

Media release 18 March 2009

INTERNATIONAL BUSINESS FORUM WELCOMES REVIEW OF FOREIGN INVESTMENT RULES

The New Zealand International Business Forum (NZIBF) welcomes the review of foreign investment rules and procedures announced by the Government today.

“New Zealand needs increased foreign investment to get the economy growing again”, said NZIBF Executive Director Stephen Jacobi.

“Inward foreign investment can provide capital, expertise and offshore distribution to help New Zealand companies grow and create jobs. New Zealand has attracted comparatively little inward foreign investment into the productive economy in recent years. Anecdotal evidence suggests that some foreign investors are deterred by our procedures even though most applications are in fact approved. A review will help streamline our procedures to ensure we are at the level of world’s best practice”.

Mr Jacobi said outward foreign investment was also important and investment rules were under discussion in New Zealand’s free trade agreement negotiations.

“Outward foreign investment by New Zealand companies can provide for better distribution and more cost effective manufacturing closer to end consumers while retaining important product design functions in New Zealand. Whereas New Zealand enjoys a good international reputation for the quality of its regulation, that is not the same for other governments and New Zealand companies need protection when investing offshore”.

Mr Jacobi said investment provisions in New Zealand’s current FTAs were designed specifically to meet both the interests of New Zealand companies investing offshore and the right of New Zealand governments to regulate at home.

“New Zealand’s FTAs with China and ASEAN absolutely protect the right of New Zealand governments to make regulations that apply equally to local and foreign investors in the areas of health, safety, and the environment”.

For further information

Stephen Jacobi, Executive Director, cell 0294 725 502

About the NZ International Business Forum

The Forum is a business organisation which aims to generate wealth for New Zealanders by helping ensure that New Zealand enterprises are fully integrated and engaged in the global economy and New Zealand’s global competitive position is maximised. The Forum provides leadership, works with companies and other business organisations to implement key projects and articulates New Zealand’s international business priorities to both the New Zealand Government and stakeholders. Forum participants represent companies and sectors with a turnover of over \$20 billion