Māori enterprises are entering the technology sector as true disruptors and Māori technology companies bring a global model to their enterprises. The leaders are globally connected collaborators who bring offshore innovation to New Zealand, develop new solutions, and take innovations to the world.

New Zealand technology industry trends (based on Technology Investment Network Top 200 New Zealand technology companies, also referred to as TIN200):

- $9.4 billion total revenue (excludes some biotech and media revenues which would add $1 billion TOR revenue, and excludes high tech marine).12
- 12% or $1 billion revenue growth in 2016 (three-year growth of 24%; 27 rising star companies had growth of more than 24% for the three years).12
- 39,770 employees (8% growth in 2016).12
- 31 acquisitions made by New Zealand technology companies.12
- 10% of revenue spent on R&D (approximately $900 million spent on R&D, or 25% of New Zealand’s total R&D).12
- Public and venture-backed companies account for 48% of TIN200 revenue – these companies grew by 28% in 2016. Foreign-owned companies, including those that are publicly owned, account for 25% of revenue.12

Industry landscape
New Zealand’s high tech manufacturing delivers approximately $5 billion of revenue. This includes three significant sub-sectors of agritech, medical device manufacturers and high tech communication/navigation/instrumentation/electrical manufacturers.

Leading enterprises
The leading enterprises across the sub-sectors include:
- Gallagher, NDA Group and True Test in agritech.
- Tait Communications, Rakon and Buckley Systems in electronics.
- Fisher & Paykel Healthcare and OMNI Orthopaedics.
- OMNI Orthopaedics.

Investment opportunity with Māori
Māori enterprises and entrepreneurs have connections with specific industries (e.g. agriculture, forestry, fisheries) and are developing value-add roles in these sectors.

1. Hi-tech manufacture
2. Media, entertainment, and travel experiences

“...in the three short years since I was last in New Zealand, the startup fervour here has grown exponentially. The country is becoming one of the world’s best-kept secrets for entrepreneurial activity.” – Gary Bolles, Entrepreneur and Co-Founder of eParachute, and Silicon Valley technology thought leader.
Agritech companies include:

Leading enterprises

Agritech companies include:

- Gallagher, a global leader in the innovation, manufacture and marketing of animal management solutions.
  www.gallagher.com
- NDA Group, New Zealand’s leading fabricators of industrial stainless steel and specialty alloy process vessels for the dairy, wine and food processing industries.
  www.nda.co.nz
- Tru-Test, which designs and manufactures products and solutions to increase efficiency and profitability in the agricultural sector.
  www.tru-testgroup.com

Investment opportunity with Māori

New Zealand has a reputation and strong position that has not been exploited globally. Māori enterprises are well-positioned (with their links to natural resources, capabilities etc.) to build new businesses targeting the global market for agricultural technology. Māori enterprises are exploring opportunities to develop biotech and natural products based on natural resources (plant, animal and fish extracts).

Comvita, which produces Mānuka honey and related cosmetic and healthcare products.
www.comvita.co.nz

PharmaZen, an animal and human nutrition manufacturer.

Māori enterprises engaged in this sector include:
- Waikato Milking Systems, a leading designer and manufacturer of dairy technology.
  www.waikatomilking.com
- Robotics Plus, which specialises in automation technologies for fruit harvesting and other primary industries.
  www.roboticsplus.co.nz
- The Anagenix Group is a collective of New Zealand nutraceutical companies, which is responding innovatively to the global need for natural digestive health solutions.
  www.anagenix.com

ICT (Includes Financial Services ICT)

New Zealand’s ICT sector is developing rapidly. The top 30 enterprises earned $2.5 billion of revenue and grew by 17% in 2016. The enterprises are engaged in a diverse mix of industries including technology services and software development, with strengths in health, financial services, media and entertainment and developing opportunities in the agitech field.

Leading enterprises

Technology services companies include:
- Datacom, New Zealand’s first IT company to reach annual sales of $1 billion.
- Intergen, an IT solution and service provider.

Software companies include:
- Deligent, a SaaS company, which provides sharing and collaboration solutions for board members.
- WhereScape, a pioneer in data warehouse automation software.

Fintech companies include:
- Xero, which provides cloud-based accounting software.
- Transaction Services Group, which provides payment processing solutions globally.

Māori enterprises engaged in this sector include:
- Kiwa Digital, the world’s leading production house for experiential digital books.
- Straker Translations, the world’s fastest professional human translation service.
- Animation Research, which provides world-leading animation technology and services for media and sports.
- Rod Drury, of Ngāi Tahu descent, who is New Zealand’s leading technology entrepreneur and has commercialised four major start-ups including Glazier Systems, SQL Services, AfterMail and Xero.
- Whanau Tahi’s proprietary software helps social service agencies and health providers share information to better improve outcomes for families.
  www.whanautahi.com

Investment opportunity with Māori

Māori ICT enterprises are growing and evolving with a distinct focus on the crossover between technology, and creative and human technology interaction. A Māori ICT Development Fund of $30 million has been established to support the growth of Māori ICT enterprises.

Māori enterprises engaged in this sector in the areas of nutraceuticals and natural health products include:
- Anagenix, which is developing science-based, natural bioactive health products from plants.
- MānukaMed (Kahungunu), a medical company dedicated to researching and developing products that utilise unique properties of Mānuka honey.
- Naviloue, an early stage tele-health start-up.

Māori bring to the health sector a combination of traditional health philosophy and access to knowledge of New Zealand’s thousands of unique plants and aquatic life (80% of the higher plants that grow in New Zealand are unique to New Zealand). As the world’s population grows, ages and faces new challenges, the potential demand for New Zealand’s natural dietary, medicinal and skin care products is escalating.

Currently natural products are being produced from a large variety of raw ingredients, including kiwifruit, Mānuka and Kānuka honey, horopito, berries, green-lipped mussels, fish oil, deer velvet, and seaweed. Innovative production methods, weather advantages and pure ingredients sourced from the land and sea lie at the heart of this vibrant industry and provide many opportunities for co-investment.
In 2015, the total value of construction sales increased to $45bn (up from $34 billion in 2012). In 2016 the total value of sales relating to property rental, hiring and real estate services was $22bn.

Māori have been active in finding solutions to the housing affordability problems in Auckland, and Ngāti Whātua Ōrakei’s Kāinga Tuatahi housing development, featuring modern and affordable family homes, demonstrates one opportunity to partner and co-invest with Māori in this space.

The three focus opportunities for investors include:
- construction supply
- development and construction
- property planning and operations.

The construction industry is one of the largest sectors in the New Zealand economy, and comprises 148,000 enterprises with one or more employees.

In 2016 the total value of sales relating to property rental, hiring and real estate services was $22bn.

New Zealanders (approximately 6% of New Zealand employees) are employed directly by the construction industry, and the wider construction industry employs approximately 170,000 New Zealanders.

The value of New Zealand construction activity has been growing at 7% per year since 2011.

The construction industry is one of the largest sectors in the New Zealand economy, and comprises 20,160 enterprises with one or more employees.

In 2015, the total value of construction sales increased to $45bn (up from $34 billion in 2012).

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The three focus opportunities for investors include:
- construction supply
- development and construction
- property planning and operations.
PROPERTY AND CONSTRUCTION OPPORTUNITIES

1. Innovation, research and development

Industry landscape
The level of innovation, research and development in the construction sector is among the lowest in any sector in New Zealand (a study in 2011 rated construction as the third lowest of 22 sectors for the level of engagement in innovation activity, and reported it had very low levels of R&D per firm).

Leading enterprises
At an industry level, the group BRANZ spends $12 million on R&D and historically the private spend per firm is low.

Investment opportunity with Māori
Property and construction is a key investment sector for Māori enterprises and provides opportunities for partners able to add innovation to proposed construction projects.

2. Construction supply

Industry landscape
The total spend in the construction sector is estimated to be $45 billion, with materials comprising more than 40% of this spend. New Zealand’s small market and geographic isolation limit the number of competitors across all products and stages of the construction supply chain.

Leading enterprises

Leading enterprises

Material manufacturers, e.g. Fletcher Building for construction material and fabricated building products
Material importers
Wholesale and retail distribution
Construction services.

Investment opportunity with Māori
The opportunity exists for co-investment with Māori enterprises in new models for supply and distribution.

3. Land

Industry landscape
The cost of land will add up to 50% to 100% to the cost of construction (depending on the type of facility). Total property investment (land and buildings, including farms) is estimated at $800 billion, including $470 billion of residential property.

Leading enterprises
Land assets are held across a very wide range of investors. The leading Māori enterprises engaged in land development activity within the commercial property sector include:

Wakatipu-Tainui.

Investment opportunity with Māori
Māori enterprises have built a very large and significant commercial property portfolio. They have a significant land-bank and will continue to acquire land for development over the next 10 years. Māori enterprises with strong balance sheets will co-invest with partners in the development of the property, or require the input of construction partners in both commercial and residential property.

4. Development and construction

Industry landscape
The development and construction industry in New Zealand was worth $45 billion in 2016. This represents growth of 33% since 2012. The three focus areas are:

Residential property where there is demand for 13,000 additional new dwellings in Auckland per year for 30 years.
Commercial property which has investment of more than $6 billion to keep pace with New Zealand’s economic growth (>2% increase in GDP per annum).
Infrastructure construction which is estimated at $10 billion per year.

In the residential sector, Government has a range of initiatives to significantly increase the pace of housing development in Auckland and to address the shortfall in available affordable housing.

Leading enterprises
The leading Māori enterprises engaged in development and construction include:

Ngāi Tahu.

Investment opportunity with Māori
Māori enterprises are looking to develop their property portfolio and have explored a range of models, including:

Residential property
Commercial property which includes arms length construction contracts (mainly with New Zealand suppliers); and
Investment in commercial property such as hotels and logistics centres.

A priority for Māori enterprises is the innovative development of social and affordable housing.

5. Own (fund) and operate

Industry landscape
Most residential property is privately owned. In the commercial sector, including aged care housing, ownership models are more varied.

Leading enterprises
Land and property assets are held across a very wide range of investors. The leading Māori enterprises engaged in the commercial property sector include:

Ngāti Whata.

Investment opportunity with Māori
Māori enterprises continue to build a very significant commercial property portfolio. These enterprises have significant land assets and will continue to acquire property for development over the next decade.
Firstly, we explain the attributes that a Māori organisation will typically seek in a prospective investment partner, and the questions they may ask. We also provide an overview of the regulatory environment in New Zealand, including the various investment vehicles available to investment partners, and provide a list of further organisations that can assist you.
What is your exit strategy with respect to this opportunity?

What is your track record with respect to environmental, cultural and social well-being?

How do you implement these in a meaningful way?

What is your exit strategy with respect to this opportunity?

What is your history and where are you from?

Māori desire to reflect key values in their business activities influences their approach to choosing business partners. They will be wanting to get a sense of the extent to which their values align with yours and want to understand you, as much as they would like you to understand them.

They will want to build friendship and trust with you, and as part of this process they may want to discover more about you.

The following questions will help them to determine the extent to which your values, approach and practice complements and aligns with:

- their long term intergenerational view.
- the importance they place on relationships, caring for others, connection to and stewardship and guardianship of the environment.
- their leadership and independence aspirations.

What are your values?

What are your expectations?

How willing are you to share information, networks and expertise?

Why do you want to invest with Māori?

What is your track record with respect to environmental, cultural and social well-being?
WHAT IS IMPORTANT TO MĀORI?

When considering an investment partnership, Māori are looking to...

- Build the capability to run high-performing businesses.
- Optimally leverage their asset base in a way that balances the need for re-investment for growth with distributions for cultural, social and environmental well-being purposes.
- Retain land to foster connection to the land.
- Access and understand international markets in order to grow successful businesses both domestically and internationally.
- Partner with others who understand their values and aspirations and are willing to invest the time to build strong relationships and partnerships.
- Provide their people with the opportunity to build capability and employment.
- Provide employment and business opportunities within their tribal regions.
- Share their skills and expertise.
- Help scale Māori businesses internationally.
- Facilitate access to international markets for their products.

WHAT ARE MĀORI LOOKING FOR IN A POTENTIAL INVESTMENT PARTNER?

Generally, Māori will seek investment partners who can assist them to...
MODELS AND INVESTMENT VEHICLES

There are a number of possible investment models with Māori businesses. These range from direct investment in New Zealand, to partnership investment in offshore markets.

Direct investment refers to the investment of capital directly into a Māori business, ordinarily through the exchange of capital for a shareholding. This involves a change to the underlying shareholding of the Māori business.

Partnership investment is an arrangement where an investor and a Māori business co-invest into a third-party opportunity. There is, therefore, no change to the underlying shareholding of the Māori business.

Investment with a Māori privately-owned businesses could take place at any point along the spectrum. Māori collectively-owned business are predominantly Māori land trusts, incorporations or tribal entities (which are referred to in this document as ‘the principal entities’). Principal entities may also have subsidiary entities. Investment with principal entities would ordinarily take place on a partnership rather than direct investment basis. However, direct investment into subsidiary entities may be considered.

There are three main vehicles by which to implement the chosen investment model. These are:
» limited liability company
» limited partnership
» partnership (which includes joint venture).

The investment vehicle chosen has implications for taxation, limitation of liability, and the basis for sharing in risk and reward.
The New Zealand and Māori economies are underpinned by a world-class regulatory environment. The regime is transparent and subject to democratic processes and scrutiny.

New Zealand’s modern and competitive economy benefits from a strong commitment to open-market policies that facilitate vibrant flows of trade and investment. Transparent and efficient regulations encourage dynamic entrepreneurial activity in the private sector. Financial markets, although relatively small, provide adequate access to financial resources.

New Zealand was ranked: 1st out of 190 countries in the World Bank’s Doing Business 2016 survey.

New Zealand takes a very balanced approach to foreign investment and recognises the positive economic and social contribution it brings to New Zealanders. Here are a few points to keep in mind. This information is a general overview and investors are encouraged to seek specific advice.

**Overseas Investment in New Zealand**

New Zealand does require overseas persons to obtain consent for certain types of investments. This includes those involving sensitive land, assets worth more than $100 million, and fishing quota. The Overseas Investment Office (OIO) is responsible for assessing applications for investment approval.

**Real estate in New Zealand**

New Zealand land titles are registered at Land Information New Zealand (LINZ). The most common type of land title is ‘freehold’. Particular care should be taken when dealing with properties with ‘leasehold’, ‘unit title’ and ‘Māori freehold’ titles. Property in New Zealand is transacted through a contract for sale and purchase of real estate, which must be in writing and signed by both parties to the transaction (or their authorised agents).

Conveyancing of property is transacted through a lawyer (holding a current practising certificate as a barrister or as a barrister and solicitor); or a conveyancing practitioner (holding a current practising certificate issued by the New Zealand Society of Conveyancers).

**Māori Land Law**

Specific legislation applies to land in Māori freehold title. The Te Ture Whenua Māori Act 1993/Māori Land Act 1993 aims to promote the retention of that land in the hands of its owners, their families, and their sub-tribes, to protect sacred areas and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their families, and their sub-tribes. This legislation is currently under review, with the aim of making changes which would make it easier for owners to make decisions about land use.

**Financial services**

New Zealand’s financial services regulatory regime is well-developed with thorough licensing requirements. The country’s central bank, the Reserve Bank of New Zealand, has the role of registering banks. Also, it has regulatory, licensing and supervisory oversight of finance and insurance companies, building societies and credit unions. It’s three main functions are to:

- formulate and implement monetary policy to maintain price stability;
- promote the maintenance of a sound and efficient financial system; and
- supply the currency.
Capital markets
New Zealand operates two main capital markets through the New Zealand Stock Exchange – the NZX Main Board for equity securities, and the NZX Debt Market for debt securities. The Financial Markets Authority (FMA) exists to promote and facilitate the development of fair, efficient and transparent financial markets. It also enforces the laws against insider trading and market manipulation.

The Takeovers Code governs changes of control of relevant companies (including companies with shares trading on the New Zealand Stock Exchange, or private companies with 50 or more shareholders). A takeover is deemed to take place when a transaction (change of control) involves an increase of more than 20% in the ownership by one single shareholder.

Raising capital
Companies considered issuers are required to comply with the securities laws as set out in the Financial Markets Conduct Act 2013, which is enforced by the Financial Markets Authority. This requires that issuers prepare a product disclosure statement in order to offer financial products to the market. There are some exceptions that determine where eligible New Zealand investors can be offered products with limited or no disclosure.

Tax within New Zealand
New Zealand’s tax base consists predominantly of income taxes on wages, salaries and business profits, consumption or sales taxes, and local authority rates. Stamp duty, gift duty and capital gains taxes are not payable in New Zealand. There are robust general anti-avoidance rules.

Cross-border tax regime
New Zealand is party to approximately 40 international tax treaties or double taxation agreements (DTAs). The aim of these agreements is to ensure that tax on income which is taxable in New Zealand is paid within New Zealand, while avoiding instances where income is taxed in two jurisdictions. Provisions are also in place to deal with risks that threaten New Zealand’s tax base, such as transfer pricing and thin capitalisation.

Anti-trust law
The purpose of the Commerce Act 1986 is to promote competition in markets for the long-term benefit of New Zealand consumers. The Act prohibits anti-competitive agreements between businesses and makes it illegal for companies to abuse a dominant market position. Essentially the Act prohibits restrictive trade practices, regulates business acquisitions, and allows price controls to be imposed in certain industries.

Environmental and resource management
New Zealand’s activities with respect to land, water and air (out to a 12-mile coastal limit) are regulated by the Resource Management Act 1991. The Act is largely administered by local government. District plans control the use of land, and regional plans control water, coastal matters and discharge of contaminants. Specific legislation relating to minerals and carbon emissions are also in place.

Consumer protection
New Zealand has various pieces of legislation aimed at protecting consumers from misrepresentation by businesses, and ensuring minimum standards for the quality, safety, and safety of goods and services. There is also legislation designed to protect the privacy of personal information.

Employment
The health and safety of New Zealanders at work is governed by the Health and Safety at Work Act 2015. The Act sets out the principles, duties and rights in relation to workplace health and safety and assigns responsibility for workplace safety to directors and senior managers. New Zealand also has a unique no-fault scheme (ACC), under which cover is available to those suffering personal injury as a result of accident. Legal claims are prohibited.

Dispute resolution
New Zealand has a common law system and independent judiciary. Disputes can be resolved by negotiation or mediation between parties, or through the court system. The hierarchy of courts include the District Court, the High Court, the Court of Appeal, and the Supreme Court. The court in which a matter will be heard depends on the nature and value of the dispute. There is a single legal profession in which most members hold a practicing certificate as a barrister and solicitor.

Insolvency
The most commonly used formal insolvency procedures for New Zealand companies are receiverships, liquidations and voluntary administration. Outside of the formal procedures, companies may seek a compromise or agreement directly with creditors.
INVITATION TO ENGAGE

Right now is an exciting time for Māori businesses as they continue to build the momentum for shared wealth and prosperity. The Māori economy is on the cusp of significant growth.

Māori can reach deep into their rich cultural tapestry and history and draw on the strengths of their ancestors, while remaining focused on the long-term intergenerational view of business and well-being. They know the strengths and opportunities they can bring to a strong business partnership and are now looking at how they can accelerate the pace alongside partners who share some key common values.

Whether you see yourself working with the Māori innovators, inventors and entrepreneurs or with entities exercising care and responsibility over intergenerational assets, you are welcomed. You are welcomed in the spirit of friendship to spend time, to experience culture, to share hospitality and gain insight into how working with Māori businesses in partnership could be of value to you.
New Zealand Trade and Enterprise (NZTE)
NZTE is the New Zealand Government’s international business development agency.
NZTE is the first port of call for investors looking for New Zealand investment opportunities.
NZTE’s purpose is to help New Zealand businesses grow bigger, better, faster in international markets.
NZTE can help to facilitate introductions in respect of investment opportunities and offer practical assistance.
T: +64 9 354 9000
E: info@nzte.govt.nz
www.nzte.govt.nz

Connecting with Māori Businesses
The organisations listed below are useful contact points for anyone wanting to connect with Māori businesses. These three Māori non-government organisations have been included for your consideration as they have deep national reach and presence.

Section 6: Invitation to engage

Poutama Trust
Poutama Trust works with Māori privately and collectively-owned businesses to help them grow sustainably and work across a wide range of sectors including but not limited to: the service sectors, food and beverage, tourism, information technology and primary industries.
T: +64 7 348 3599
E: poutama@poutama.co.nz
www.poutama.co.nz

Te Tumu Paeroa
Te Tumu Paeroa is an independent organisation supporting Māori land-owners to protect and enhance their assets, today and for generations to come.
T: +64 4 474 4600
E: contact@tetumupaeroa.co.nz
www.tetumupaeroa.co.nz

New Zealand Māori Tourism
New Zealand Māori Tourism works with the Māori tourism sector and Māori tourism businesses to help them provide compelling visitor experiences and build strong commercial and cultural leadership.

Sources of Information
In a niche marketplace like New Zealand, Māori businesses are well-networked both through personal relationships and through formalised networks aimed at fostering collaboration, sharing information and identifying opportunities.

The Ministry of Foreign Affairs and Trade (MFAT)
MFAT is responsible for developing and delivering the Government’s foreign, trade and development policy. It also operates New Zealand embassies in countries around the world.
T: +64 4 439 8000
E: enquiries@mfat.govt.nz
www.mfat.govt.nz

Te Puni Kōkiri Business Growth Advisors
Te Puni Kōkiri leads Māori Public Policy and advises on policy affecting Māori wellbeing. Te Puni Kōkiri advises on Government - Māori relationships. It monitors policy and legislation, and provides the government with high quality policy advice.
T: +64 4 819 6000
E: info@tpk.govt.nz
www.tpk.govt.nz
Appendix 1: Foreign Investment Figures

Environment for foreign investment

New Zealand’s favourable economic setting is supported by strong protection for foreign investors. This has contributed to sustained investment by foreign enterprises in New Zealand, including:

- Large-scale acquisition of New Zealand assets, land and enterprises. Foreign direct investment of $36.6 billion was approved by the New Zealand Office of Overseas Investment during the last five years. The Overseas Investment Office approves more than 150 overseas investment applications of over $100 million, or for sensitive land per year.
- Investment in New Zealand equities. Foreign direct investment in New Zealand Companies equates to approximately $110 billion or 46% of GDP. Total foreign investment is estimated to amount to $355 billion of wealth (27% of total New Zealand wealth). Note that New Zealanders control approximately $200 billion of offshore wealth.
- Small scale acquisitions of assets and enterprises.
- Direct investment in new capital assets (e.g. manufacturing and processing).
- Direct investment in research and innovation (estimated at $200 million per year).

Property, Construction and Infrastructure

<table>
<thead>
<tr>
<th>Property, Construction and Infrastructure</th>
<th>Year</th>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMP Property Portfolio - Acquisition</td>
<td>2014</td>
<td>Canada</td>
<td>$1,102M</td>
</tr>
<tr>
<td>Wasta Management - Acquisition</td>
<td>2014</td>
<td>Beijing Capital, China</td>
<td>$950M</td>
</tr>
<tr>
<td>Westfield (Demerger)</td>
<td>2012</td>
<td>Australia</td>
<td>$925M</td>
</tr>
<tr>
<td>Powerco - (Energy) - Acquisition</td>
<td>2013</td>
<td>Australia</td>
<td>$525M</td>
</tr>
<tr>
<td>EnviroWaste - Acquisition</td>
<td>2014</td>
<td>China</td>
<td>$490M</td>
</tr>
<tr>
<td>Crompton Lockwood (Construction) - Acquisition</td>
<td>2014</td>
<td>USA</td>
<td>$482M</td>
</tr>
<tr>
<td>Metro Glass (Building) - Acquisition</td>
<td>2014</td>
<td>Various</td>
<td>$308M</td>
</tr>
</tbody>
</table>

Tourism

<table>
<thead>
<tr>
<th>Tourism</th>
<th>Year</th>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novotel Queenstown, Base Queenstown</td>
<td>2016</td>
<td>Confidential</td>
<td>$556M</td>
</tr>
<tr>
<td>Ibis Wellington, Ibis Auckland, Novotel Wellington</td>
<td>2015/16</td>
<td>CP Group</td>
<td>$641M</td>
</tr>
<tr>
<td>Novotel Wellington</td>
<td>2016</td>
<td>CP Group</td>
<td>$237M</td>
</tr>
<tr>
<td>Lee Island Investments (Tourism) - Acquisition and new investment</td>
<td>2013</td>
<td>China</td>
<td>$172M</td>
</tr>
</tbody>
</table>

2016 $450 million investment in progress: up by 50% on 2015; 57% of hotels owned offshore.

Technology

<table>
<thead>
<tr>
<th>Technology</th>
<th>Year</th>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telstra Clear (Telecommunications) - Acquisition</td>
<td>2012</td>
<td>Vodafone, UK</td>
<td>$840M</td>
</tr>
<tr>
<td>Fisher &amp; Paykel (Appliances) - Acquisition</td>
<td>2012</td>
<td>Haier, China</td>
<td>$741M</td>
</tr>
<tr>
<td>Enhance (Technology) - Acquisition</td>
<td>2013</td>
<td>UK</td>
<td>$153M</td>
</tr>
<tr>
<td>Bank Link (Financial Services/Technology)</td>
<td>2012</td>
<td>USA</td>
<td>$136M</td>
</tr>
<tr>
<td>ARANZ Geo (Technology) - Venture Capital</td>
<td>2014</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>SLI Systems (Technology) - IPO</td>
<td>2013</td>
<td>New Zealand</td>
<td>$27M</td>
</tr>
</tbody>
</table>

Natural Food and Fibre

<table>
<thead>
<tr>
<th>Natural Food and Fibre</th>
<th>Year</th>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Liquor (Beverages) - Acquisition</td>
<td>2012</td>
<td>Asahi, Japan</td>
<td>$1,525M</td>
</tr>
<tr>
<td>Carter Holt Harvey (Forestry/Pulp and paper) - Acquisition</td>
<td>2013</td>
<td>Oji, China</td>
<td>$1,036M</td>
</tr>
<tr>
<td>Silver Fern Farms (Food processing) - Acquisition</td>
<td>N/A</td>
<td>Bright Food</td>
<td>N/A</td>
</tr>
<tr>
<td>Bainmate (Food) - NZ Investments/JV</td>
<td>2014</td>
<td>Fonterra, New Zealand</td>
<td>N/A</td>
</tr>
<tr>
<td>Griffith (Food processing) - Acquisition</td>
<td>2014</td>
<td>URC, Philippines</td>
<td>$750M</td>
</tr>
<tr>
<td>Heinz (Food processing) - Acquisition</td>
<td>2013</td>
<td>N/A</td>
<td>$688M</td>
</tr>
<tr>
<td>APBL (Beverages) - Acquisition</td>
<td>2012</td>
<td>Heineken, Netherlands</td>
<td>$331M</td>
</tr>
<tr>
<td>Paringa Group (Packaging) - Acquisition</td>
<td>2012</td>
<td>Amcor, Australia</td>
<td>$304M</td>
</tr>
<tr>
<td>Pako Paper Mills Processing Plant (Food processing) - Construction</td>
<td>2014</td>
<td>Yachii, China</td>
<td>$212M</td>
</tr>
<tr>
<td>Oceania Dairy (Food processing) - Acquisition and new investment</td>
<td>2013</td>
<td>Yili, China</td>
<td>$214M</td>
</tr>
<tr>
<td>Scales (Fruit) - IPO and acquisition</td>
<td>2014/16</td>
<td>China Resources, China</td>
<td>$149M</td>
</tr>
<tr>
<td>Sytalit Farms (Dairy) - Acquisition</td>
<td>2014</td>
<td>SPL Holdings, China</td>
<td>$85M</td>
</tr>
</tbody>
</table>

Global corporates with investments in New Zealand include: all the top 9 firms (Unilever, Nestle, Associated British Foods and Danone from Europe; Mondelez, General Mills, Coca-Cola Amatil, PepsiCo and Mars from the USA). There are at least 10 major firms from both Australia (e.g. Goodman Fielder, Ingra, GWF) and Asia (e.g. Asahi, Kirin, Cerebos, Olam).

International firms, such as Pernod Ricard (wine), Constellation (wine), Nissui (fish), Baywa (fruit), China Resources (Scales) and Itoham Foods (meat) play strategic roles in the New Zealand food industries.

Gross Foreign Investment

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>15.0</td>
</tr>
<tr>
<td>2011</td>
<td>12.5</td>
</tr>
<tr>
<td>2012</td>
<td>10.0</td>
</tr>
<tr>
<td>2013</td>
<td>7.5</td>
</tr>
<tr>
<td>2014</td>
<td>5.0</td>
</tr>
<tr>
<td>2015</td>
<td>2.5</td>
</tr>
<tr>
<td>2016</td>
<td>0.0</td>
</tr>
</tbody>
</table>
General land
Land in fee-simple title.

Hapū
Māori sub-tribe, a smaller social unit in Māori society consisting of a number of whānau (see next column).

Iwi
Māori tribe, the largest social unit in Māori society consisting of a number of hapū.

Māori ancestral land
Māori-owned land that is in Māori title and under the jurisdiction of the Māori Land Court.

Māori Land Court
This court of law is unique to New Zealand and is the specialist court that hears matters relating to Māori ancestral land under the Māori Land Act 1993/Te Ture Whenua Māori Act 1993.

Māori collective/s
A broad term used to describe Māori land trusts and incorporations that operate as corporate vehicles.

Preferential Rights and Options
Preferential Rights and Options gives the holder of the rights the option to purchase or lease specified assets owned from the Crown as agreed under a deed of settlement (DOS) between a Māori entity and the Crown. The two key mechanisms for securing these rights are Deferred Selection Process (DSPs) or Rights of First Refusal (RFRs).

- DSPs confer a right to purchase identified Crown-owned properties within a defined timeframe at agreed valuation, terms and conditions that applied when the DOS was signed.
- RFRs confer a long-term right to purchase or lease identified Crown-owned properties ahead of other potential buyers at the valuation, terms and conditions that prevail at the time the right is exercised.

The Treaty of Waitangi
The Treaty of Waitangi (Māori: Te Tiriti o Waitangi) is a treaty that was signed on 6 February 1840 by representatives of the British Crown and various Māori chiefs from the North Island of New Zealand.

The Waitangi Tribunal
A standing commission of inquiry that makes recommendations on claims brought by Māori relating to legislation, policies, actions or omissions of the Crown that are alleged to breach the promises made in the Treaty of Waitangi.

Whānau
Māori extended family.

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Other information and statistics that feature in this document are publicly available and are in the public domain.

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