

# Ethnic Xchange Symposium 2024 (EX24)

## Key Insights and Pathways to Action

November 2024



## Table of contents

Foreword from the Chief Executive	1
Background	3
Context for EX24	5
Themes for EX24	6
Boosting foreign direct investment (FDI) in New Zealand	7
Economic development and trade market diversification	8
Shifting towards more value-added products	10
Embracing Artificial Intelligence (AI) and emerging technologies	11
Regulatory response and access to government support	12
Appendix A	
The Ministry's previous work in the economic development sphere	13
Appendix B	
Call for action and summary of insights	14

## Foreword from the Chief Executive

### Ethnic Xchange: The start of something special



New Zealand's superdiversity is one of our biggest economic assets. There is an abundance of research that tells us so. The question is how to unlock the immense potential of this diversity to advantage our country in an increasingly globalised world?

On 11 October this year, over 300 people, including Ministers, business leaders, senior government officials, ethnic business councils and private sector organisations, attended Ethnic Xchange Symposium 2024, which our Ministry organised. The focus was unlocking the potential of ethnic diversity by growing trade, innovation and investment in New Zealand.

This report summarises the key themes and actions discussed. It is a testament to the resilience of ethnic businesses and their optimism for the future of New Zealand. The energy at the EX24 Symposium was truly encouraging and productive, reflecting a collective commitment to shaping and growing our economy. It was heartening to see so many ethnic business owners and entrepreneurs eager to contribute more and play a larger role in our nation's economic future.

We were not short of ideas. The participants who helped shape the event discussed many opportunities with the Ministry before, during and after Ethnic Xchange. Not all could be discussed fulsomely at the one-day event. The Ministry is committed to continuing these vital conversations through ongoing engagement and roundtable meetings.

We will continue working with the private and public sectors to delve deeper into these discussions and, very importantly, find actionable solutions.

Real change requires collaboration. The government, the private sector, business councils, business support organisations, ethnic entrepreneurs and investors must all put sustained effort into working together to shift the dial in the right direction. The actions outlined in this report reflect the commitment to doing this together. We can only get results through partnership and collective effort. We will continue to work closely with our government agency colleagues and encourage our business stakeholders to keep us informed of their progress.

We are tremendously grateful to everyone who participated in this drive. The positive outcomes and new connections formed at the event are just the beginning. It is our sincere hope that these connections flourish and that new ideas, initiatives, and partnerships emerge from Ethnic Xchange. I am delighted to announce that this was just the first event of its kind – we will be hosting Ethnic Xchange again in 2025!

Optimism for the future lies at the heart of our endeavours. Together, we can build a brighter, more inclusive future for New Zealand. I hope you enjoy reading the report and the motivation for change it embodies.

Mervin Singham  
Chief Executive, Ministry for Ethnic Communities  
Chair, Ethnic Xchange Symposium



## Background

Ethnic Communities<sup>1</sup> are a vital part of New Zealand's workforce and economy. They represent 21.5% of our working-age population and have the highest employment rate among the Organisation for Economic Cooperation and Development (OECD) countries. In contemporary New Zealand, ethnic people are employers, employees, business owners and entrepreneurs.

Migrant Ethnic Communities, having adapted to a new country, bring unique skills perfect for entrepreneurship. They excel at innovating under pressure, handling uncertainty, and managing stress. This positions them well for the challenges of building a business in a competitive global economy.

It is important for migrants and ethnic businesses to see themselves and to be seen as New Zealanders, not just visitors. This sense of belonging is crucial for personal integration and building a cohesive and inclusive economy.

The contributions of ethnic businesses are crucial in supporting the government's economic development priorities.

Ethnic diversity drives innovation, broadens our talent pool and enhances New Zealand's global market engagement. In addition, research from the Ministry of Business, Innovation and Employment<sup>2</sup> shows that diverse migrant investors have a significant impact on economic growth.

In 2021, Ethnic Communities contributed a significant \$64 billion to our GDP, as highlighted in Waitakere Ethnic Board's Ethnic Economic Contribution Report.<sup>3</sup>

---

1 - New Zealand's Ethnic Communities are an incredibly diverse group, representing over 200 ethnicities and speaking over 170 languages. The Ministry's remit includes people who identify as African, Asian, Continental European, Latin-American, and Middle Eastern. They include former refugees, asylum seekers, new and temporary migrants, long-term settlers and multigenerational New Zealanders.

2 - <https://www.mbie.govt.nz/dmsdocument/2646-investor-migrant-research-2013-2014-summary-pdf>

3 - <https://waitakereethnicboard.org.nz/waitakere-ethnic-board-ethnic-economic-contribution-report/>

Despite these contributions, the report indicated ethnic businesses face a range of challenges that prevent them from making stronger contributions. These challenges include accessing capital, navigating unfamiliar and complex business regulations, ethno-centric business practices and a lack of capable governance. By responding to these issues, New Zealand has further potential to unlock greater economic contributions.

The Ministry for Ethnic Communities (the Ministry) is committed to supporting Kiwi ethnic businesses to flourish. This benefits everyone in New Zealand. This effort is part of the Ministry's Strategy,<sup>4</sup> which includes as one of its priorities a focus on improving economic outcomes for Ethnic Communities.

Prior to the EX24 Symposium on 11 October 2024, the Ministry undertook a range of incremental initiatives to support ethnic businesses. These are summarised in Appendix A.

EX24, including this report, is a continuation of the Ministry's work in the economic development sphere.



4 - [https://www.ethniccommunities.govt.nz/assets/AboutUs/2022-2025\\_MEC\\_Strategy.pdf](https://www.ethniccommunities.govt.nz/assets/AboutUs/2022-2025_MEC_Strategy.pdf)

## Context for EX24

### Ethnic Xchange Symposium: Boosting Innovation, Trade and Investment

In response to the Government's ambitious goals of doubling New Zealand's export value by 2030 and boosting foreign investment, the Ministry organised the Ethnic Xchange (EX24) Symposium<sup>5</sup>. Consultation with numerous business stakeholders and economic development agencies fed into the development of EX24. The sold-out event was a key step towards unlocking the potential of ethnic businesses, entrepreneurs and investors, and valuing their contributions to New Zealand.

EX24 was more than just a one-day event - it marked the beginning of a collaborative journey, exploring how our country's growing diversity can drive innovation, trade and investment. It focused on how high-value Kiwi-ethnic businesses<sup>6</sup>, especially those with strong ties to international markets in the Asia-Pacific region, can fuel New Zealand's economy.

The inaugural symposium, held at the Cordis Hotel in Auckland on 11 October 2024, brought together over 300 speakers and participants from diverse backgrounds. A key premise was bringing ethnic and mainstream businesses together to build valuable new business networks.

The gathering included Government Ministers, public sector officials, high commissioners, business councils, ethnic entrepreneurs and business leaders in one room to explore practical ideas for enabling ethnic businesses to grow and flourish. This included identifying specific barriers to achieving this goal. The event was a hub of positive energy, with attendees sharing ideas and insights, and forming new connections.

---

5 - <https://www.ethniccommunities.govt.nz/events/ethnic-xchange/>

6 - For the work of the Ministry, "high-value" ethnic businesses refer to medium- to large-sized companies with significant assets, investments, and contributions to New Zealand's economy. While all businesses play a role, this term highlights those with a particularly strong macro-economic impact.

## Themes from EX24

While the symposium's programme set the stage for broad discussion, the themes described below summarise the key points identified by participants. They provide context for proposed actions to support ethnic businesses to make a bigger contribution to the economy.



*Ethnic businesses are distinguished from other New Zealand businesses by trading high-value export products. The average export goods value for ethnic businesses is more than double the New Zealand average. So, when I contemplate our goal of doubling the value of exports over the next decade, we just need the other four in five businesses to create as much value as our ethnic businesses do.<sup>7</sup>*

*Nicola Willis, Finance Minister*



<sup>7</sup> - <https://www.rnz.co.nz/news/indonz/530995/the-lesson-new-zealand-exporters-can-learn-from-ethnic-businesses>



## **Boosting foreign direct investment (FDI) in New Zealand**

Attracting foreign direct investment (FDI) is key to growing New Zealand's economy. There is a misconception that migrant ethnic investors are not interested in New Zealand.

Investors are always looking for profitable investment opportunities. Compelling business propositions must exist to attract it.

New Zealand needs to offer a competitive and streamlined process to facilitate FDI. Aligning New Zealand's needs with investment-ready opportunities that investors are looking for is crucial.

Long waiting times with the Overseas Investment Office, alongside a lack of coordination across economic development agencies, have put off many foreign investors with limited time to explore new investment opportunities in New Zealand. An idea that gained strong support at the symposium was creating a 'one-stop shop' for FDI. This would be a centralised hub to make investing in New Zealand easy and appealing for international investors.

In the past, the FDI process in New Zealand was perceived by some as unwelcoming to foreign investors. However, there is now a consensus that this perception needs to change. It's important to highlight New Zealand as a country that embraces and benefits from FDI and to ensure that FDI legislation, policies, and rules reflect this welcoming attitude.

Making it easier for family members of overseas investors to gain citizenship could encourage longer-term investments in New Zealand.

## **Economic development and trade market diversification**

New Zealand Trade and Enterprise shared that there are 550,000 companies in New Zealand, but of those, only 12,000 are exporters. Of those 12,000, 11,000 generate under \$3 million, and only 300 generate above \$25 million in export revenue.

New Zealand has achieved incredible growth over the past 20 years, doubling exports and becoming a key player in the Chinese market. This success has brought wealth and showcased our agility and innovation in primary industries. However, we need to learn from past mistakes and explore new markets to double our exports yet again.

Southeast Asia<sup>8</sup> was noted as a hot spot for New Zealand's shorter-term export opportunities. This region is home to rapidly growing economies and is deeply connected to the global market. Success here requires a strategic approach, focusing on specific markets rather than a broad sweep.

When considering trade with Asia, it is critical to think about specific and viable markets for New Zealand. India was raised as a dynamic and fast-developing economy with which New Zealand could expand its trade.

Kiwi ethnic entrepreneurs bring a unique 'hustle' and entrepreneurial spirit that can drive success. Entrepreneurs, especially those from migrant ethnic backgrounds, are encouraged to think globally from the start. Their resilience and adaptability are key assets in navigating international markets.

---

8 - <https://www.rnz.co.nz/news/political/533896/apec-summit-nz-puts-best-foot-forward-ahead-of-trump-taking-office>



Our Ethnic Communities can utilise their skills and connections to increase our trading future. When the Government has the vision of doubling the export value in 10 years, I think Ethnic Communities can play a humongous role in this sector to make the connections, to advise on the kind of business, culture, and people, and the kind of things that we could potentially do to improve our connections.

*Melissa Lee, Minister for Ethnic Communities*



Ethnic business councils and diaspora communities can also play a crucial role in fostering relationships and bridging cultural gaps with new offshore markets. For example, the connections diaspora Kiwi-Indians have with India can be better leveraged to increase trade between our two countries.

Governments should promote, facilitate and invest in building this bridge of understanding for collaboration. That relationship then creates free-flow trade and investment opportunities and better multi-lateral relations. Better coordination and consolidation across various business councils can also support improved engagement between them, the business community and economic development agencies.

## Shifting towards more value-added products

Commodity exports have traditionally formed a core part of the New Zealand economy but cannot be relied upon to deliver the higher trajectory needed for the future prosperity of a growing population. Given the high costs of exportation, there must be greater diversification towards higher-value exports and services, particularly those that leverage New Zealand's reputation for quality.



*As a new immigrant to New Zealand, having that connection or having that integration into the local business ecosystem is one of the biggest challenges. You don't know anyone. You don't know where to go if you needed anything and you don't know where the market is. So going out there and really understanding the business environment is very important.<sup>9</sup>*



*Will Zhang, Founder of EmoEx, AI*



<sup>9</sup> - <https://www.rnz.co.nz/news/chinese/530517/inaugural-summit-harnesses-ethnic-business-potential>






## Embracing Artificial Intelligence (AI) and emerging technologies

According to a 2023 Productivity Commission report,<sup>10</sup> New Zealand ranks 26th out of 37 countries of the OECD in terms of productivity. To stay competitive, businesses must embrace Artificial Intelligence (AI) to reverse this downward trend.

AI has the potential to bring significant benefits to society and the economy. It's not just about boosting productivity; AI can also help tackle global challenges.

Some key areas for AI impact were discussed:

-  Operational efficiency – Using AI and emerging technologies to improve business operations and service delivery.
-  Healthcare - AI can help address issues where ethnic migrants may struggle to understand how best to utilise New Zealand's health care system, which may operate differently from their home country.
-  Education and training - Enhancing learning experiences and outcomes, including language translations and inter-cultural training.

There is a broad agreement by business leaders that the development of AI needs oversight. The government should outline how it plans to regulate the industry. An industry-led framework for AI, reviewed every three to four years, is suggested rather than strict regulations. Creating more domestic competition will ensure market equity in this sector.

---

<sup>10</sup> - <https://www.rnz.co.nz/news/business/493102/new-zealand-productivity-among-worst-in-oecd-productivity-commission-report>

## **Regulatory response and access to government support**

A major challenge for new migrant entrepreneurs is often their ability to integrate into the local business ecosystem. Overregulation is a problem for businesses and particularly for ethnic businesses, which often must navigate complex and unfamiliar business regulations.

The following examples were shared during the symposium:

- The early childhood education sector has over 300 rules to follow to be able to deliver their services, thus increasing the cost of early childhood education for families.
- The building and construction sector has said many times that it takes more time to get resource consent than to deliver the job itself.

Instead of enabling ingenuity and entrepreneurship to thrive during tough times, New Zealand has tended to introduce more regulation, which can stifle creativity, initiative and innovation.

Rules and regulations are now being reviewed by the Ministry for Regulation and, where relevant, may be removed. In addition, a lot of time and money is spent on following rules, impacting opportunities to improve productivity and be innovative.

## Appendix A

The following outlines the Ministry's previous work in the economic development sphere, addressing Priority 3 of our 2023-25 Strategy.

### 1. Business Roundtable meetings:

- April 2023: The first meeting connected small ethnic business owners with government leaders to discuss barriers and opportunities.
- March 2024<sup>11</sup>: The second meeting involved more than 20 ethnic business leaders who engaged with and addressed important issues with Melissa Lee, Minister for Ethnic Communities.

### 2. EthnicBiz Forum:

- May 2023: This forum<sup>12</sup>, attended by more than 100 business leaders and representatives from various sectors, focused on unlocking the potential of ethnic businesses.

### 3. Collaboration with Ministry of Business, Innovation and Employment (MBIE):

- The Ministry worked with the Ministry of Business, Innovation and Employment to improve accessibility to tools and support services and include ethnic community data in Labour Market Snapshot reports.

### 4. Training and support:

- Developed intercultural capability training (e-Learning) and resources for businesses and government agencies.
- Supported Kiwi ethnic women-led businesses by organising an Ethnic Women's Empowering Leadership and Voice meeting.

<sup>11</sup> - <https://www.ethniccommunities.govt.nz/news/business-roundtable/>





<sup>12</sup> - <https://www.ethniccommunities.govt.nz/news/ethnic-businesses-come-together-for-the-first-ethnicbiz-forum/>

# Ethnic Xchange Symposium 24

The start of a journey to unlock the potential of high-value Kiwi ethnic businesses for the economic benefit of New Zealand...



## Call for Action – Summary of Insights

Themes discussed	Central government agencies	Business support organisations	Ethnic businesses, entrepreneurs and investors
<b>Trade</b> 	<b>Explore</b> <ul style="list-style-type: none"> <li>Programmes to assist ethnic businesses enter key international markets such as Southeast Asia.</li> <li>Providing practical market entry support (e.g., market investigations, tailored research reports, etc.).</li> <li>Options on where to find practical assistance for ethnic businesses conducting market investigations, including access to local market experts, trade missions, and tailored research reports.</li> </ul>	<b>Facilitate</b> <ul style="list-style-type: none"> <li>Mainstream and ethnic business councils together to build relationships and foster mutual understanding of cultural differences.</li> </ul>	<b>Consider</b> <ul style="list-style-type: none"> <li>Joint ventures and partnerships in ethnic business community to achieve scalability.</li> <li>Testing products here in NZ, ('fail fast') before exporting, and owning the value chain all the way to the customer.</li> </ul>
<b>Overseas investment</b> 	<b>Focus on</b> <ul style="list-style-type: none"> <li>Developing a one-stop shop for improved engagement with foreign direct investors.</li> <li>Improving efficiency in overseas investment application processing times.</li> <li>Establishing incentives to grow investment from within New Zealand.</li> <li>Further options to streamline pathways to citizenship, making it easier to bring investors' families to New Zealand.</li> </ul>	<b>Consider</b> <ul style="list-style-type: none"> <li>Promoting NZ as an investment destination to their business networks in countries they have cultural links to.</li> <li>More coordination between business councils when connecting visiting foreign investors to local investment opportunities in NZ.</li> </ul>	<b>Amplify</b> <ul style="list-style-type: none"> <li>Investing in New Zealand businesses.</li> <li>Collaborating with and developing new opportunities with businesses in the countries they have cultural links to.</li> </ul>
<b>Business growth</b> 	<b>Consider</b> <ul style="list-style-type: none"> <li>Ways to reduce administrative complexity for small businesses, including availability of information in various languages.</li> </ul>	<b>Develop/support</b> <ul style="list-style-type: none"> <li>Mentorship initiatives that pair experienced entrepreneurs with ethnic business owners, focusing on providing market insights, business strategy advice, and opportunities to expand their networks.</li> <li>Initiatives that focus on helping ethnic communities and migrants transition into business ownership by providing guidance on accessing capital, navigating regulations, and building networks.</li> </ul>	<b>Consider</b> <ul style="list-style-type: none"> <li>Developing resilient strategies for your business to adapt to an increasingly disruptive world.</li> </ul>
<b>Innovation</b> 	<b>Improve</b> <ul style="list-style-type: none"> <li>Accessibility to government innovation resources and support.</li> </ul>	<b>Amplify</b> <ul style="list-style-type: none"> <li>Ethnic businesses transitioning away from commodities to digital exports and value-added products. This could include linking them into key award programmes and grant applications.</li> </ul>	<b>Prioritise</b> <ul style="list-style-type: none"> <li>Investing in AI to improve productivity and explore opportunities to improve access to their services.</li> </ul>



# EX<sup>24</sup> Ethnic Xchange Symposium

