

Explanatory notes on table 8.1 and table 8.2

The information in table 8.1 and table 8.2 is a summary of data supplied by the Overseas Investment Commission. The Commission advised that the tables do not provide quantitative information regarding the level of foreign investment in New Zealand. Examples of transactions which may distort, or over-state the figures contained in the tables include:

- those transactions which do not proceed or do not proceed to the full anticipated extent. Under the Overseas Investment Act 1973 the Commission is required to undertake a post-consent monitoring function. Such monitoring includes a requirement for the Commission to be advised within 12 months as to whether the transaction consented to has proceeded. The Commission therefore had no knowledge at the time these figures were compiled as to whether some of the transactions have proceeded, as the 12 months reporting period is yet to expire. Furthermore, those transactions which the commission has been notified as having not proceeded are still included in the attached figures;
- financing arrangements where consent is sought to provide the overseas party advancing the funds the facility to exercise their rights under the security on a default;

- where assets are transferred from one overseas person to another;
- where New Zealanders contribute funds to a joint venture operation with an overseas person. In such cases the full value of the transaction is recorded, not just the overseas person's contribution. This includes situations where the New Zealand share is up to 75 percent;
- acquisitions by overseas persons who subsequently become New Zealand residents.

Furthermore, proposals where the overseas person acquires less than a 25 percent beneficial interest or are less than \$10 million (apart from those involving rural land or commercial fishing) or which involve New Zealand controlled overseas persons which have been exempted from the Overseas Investment Regulations, do not require the Overseas Investment Commission's consent.