

Expanding Horizons 2026

Offshore perspectives on investment into New Zealand

October 2026

In collaboration with

 Mergermarket

Contents

02	Introduction
03	Key findings
05	Section 1 A volatile world: appetite cools, but New Zealand stays on the radar
09	Section 2 The pull of New Zealand: relative stability in an unstable market
17	Section 3 The deal data backs the sentiment
21	Section 4 M&A strategies: resilience is setting the deal handbook
25	Section 5 Technology: TMT leads and AI is now embedded in the deal process
31	Methodology
31	Source notes
32	Contacts

Introduction

This is the eighth year we have commissioned Expanding Horizons, our annual M&A survey of offshore investor sentiment. Last year, the survey recorded the strongest near-term appetite for New Zealand since we began in 2019, with 49% of respondents planning a deal within twelve months. That figure fell to 40% this year, and the picture is more sober. The fall deserves some context, though. It takes investment appetite back to exactly where it sat in 2024, and still leaves it well clear of the 29% recorded in 2022.

There are several reasons behind the drop: conflict in the Middle East has pushed fuel prices sharply higher and taken inflation back above the Reserve Bank’s target band. This sits within a wider pattern of geopolitical instability: a fragmenting trade order and rising tariffs, contested supply chains for critical inputs, tighter national security screening of cross-border capital in a number of major markets, and strategic competition between the United States and China that increasingly shapes where capital flows. Add the pace at which AI is redrawing sector economics, and the cost of misjudging a jurisdiction has gone up. Dealmakers in every major market are responding by pulling capital closer to home.

What has not changed is New Zealand’s standing against the alternatives. Of the 90 international investors surveyed for this year’s report, 89% are considering an investment here within five years and 40% within the next twelve months. More than half say that global uncertainty has strengthened, rather than weakened, their intention to invest in New Zealand. For the third year running, respondents rated the country the most attractive market in Asia-Pacific for ease of doing business and quality of investment opportunities.

That is this year’s central finding, and it is a relative one. New Zealand has not been insulated from the global shock. Energy costs have become a genuine constraint on operating margins, the recovery in economic activity is early and uneven, and our ratings in the Asia-Pacific table slipped alongside other markets in the region. But investors are pricing New Zealand against a field of increasingly volatile options, and on that comparison a resilient mid-market, strong corporate governance and an internationally familiar legal system continue to stand out. Nearly half of respondents expect New Zealand M&A activity to increase over the coming year, and first-half deal figures show the local market outperforming both global and regional benchmarks.

The impending 7 November general election is a further variable. Just under half of respondents are either holding off on deal decisions or proceeding with caution until the result is known, with investors in Europe and North America the most cautious and those in Asia-Pacific the least. That reads as a pause rather than a retreat. Whatever the outcome, the policy direction of the last three years has been consistently open to offshore capital, and we set out what has actually changed on page 18.

As you read through the findings, we hope you find the themes they reveal as useful as we have. Our team would love to discuss what they mean for your business and for New Zealand’s M&A market in general, so please get in touch if you’d like to find out more.



Simon Vannini | Head of Corporate, Simpson Grierson
DD +64 9 977 5186 | M +64 21 499 178
simon.vannini@simpsongrierson.com

Key findings

Global volatility has cooled dealmaking appetite everywhere. New Zealand has held its position better than most.

Appetite has come off a record high, but the base is solid

89%
are considering an investment in New Zealand within the next five years, including 40% within the next twelve months.
2025: 99% within five years, 49% within twelve months

48%
expect M&A activity in New Zealand to increase over the next twelve months, while 41% expect no change.
2025: 85% expected an increase

51%
say current global uncertainty has strengthened their intention to invest in New Zealand. Only 19% say it has suppressed it.
2025: 78%

New Zealand remains the standout market in Asia-Pacific

No.1
in Asia-Pacific for ease of doing business and quality of investment opportunities, for the third consecutive year, with an average rating of 7.34 out of 10.
Ratings fell across many markets in the region this year

46%
name strong corporate governance as a key attraction, ahead of an improving economic outlook (39%) and new or advanced technology (38%).

Policy settings are supportive, but the election is a pause point

52%
consider government policies supportive of foreign investment, rising to 70% among foreign private equity and venture capital firms.
2025: 76% overall

49%
are either holding off on deal decisions or proceeding with caution because of the 7 November general election.

65%
rate Inland Revenue’s administration of the tax system as an attractive feature of investing here.

Resilience, not expansion, is setting the deal thesis

64%
are focusing on target companies that can pass on cost increases, in response to the current global economic and political challenges, ahead of solidity of demand (56%) and supply chain robustness (50%).

45%
expect economies of scale to drive their future New Zealand deal plans, against 25% who say it drove their most recent one.

Technology leads, and AI is now embedded in the deal process

53%
pick technology, media and telecommunications as one of the most attractive sectors for investment over the next 12 to 24 months.
2025: 73%

61%
now use AI for legal and regulatory due diligence, 57% for portfolio monitoring and reporting and 52% for sourcing and screening.
2025: 66% expected AI to have a meaningful impact

Section 1

A volatile world

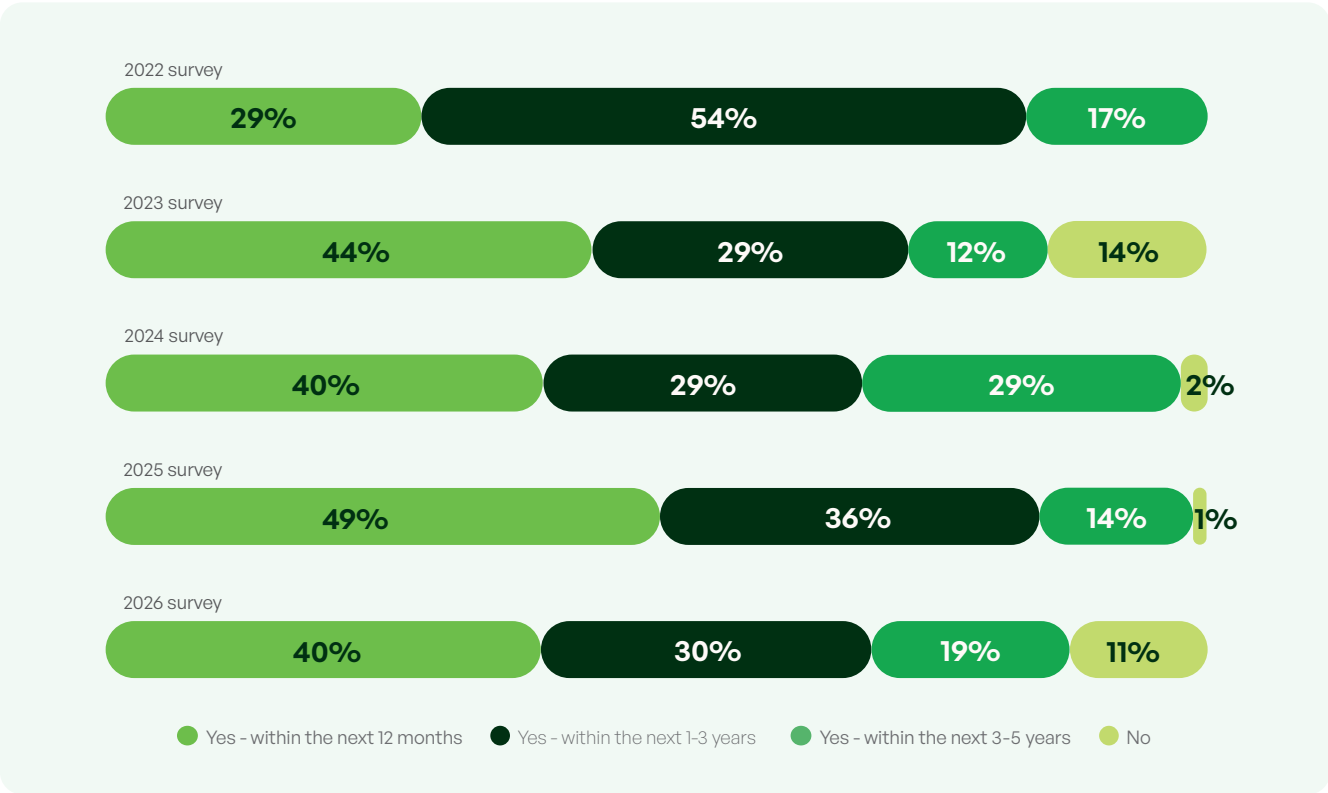
Investment intentions are down on last year's record, but New Zealand remains firmly on the radar for cross-border acquirers.

Last year’s Expanding Horizons recorded the strongest near-term investment intentions since the survey began in 2019, with 49% of respondents planning a New Zealand deal within twelve months. That figure has fallen to 40% this year. Looking further out, 89% are considering an investment within five years, down from 99% last year.

Set against the run of the survey, that is a return to trend rather than a slump. A 40% twelve-month reading is identical to the 2024 result and comfortably ahead of the 29% recorded in 2022. Appetite has come off a peak; it has not fallen through the floor.

One movement does warrant attention. The proportion of respondents ruling out a New Zealand acquisition altogether has risen from 1% last year to 11%. That is a real hardening of sentiment at the margin, though not an unprecedented one: the same measure reached 14% in 2023 before falling away again over the following two years.

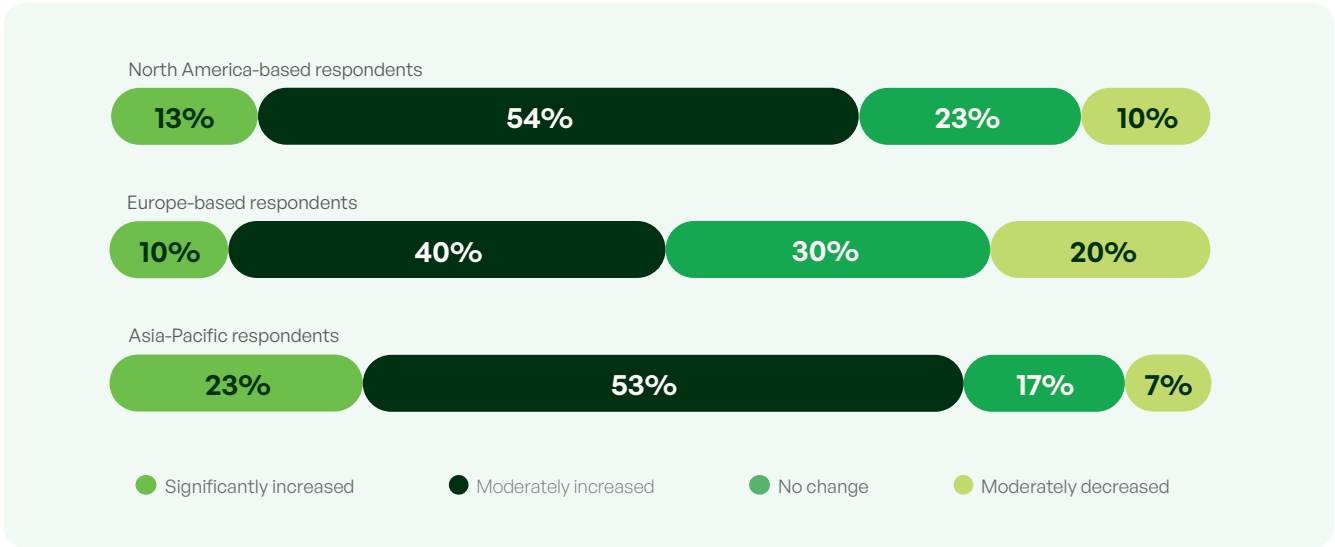
Figure 1: Are you considering, or would you consider, an acquisition in New Zealand?
Five-year time series, 2022 to 2026



The direction of travel is unsurprising. Conflict in the Middle East, volatile energy prices, higher trade tariffs and the disruptive effects of AI have combined to make capital allocation harder everywhere. What the survey shows is that this is a global retrenchment rather than a New Zealand problem.

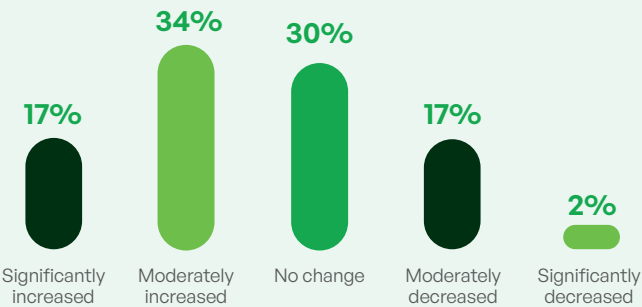
Dealmakers typically pull back towards home markets at volatile points in the cycle, and that is exactly what respondents report. Current global uncertainty has increased appetite for domestic M&A among 76% of Asia-Pacific respondents, 67% of North American respondents and half of those based in Europe. Cross-border capital is competing against a growing pull towards familiar ground.

Figure 2: How has current global uncertainty changed your appetite for M&A in your domestic market?
By region.



For dealmakers who are still looking across borders, however, New Zealand holds its place. More than half of investors (51%) say current uncertainty in global markets has increased their appetite for New Zealand dealmaking, either somewhat (34%) or significantly (17%). Fewer than one in five (19%) say it has suppressed that appetite.

Figure 3: How has current global uncertainty changed your appetite for dealmaking in New Zealand?



What respondents told us

“The global brand portfolio can be improved significantly by investing in New Zealand. Asia-Pacific market expansion is one of our key goals and New Zealand is the ideal area in which to invest.”
Director of M&A,
Foreign corporation/MNC, France

“New Zealand is a good market to invest in. Companies are showing resilience in terms of managing their supply chains.”
Managing Director,
Foreign investment bank, Switzerland

“In order to rapidly scale our Asia-Pacific presence, we are considering an acquisition in New Zealand. Current global markets are driving us to more secure investment regions.”
Head of M&A,
Foreign corporation/MNC, UK

“Our teams wanted to invest in New Zealand, but there has been a change in plan. Most foreign regions are riskier for investors right now, and we would like to wait until conditions are more supportive.”
Partner,
Foreign PE/VC firm, US

“

The New Zealand economy entered 2026 in the early stages of a recovery, and then the world moved against it. The Middle East conflict pushed fuel prices sharply higher and took headline inflation back above the Reserve Bank’s target band. That has slowed the recovery rather than reversed it.

There is still significant spare capacity in the economy, core inflation measures remain inside the band, and forecasters continue to expect growth to build through 2026 and into 2027. For an acquirer taking a three to five year view, that is a workable backdrop.

 **James Hawes**
Corporate Partner

Section 2

The pull of New Zealand

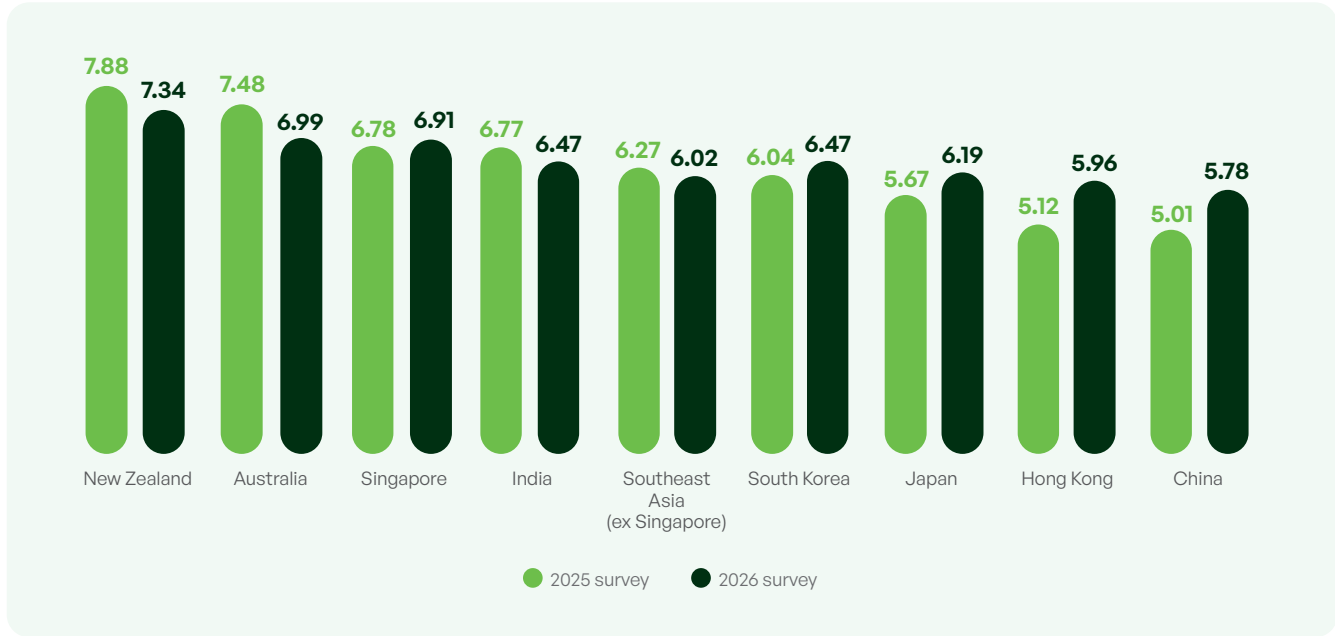
Relative stability, credible institutions and a market that has outperformed its region.

Top of the Asia-Pacific table

Asked to rate Asia-Pacific jurisdictions for ease of doing business and quality of investment opportunities, respondents again ranked New Zealand first. It is the third consecutive year the country has led the table.

New Zealand’s average rating slipped in 2026 to 7.34 out of 10, from 7.88 in 2025. Australia, India and Southeast Asia also fell year on year, while several North Asian markets improved from a lower base.

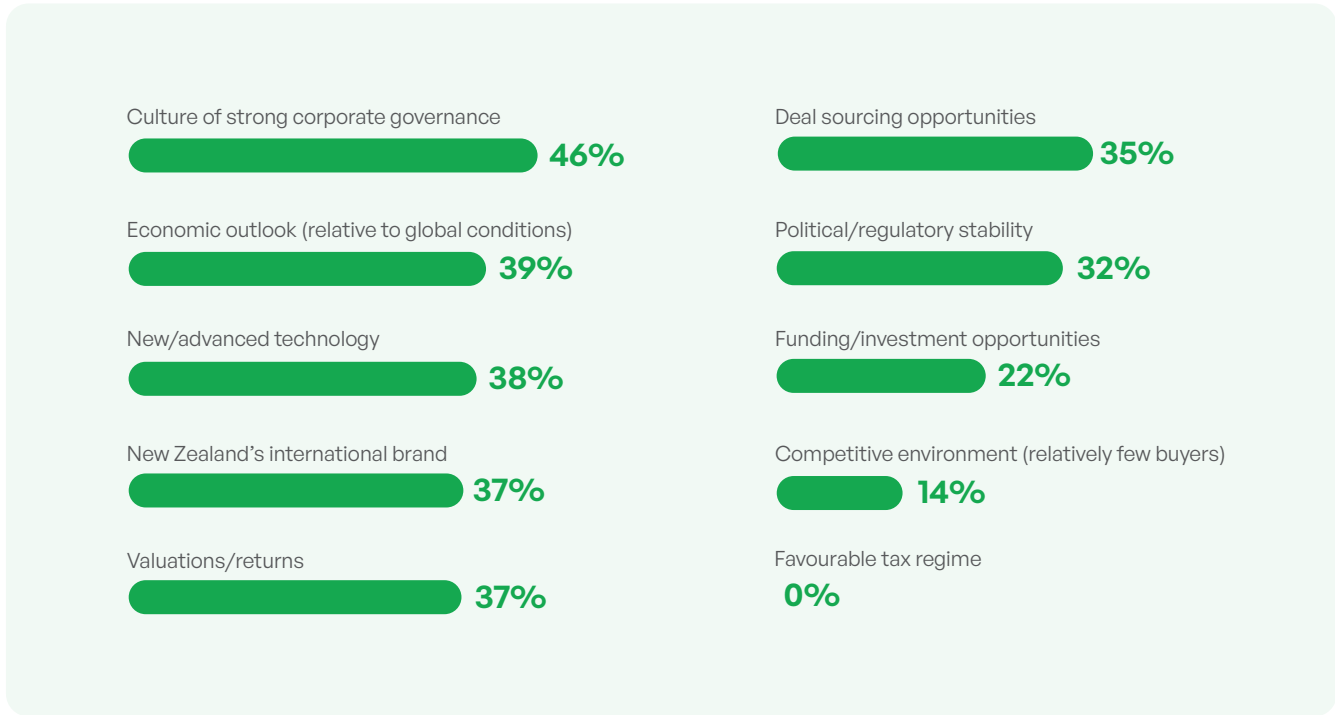
Figure 4: Asia-Pacific jurisdictions rated for ease of doing business and quality of investment opportunities. (Rate each market out of 10 for ease and quality)



What makes New Zealand attractive

Strong corporate governance (46%) is the leading attraction this year, ahead of an improving economic outlook (39%) and access to new or advanced technology (38%). The shift is notable: in 2025, the top-ranked attractions were favourable valuations and the opportunity to acquire technology. Governance quality moving to the front of the list is consistent with a market where investors are weighting execution risk more heavily than upside.

Figure 5: What makes New Zealand attractive as an investment destination for you? Choose up to three.



“

In a volatile global economy characterised by higher risk, New Zealand’s regulatory stability and credible institutions are real assets. Dealmakers will place a premium on jurisdictions where execution and integration risk is lower, and in the current environment New Zealand’s reputation as a trusted market is an increasingly valuable point of difference.



Andrew Matthews
Corporate Partner

What respondents told us

“

“Rather than strict, punitive rules, the corporate landscape is shaped by flexible guidelines. Practices are tailored and companies focus on ethical decision-making and corporate responsibility overall.”

Head of Corporate Development & Strategy,
Foreign corporation/MNC, US

“

“I feel that the culture of strong corporate governance makes a lot of difference. It creates good potential for growth and a foundation to manage activities ethically and effectively.”

Chief Executive Officer,
Foreign corporation/MNC, South Korea

“

“New Zealand investments have been known to deliver strong returns. The region has good natural resources, leading to many new renewable energy infrastructure investments.”

Partner,
Foreign PE/VC firm, US

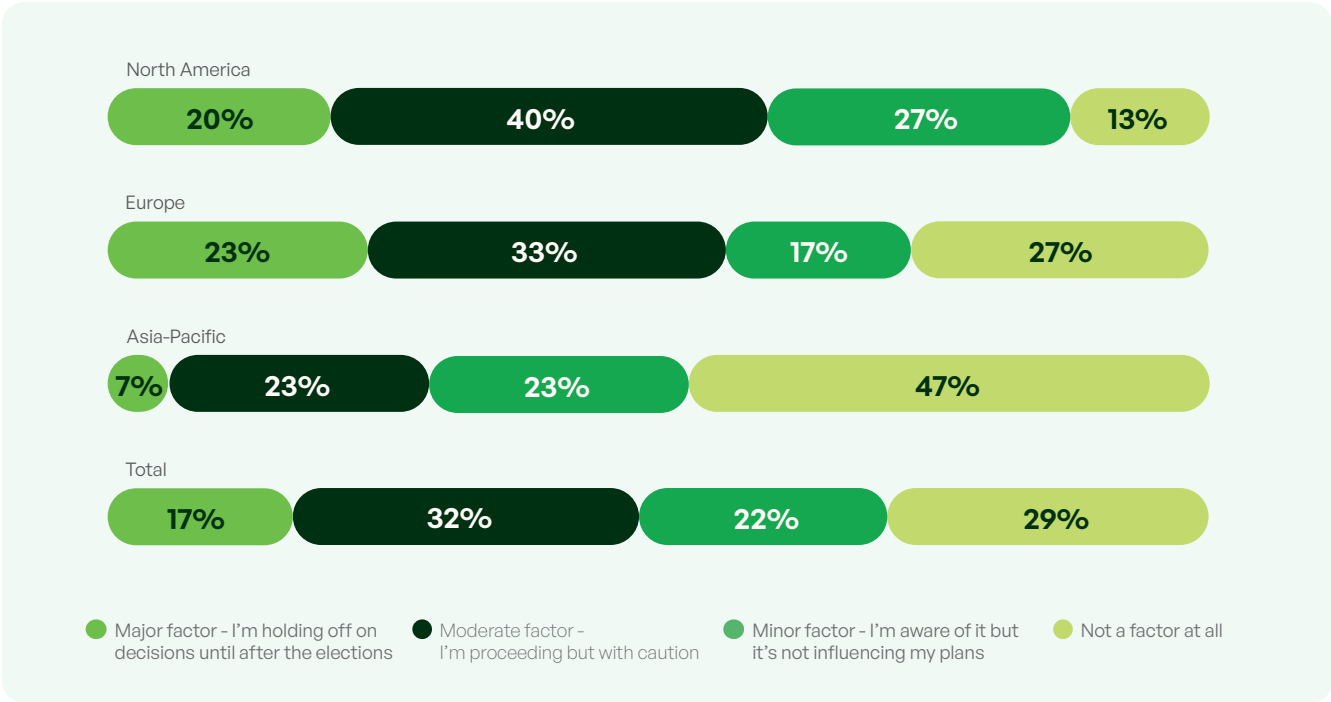
Policy settings and the 7 November election

New Zealand goes to the polls on Saturday 7 November, and the approach of the election is visible in the survey data.

A majority of investors based in North America (60%) and Europe (56%) say the election is having either a major or moderate impact on their investment decisions.

Investors closer to home, who are more likely to be familiar with the range of plausible post-election settings, are markedly less concerned: 47% of Asia-Pacific respondents say the election is not a factor at all, although a meaningful minority (30%) report a major or moderate influence on their decision-making. Across the full sample, 49% are either holding off on deal decisions or proceeding with caution.

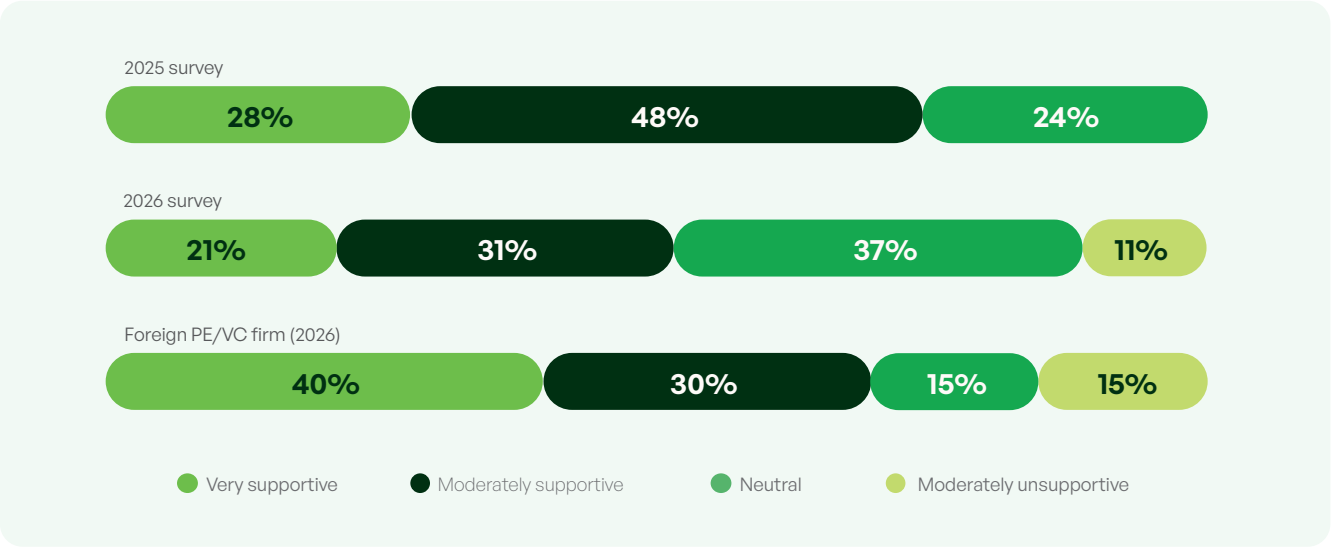
Figure 6: What impact is the 2026 general election having on your investment decisions?



Perceptions of government policy have softened alongside that caution. In 2025, 76% of respondents believed government policy towards foreign investment was very or moderately supportive. That has fallen to 52% this year, perhaps unfairly so, given the improvements made by the Overseas Investment Office.

The breakdown is instructive. Foreign private equity and venture capital firms are the most positive group at 70%, well above the overall average. These are the respondents who have most cause for concern about regulatory and political risk as part of their investment decisions, and who have the clearest basis for comparison with other jurisdictions. That the most experienced assessors of regulatory risk remain the most positive suggests the drop in the headline figure reflects uncertainty about what comes next rather than dissatisfaction with the settings now in place.

Figure 7: How supportive are New Zealand government policies towards foreign investment?



Three years of policy change:
what has actually shifted since the last elections?

Sentiment about government policy has softened in the lead-up to the election, but the substance of the last three years has been consistently oriented towards attracting offshore capital. Five changes matter most for inbound investors.



Overseas investment screening, rebuilt

The Overseas Investment (National Interest Test and Other Matters) Amendment Act 2025 received Royal assent in December 2025. It consolidates the investor test, the benefit to New Zealand test and the national interest test into a single national interest test for all screened assets other than farmland, residential land and fishing quota, and revises the Act’s purpose to recognise the economic contribution of overseas investment. The statutory decision timeframe under the new pathway is 15 working days, and Land Information New Zealand has said it aims to assess most applications within five.



Residency by investment, reset

The Active Investor Plus visa relaunched on 1 April 2025 with two categories, Growth (NZ\$5 million over three years) and Balanced (NZ\$10 million over five years), lower thresholds, no English language requirement and substantially reduced physical presence obligations. Immigration New Zealand had received 609 applications under the new settings by March 2026, representing a potential minimum investment of NZ\$3.57 billion. The previous settings drew 115 applications over roughly two and a half years.



Tax settings for infrastructure

A targeted exemption from the thin capitalisation rules for eligible infrastructure entities allows full interest deductions on third-party limited-recourse debt, applying from 1 April 2026. Budget 2025 also introduced the Investment Boost regime, which allows an immediate 20% deduction on the cost of most new assets, with the balance depreciated as usual.



Consenting and resource management

The Fast-track Approvals Act 2024 created a permanent one-stop consenting route for significant infrastructure, housing and development projects. The Planning Bill and the Natural Environment Bill, which together replace the Resource Management Act 1991, were reported back from the Environment Committee in July 2026 and are proceeding to second reading.



Energy and resources

The Crown Minerals Amendment Act 2025 reversed the 2018 ban on petroleum exploration beyond onshore Taranaki and changed the Act’s purpose from managing to promoting minerals development. The first new offshore exploration permit since the reversal was granted in July 2026.

Several of these reforms are contested and some would be revisited under a change of government. The point for offshore investors is not which party delivered them, but that the regulatory pathway for inbound capital is materially faster and simpler than it was three years ago.



M&A investors are calm about the upcoming general election. The poll will see some dealmakers take a step back to assess the outcome, but overall investors are looking beyond electoral cycles and value New Zealand’s openness to investment and its proportionate regulatory framework.



James Hawes
Corporate Partner

What respondents told us



“Regulatory processes have been streamlined. There were uncertainties earlier, but government policies are unlikely to deter foreign investment.”

Chief Executive Officer,
Foreign corporation/MNC, Australia



“As other countries do, the material risks to national security or critical infrastructure are reviewed stringently. However, there are also favourable regulations that give foreign investors a better chance of success.”

Director of M&A,
Foreign corporation/MNC, Thailand



“Proceeding with caution can help us avoid any rash decisions. We do not want to rush into completing deals before the election.”

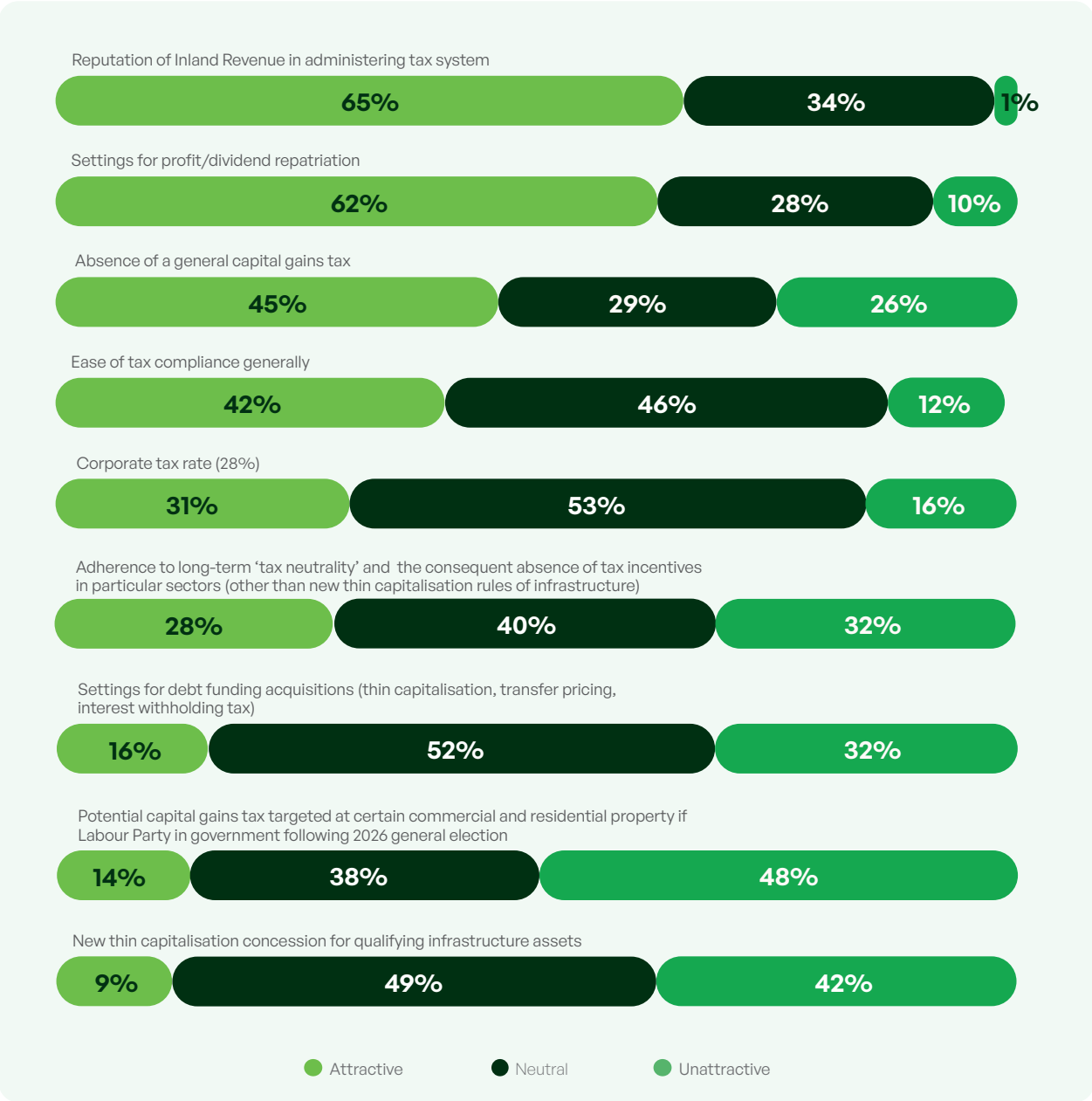
Head of M&A,
Foreign corporation/MNC, Australia

A tax system investors trust

New Zealand is generally considered to have neutral or favourable tax settings for offshore investors, and the New Zealand Inland Revenue has a strong reputation internationally.

A majority of respondents identify Inland Revenue’s reputation for administering the system (65%) and the settings for profit and dividend repatriation (62%) as attractive features. The relative ease of compliance (42%) is another positive, although more than three in four respondents (76%) report an increase in compliance and audit activity from Inland Revenue over the last year.

Figure 8: How do you assess the following features of the New Zealand tax system in relation to New Zealand’s relative attractiveness as an investment destination?



The absence of a general capital gains tax ranks as the third most attractive feature of the system, although this longstanding feature of New Zealand’s tax system is currently up in the air ahead of the general election on 7 November. The Labour Party has campaigned on a targeted capital gains tax of 28% that would apply to gains on certain residential investment property and commercial property accruing from 1 July 2027.

Shares and business assets are intended to be excluded if the Labour Party goes on to form a government following the election, the scope of any capital gains tax regime would likely be impacted by the outcome of coalition negotiations between the left bloc parties. A capital gains tax, if implemented, is expected to have significant consequences for certain offshore investors.

“

While New Zealand has a relatively high corporate income tax rate by OECD standards, the broader tax settings appeal to investors and make New Zealand a competitive destination for international capital.

That said, if the November general election produces a change in government to a Labour-led left-bloc coalition, the introduction of a capital gains tax is a near certainty - the only real uncertainty being the breadth of asset classes it will apply to. Over the long-run, a capital gains tax will obviously lead to lower after-tax returns and increased complexity and compliance costs for international investors in some sectors.

 **Barney Cumberland**
Tax Partner

What respondents told us

“

“Owing to the country’s broad-based and efficient tax environment in general, the reputation of the Inland Revenue is an attractive factor. There is no general capital gains tax, which has been a draw for investors.”
Managing Director,
Foreign investment bank, Japan

“

“There has been a significant surge in compliance and audit activity. I think that the changes in their policies have driven them to conduct stricter risk reviews for transactions.”
Director of M&A,
Foreign corporation/MNC, France



Section 3

The deal data backs the sentiment

Based on the data, New Zealand’s M&A market appears to have built on the momentum generated in 2025 to post its strongest half-year deal value figures in more than three years.

However, it should be noted that 2026 deal values have been underpinned by the Fonterra-Lactalis transaction which closed in March 2026. Moreover, noting the overall sentiment expressed by our respondents, it seems likely that 2026 deal metrics will trend back toward the five-year average.

Figure 9: New Zealand M&A deal value and volume, H1 2022 to H1 2026



Volumes have also increased. There were 86 deals announced over the period, a four and a half-year high and an increase of more than a quarter (28%) year on year, at a time when both global and Asia-Pacific volumes declined.

This performance should be set against APAC and global deal statistics which, as shown on the graphs below, have demonstrated marginal growth or decline in H1 2026 vs the prior six months, thereby reflecting the overall trend toward retrenchment.

Figure 10: Global M&A deal volumes and values



Figure 11: APAC M&A deal volumes and values



“

First half deal figures show an encouraging resilience in New Zealand M&A. Deal value and volume have both shown impressive year-on-year growth, outpacing global and Asia-Pacific markets. That reflects New Zealand’s position as a market offering long-term stability, and one that can navigate short-term cyclical dips in activity.

 **Michael Pollard**
Corporate Partner

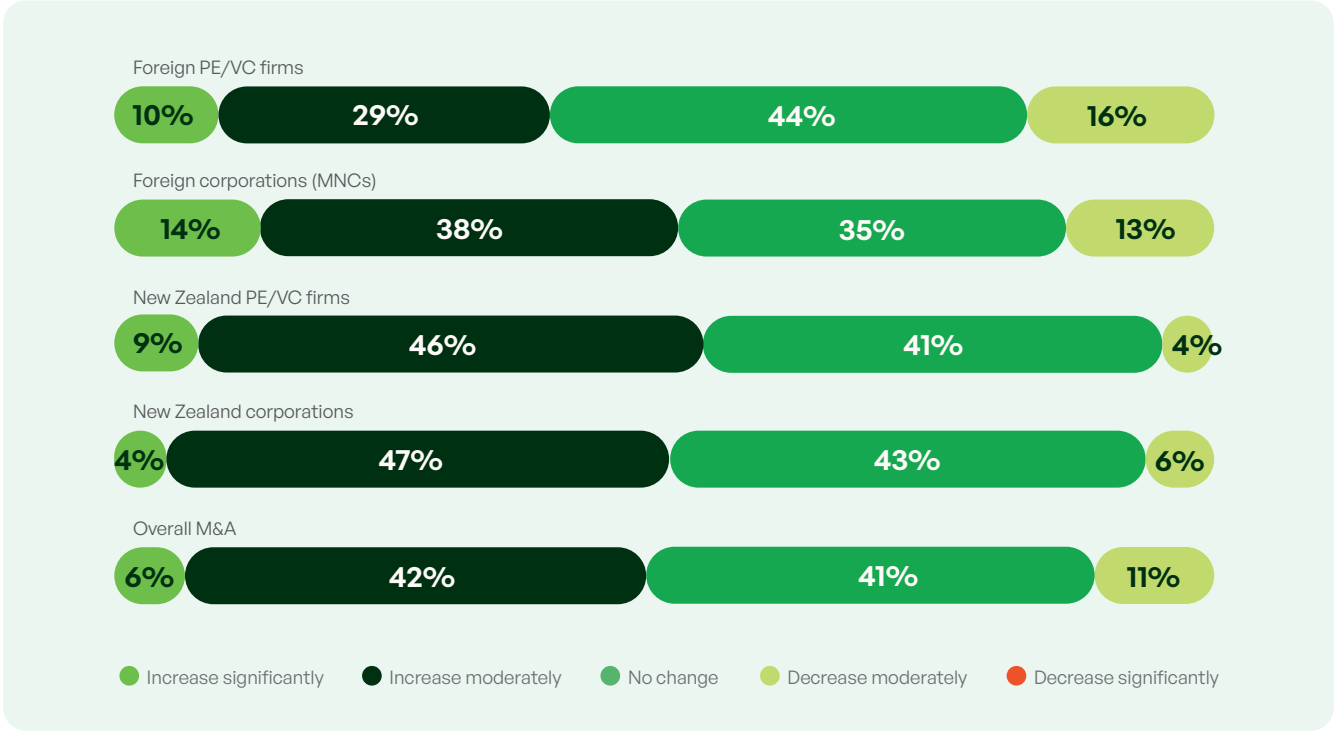
What investors expect over the next twelve months

Nearly half of respondents (48%) expect overall M&A activity in New Zealand to increase over the coming year, with a further 41% expecting no change. That is a material step down from last year, when 85% expected an increase, but it still points to a market that is holding rather than contracting.

Respondents are most optimistic about local buyers. New Zealand private equity and venture capital firms are expected to increase their activity by 55% of respondents, ahead of foreign corporates (52%) and New Zealand corporates (51%). Offshore financial sponsors are seen as the most cautious group, with only 39% expecting foreign PE and VC firms to lift their level of activity.

The pattern is consistent with the wider finding that capital is favouring proximity. Buyers already operating in the market, who can diligence a target without pricing in cross-border and currency risk, are expected to be the most active.

Figure 12: What do you expect to happen to M&A in New Zealand regarding the level of activity from the following acquirers/investors in the next 12 months?



What respondents told us

“In the next year, there will be more dealmaking activity in New Zealand. At present, the uncertainty surrounding the economic conditions and the elections might affect dealmaker decisions.”
Managing Director,
Foreign investment bank, Japan

“There won’t be any changes in activity because the macro conditions are unstable. Dealmakers can wait for a while to implement their strategies, and they will not risk increasing investments.”
Head of Strategy,
Foreign corporation/MNC, US

“I expect a moderate increase in overall dealmaking activity over the coming year. New Zealand was once considered somewhat isolated, but connectivity is now increasing.”
Managing Director,
Foreign corporation/MNC, Australia

“

Dealmakers are understandably cautious about cross-border M&A in the current geopolitical context. The bar for doing a deal will be high in the near term, but high-quality assets will continue to trade in a New Zealand market that benefits from its reputation for stability and good governance. If the macroeconomic picture stabilises, there should be a gradual increase in activity.

 **Anastasiya Gamble**
Corporate Partner

Section 4

M&A strategies: resilience is setting the deal handbook

Operational resilience, not expansion, is setting the deal scene.

Deal rationales are shifting

Global market uncertainty has changed the rationale behind deals. Around the world the focus has moved from aggressive growth towards optimising portfolios and building supply chain resilience, and the New Zealand market is no different.

In terms of the most recent acquisitions, buyers have adopted a growth orientated strategy by acquiring new customers and technology. However, when looking to the future, most respondents appear to adopt more defensive strategies, including solidifying economies of scale.

Alongside this apparent shift in emphasis, the reader should also note that only 3% of respondents suggested that ESG factors were a main objective in their most recent acquisition (albeit that 20% of respondents view ESG as a critical driver going forward).

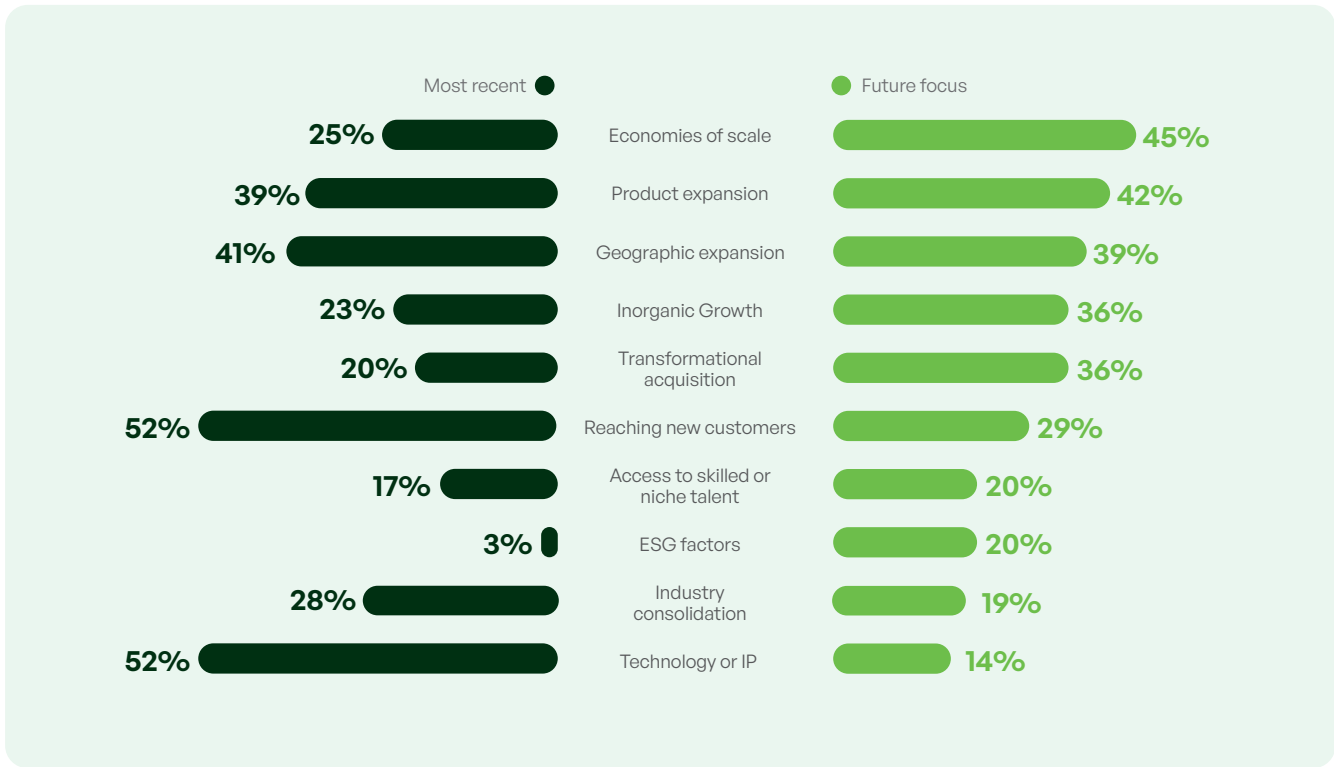


The changing macroeconomic setting is reconfiguring how investors think about deals. The survey findings highlight a definite shift from prioritising expansionary growth to building strategic long-term resilience into business models.



Michael Pollard
Corporate Partner

Figure 13: Deal rationale: most recent New Zealand transaction against expected future transaction. Choose up to three for each.



What respondents told us



“Economies of scale was the main goal, and it has enabled enhancement of our brand portfolio through the most recent deal. We are also considering further product expansion to solidify our market position.”

Director of M&A,
Foreign corporation/MNC, France



“The intention of our most recent deal was to create a comprehensive, multi-platform media ecosystem that engaged large audiences each day. Through consolidation, we were able to enhance operations strategically.”

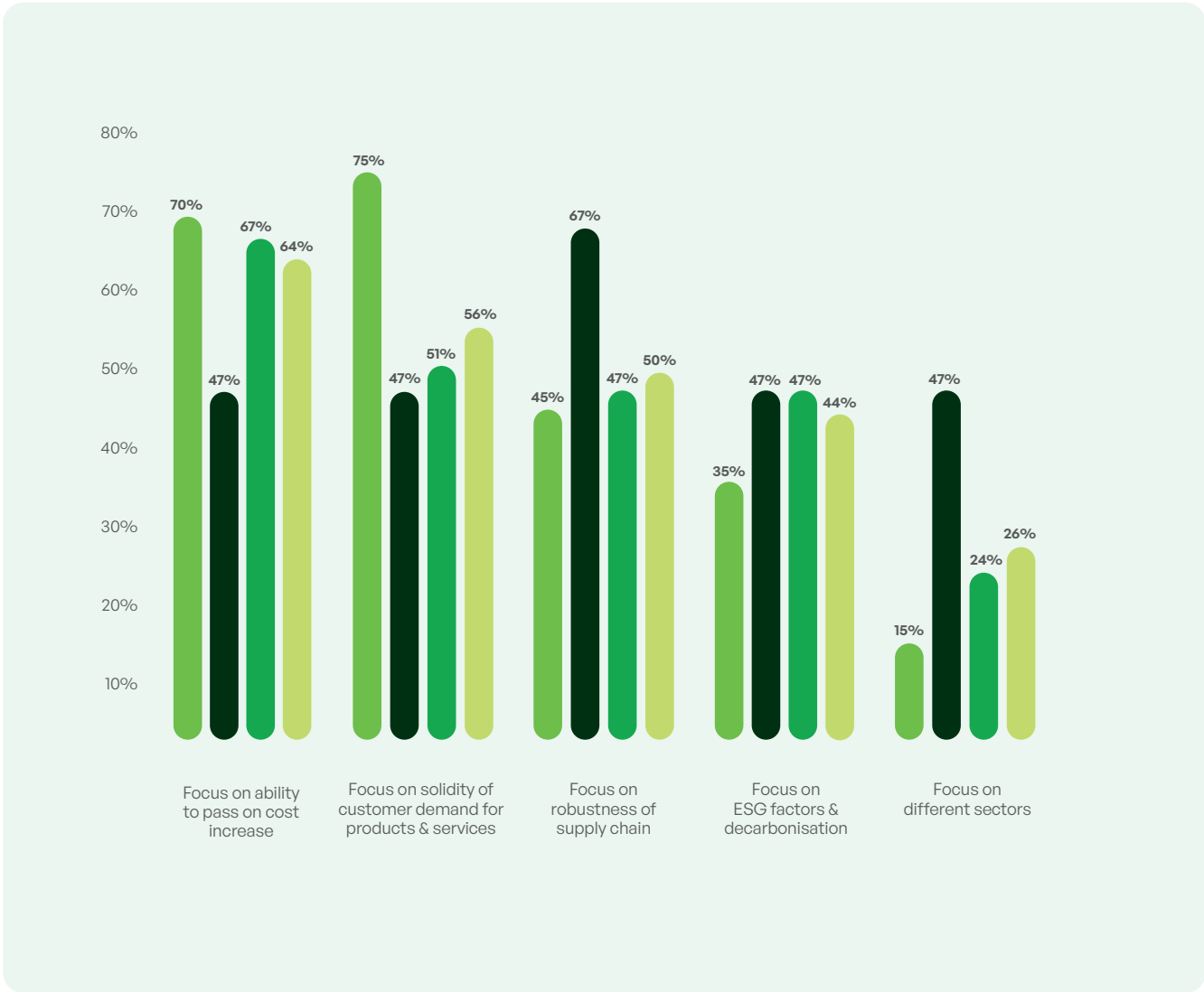
Chief Strategy Officer
Foreign corporation/MNC, Australia

What deals investors are promoting

Consistent with the defensive strategies referenced above, international dealmakers pursuing New Zealand targets are putting cost management and the resilience of earnings and supply chains at the centre of their strategies.

Asked whether current global economic and geopolitical challenges had changed their investment strategy, almost two thirds of respondents (64%) said they were focusing on companies with the ability to pass on cost increases. Some 56% cited the solidity of demand for products and services, and half (50%) pointed to supply chain robustness.

Figure 14: How have current global challenges changed your investment strategy for New Zealand? Choose all that apply.



These findings echo the pattern running through the rest of the survey. Investors are more sensitive to downside risk in a volatile market and are prioritising businesses with hard assets that deliver essential goods and services.

“

Global dealmakers are clearly shifting focus from using M&A as a lever to drive growth, to pursuing deals that shore up supply chains and build operational resilience. That does not mean dealmakers are purely defensive. They will still invest in product innovation, but on a highly selective basis.



Anastasiya Gamble
Corporate Partner

“

“I feel the pressure of cost increases can be hard to bear. We cannot cut our budget for innovation and other critical activities without it impacting revenues. So, passing on cost increases is the best option.”

Director of M&A,
Foreign corporation/MNC, Canada

“

“Since the price of all materials and labour has increased, we have to focus on the ability to pass on cost increases. In order to avoid production hindrances, we will focus on stronger supply chains.”

Managing Director,
Foreign investment bank, Japan

“

“It is the right time to diversify revenue streams and strengthen core operations. By leveraging our investment potential well, we can become a stronger organisation with an enhanced client base.”

Managing Director,
Foreign investment bank, US

Energy costs are now a live diligence issue

Energy costs in New Zealand are rising. Electricity prices increased 12.5% in the year to March 2026 and were the largest single upward contributor to annual inflation for the third consecutive quarter, according to Stats NZ.¹ The June quarter brought a second shock, with petrol up 27.5% and diesel up 47.7% year on year as a result of the conflict in the Middle East, lifting headline inflation to 4.1%.²

Against that backdrop, it is unsurprising that energy costs have become an obstacle to investment, though views differ sharply by region. Almost a third (30%) of North American and European respondents describe energy prices as a major or moderate barrier to their New Zealand investment decisions. Asia-Pacific investors are far less concerned: only 3% see energy prices as a notable/moderate barrier and 70% do not see them as a barrier at all.

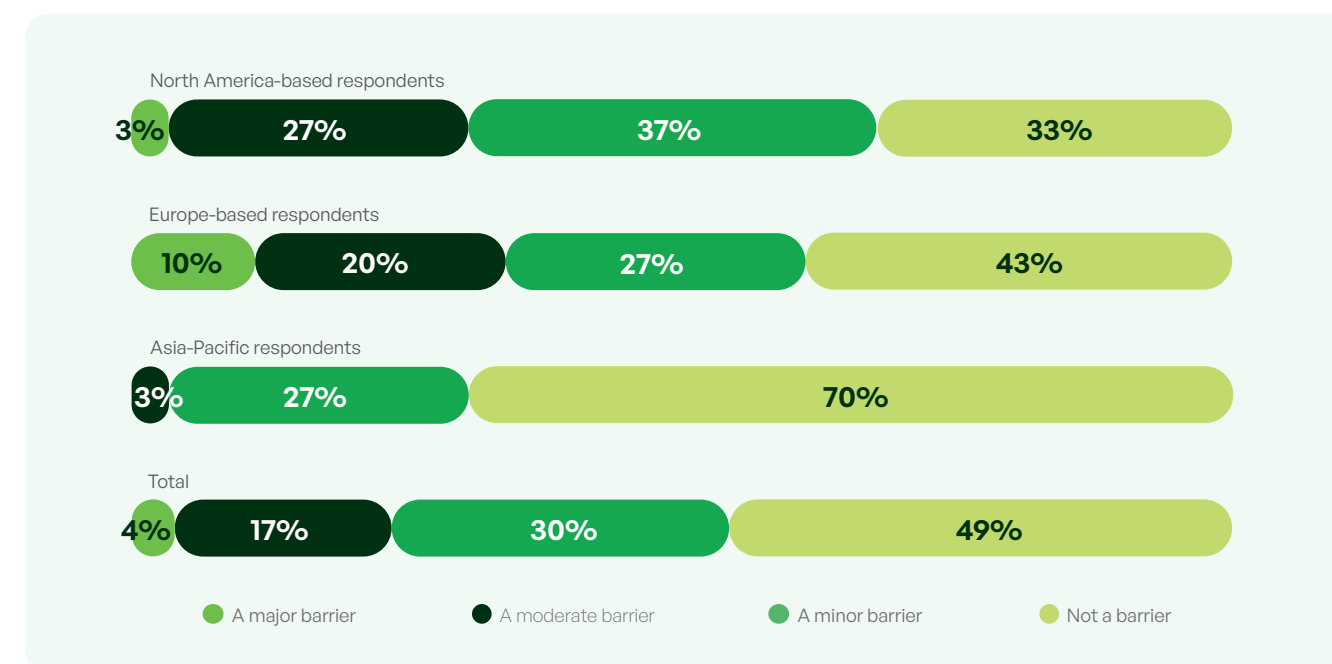
“

High energy costs are perhaps the single biggest operational risk that New Zealand businesses have to manage. Prospective investors are paying close attention to how management teams are shielding target companies from energy price volatility and taking steps to ensure continuity of supply.



Simon Vannini
Corporate Partner

Figure 15: To what extent are energy prices a barrier to your investment decisions in New Zealand?



What respondents told us

“

“Energy prices affect valuation assumptions and future earnings expectations. We need confidence that businesses can maintain margins despite higher operating costs.”

Managing Director,
Foreign PE/VC firm, US

“

“Higher energy prices increase operating costs across several industries. It is important that target companies demonstrate appropriate mitigation strategies.”

Head of Finance,
Foreign corporation/MNC, Malaysia

¹ <https://www.stats.govt.nz/news/annual-inflation-at-3-1-percent-in-march-2026/>. See pars 4-5

² <https://theconversation.com/iran-oil-crisis-why-nzs-car-dependence-is-now-a-strategic-liability-278526>. See par 4

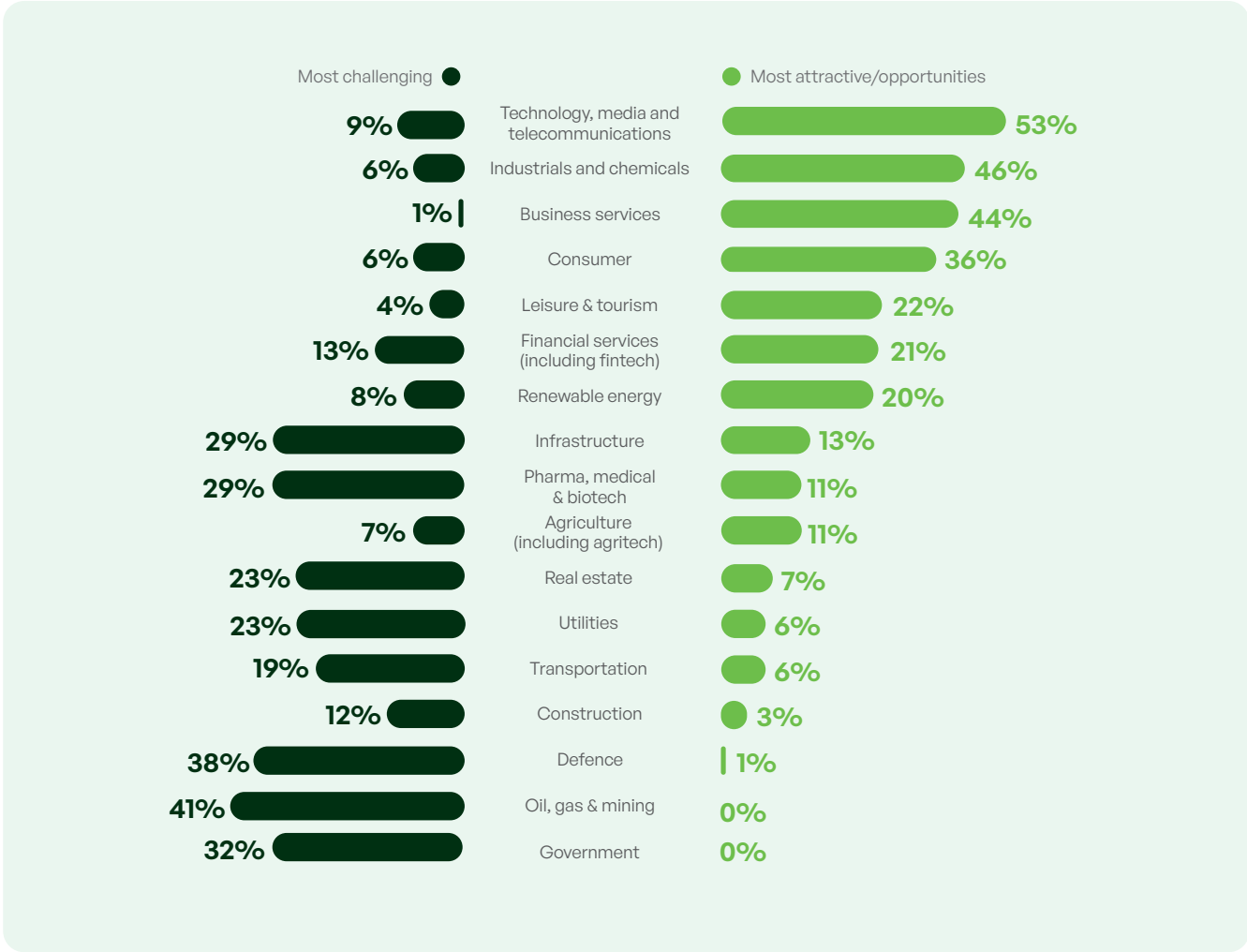
Section 5

Technology: TMT leads partially driven by accelerating AI adoption

New Zealand’s economic output is led by services and technology, alongside a sizeable manufacturing base and a sophisticated agricultural industry. That diversity shows in the mix of sectors that respondents expect to be most attractive over the next 12 to 24 months, but one sector still leads clearly.

Technology, media and telecommunications (TMT) is selected by 53% of respondents as the single most attractive industry for investment. Industrials and chemicals (46%), business services (44%) and consumer (36%) follow.

Figure 16: Which of the following sectors do you think will be most attractive over the next 12-24 months? Which are most challenging to invest in? Choose up to three.



The country has built a technology ecosystem that has supported globally successful companies including software-as-a-service business Xero, agritech unicorn Halter and the rapidly growing games developer Grinding Gear Games.

At the other end of the spectrum, oil, gas and mining (41%), defence (38%) and the government sector (32%) are identified as comparatively challenging sectors in which to invest. These findings reflect regulatory restrictions and tight state spending as the government works to reduce crown borrowing, and a lack of visibility on oil and commodity prices resulting from conflict in the Middle East.

“

Deal flow continues to concentrate around industries like technology and infrastructure, where growth is underpinned by structural commercial drivers, scalable innovation and long-term strategic positioning. There is recognition we have under-invested in infrastructure, but regulatory settings are now supportive of it. Companies exposed to commodity price cycles, or reliant on government contracts, will be more challenging for dealmakers.

 **Andrew Matthews**
Corporate Partner

What respondents told us

“It’s difficult to even consider doing deals in the oil, gas and mining segments. Looking at the conditions around the globe and volatile supply chains right now, there will be more challenges ahead.”
Director of M&A,
Foreign corporation/MNC, Canada

“The technology sector will remain attractive because companies are looking to extend their services and invest in more innovative assets. There will be demand for strong technology units.”
Chief Executive Officer,
Foreign corporation/MNC, Netherlands

“Business and financial services industries have seen many successful deals in the past. Companies are consolidating and trying to use mergers as a way to combine their talent and resources.”
Head of M&A,
Foreign corporation/MNC, Austria



AI has moved from prospect to process

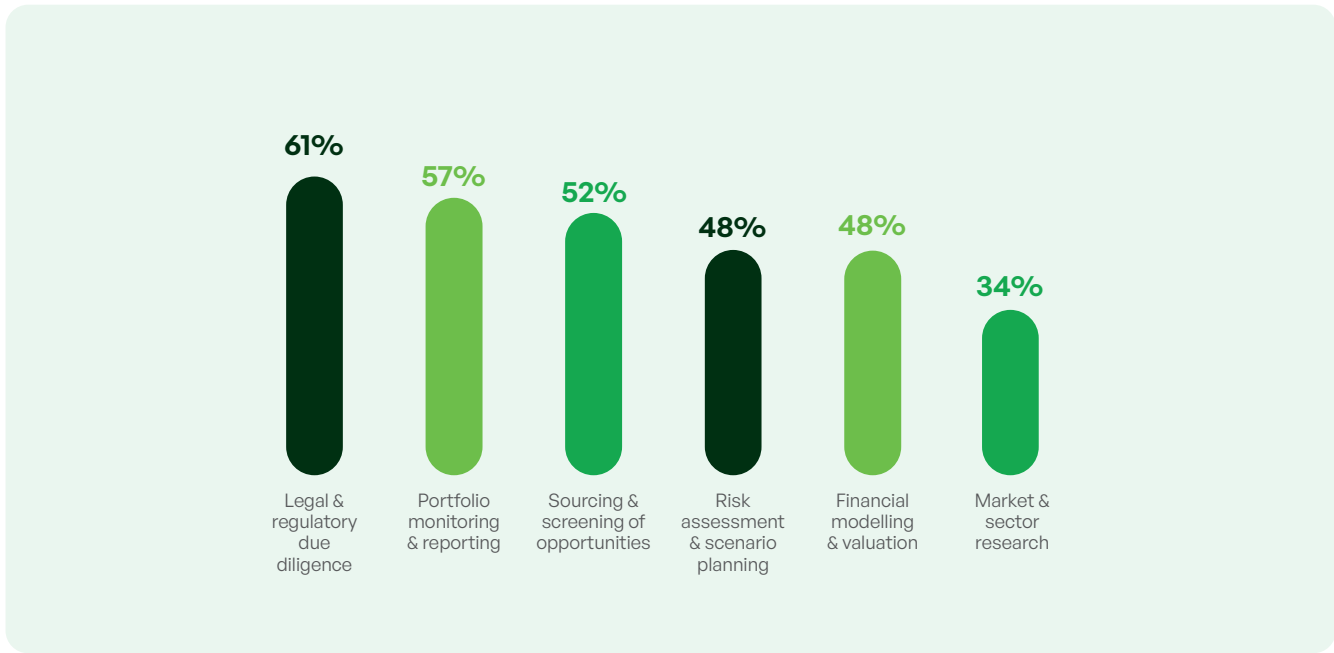
Across New Zealand’s TMT sector, investor sentiment increasingly reflects a view that AI adoption is now a business imperative. The question is no longer whether to use AI, but how organisations can deploy it safely, responsibly and at scale.

New Zealand’s policy direction has also been to encourage AI adoption across the economy while promoting responsible use. Increasing emphasis is being placed on implementing effective governance frameworks, with board-level oversight, to ensure organisations can capture AI-driven growth opportunities while maintaining stakeholder trust and managing downside risk.

We’re seeing that trend play out in how AI is being used in the dealmaking process itself. Last year we asked whether respondents expected AI to have a meaningful impact on how they execute deals. Two thirds said yes. This year we asked where they are actually using it, and the answer is almost everywhere.

A majority of respondents used AI for legal and regulatory due diligence (61%), portfolio monitoring and reporting (57%) and sourcing and screening of opportunities (52%) in the last 12 months. Close to half (48%) are also using it for risk assessment and scenario planning, and for financial modelling and valuation.

Figure 17: Where did you use AI in the deal process in the last 12 months? Select all that apply.



It has been less than four years since large language models entered mainstream commercial use. In that time, they have gone from an emerging capability to a standard part of the deal toolkit.

What respondents told us

“For regulatory and legal due diligence, AI usage has been increasing. There are vast quantities of data that have to be filtered and evaluated, for which AI is now a vital tool.”

Managing Director,
Foreign investment bank, US

“We used AI in financial modelling and valuation functions. The use was mostly to gather and organise data into more manageable segments so we could analyse and prepare the valuation more effectively.”

Director of M&A,
Foreign corporation/MNC, France

“Legal and regulatory due diligence was completed seamlessly. The speed of document reviews and previous compliance data evaluations was impressive.”

Head of M&A,
Foreign corporation/MNC, Austria

“

The ability of AI tools to process and organise vast amounts of data is fundamentally reshaping the way investors execute deals and has made AI an integral component of the M&A process.

Used well, AI can meaningfully speed up due diligence and consolidate key information, allowing dealmakers to make more informed judgements and freeing them up to spend more time on high-value relationship building with management teams and shareholders.



Michelle Dunlop
Senior Associate ICT



Data privacy and cyber risk: now table stakes

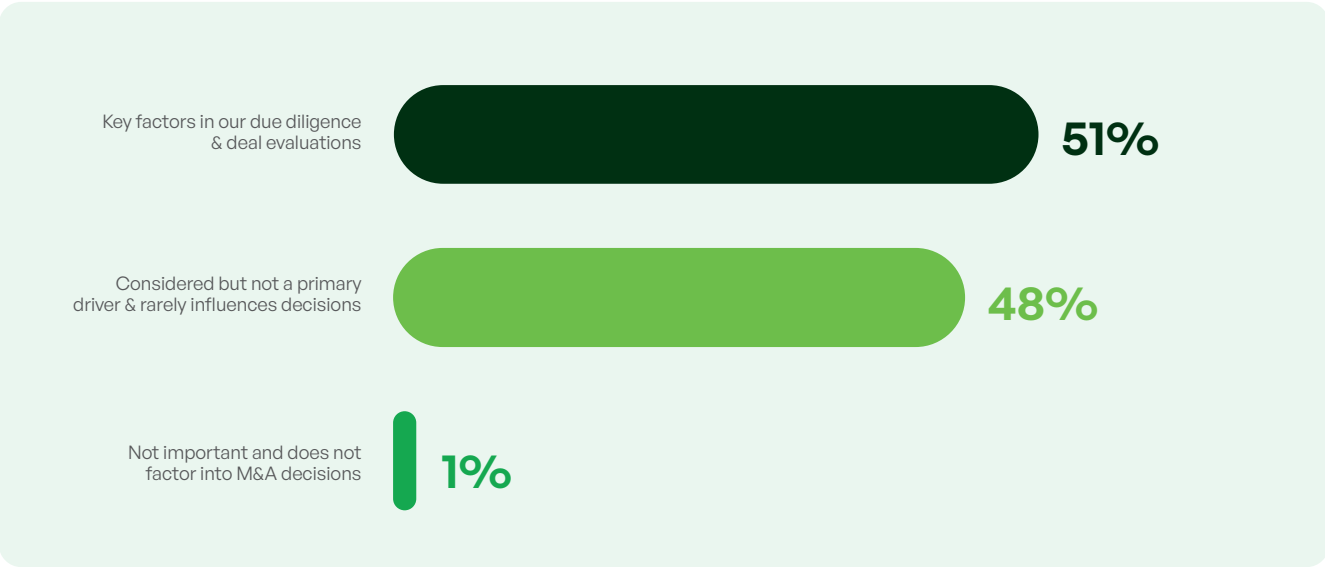
Data is increasingly viewed as a critical asset in modern transactions, particularly across the TMT sector where value creation is often driven as much by data, analytics and AI capability as by traditional financial metrics. Investors are required to evaluate not only the value that data can unlock, but also whether appropriate governance, privacy and security controls are in place to protect that value.

The greater emphasis on data means a greater emphasis on the impact of New Zealand’s data regulations in transactions.

Investors recognise that data can be both a source of competitive advantage and a source of risk, but are split on how heavily they weight privacy and cybersecurity regulations in their investment decisions.

Just over half of respondents (51%) treat New Zealand’s data privacy and cybersecurity regulations as a key factor in their decision-making when considering opportunities here. The remainder do not treat them as a primary driver, although 48% still give the issue dedicated consideration.

Figure 18: How do data privacy and cybersecurity regulations factor into your New Zealand investment decisions?



The split suggests that cyber and data privacy risks have become table stakes in most diligence processes, with investors targeting data-intensive or technology assets treating them as a materially higher priority than the rest of the market.



Cybersecurity and data privacy are now baked-in components of every due diligence process. Some bidders will take a deeper dive into cyber and data risk than others, but assessing these areas is something no prospective buyer can gloss over.



Michelle Dunlop
Senior Associate ICT

What respondents told us



“There are stringent privacy rules, and we invariably adjust our approach when considering M&A opportunities in the country. This is not different from our usual list of considerations.”
Managing Director,
Foreign PE/VC firm, Australia



“Data privacy and cybersecurity factors are already considered when planning for a new deal. Due diligence teams review these requirements and current capabilities during evaluations. There aren’t any extra steps that we take.”
Director of M&A,
Foreign corporation/MNC, Canada

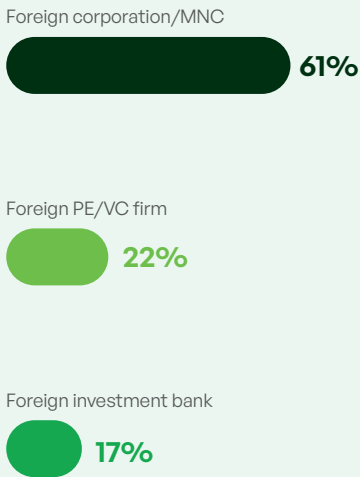


Methodology

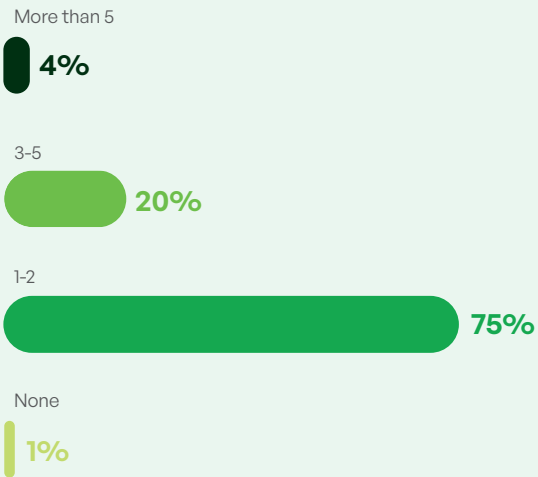
In June 2026, Simpson Grierson commissioned Mergermarket to survey the opinions of offshore investors on the investment opportunities, trends and challenges in New Zealand. There were 90 survey respondents, split between Asia-Pacific, North America and Europe. All respondents had completed at least one investment into New Zealand in the past five years, or had advised on a deal in that period.

Within the graphed survey results, percentages may not sum to 100% due to rounding, or where respondents were able to choose more than one answer.

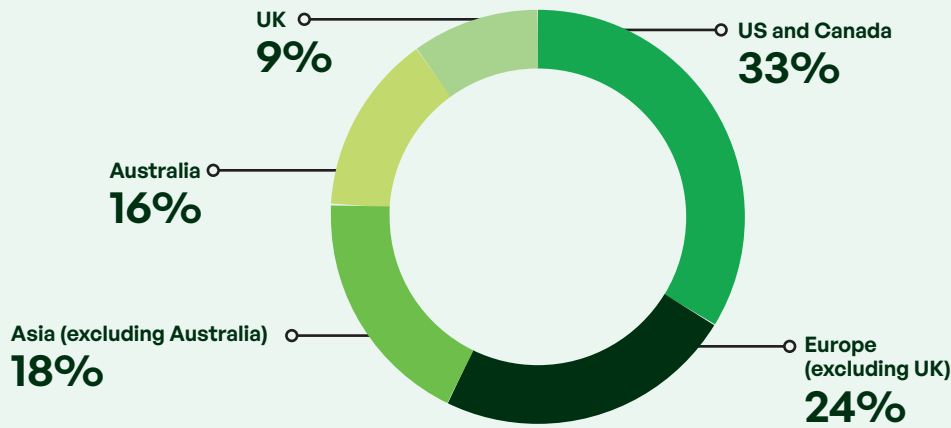
How would you categorise your company?



How many acquisitions/investments have you considered, made or advised on in New Zealand in the last five years?



Where is your company based?



Source notes

Survey figures throughout are drawn from the June 2026 Mergermarket survey commissioned by Simpson Grierson. Deal value and volume data is Dealogic data provided by Mergermarket. Comparative figures cited as 2025 are from Expanding Horizons 2025.

Simpson Grierson

We are one of New Zealand’s largest law firms, but that’s not what sets us apart. It is our team of experts, market-leading reputation, and absolute commitment to achieving the right outcome for each client that makes us different.

By involving us early on, our clients and their advisers benefit from access to an unsurpassed understanding of New Zealand’s business and regulatory environments.

You will have the advantage of leading specialists delivering timely advice, solving problems and anticipating issues. Having us in your corner means making decisions with confidence.

Please contact any of our experts for advice on the New Zealand market and investment opportunities, or to discuss any aspect of this report.

Report authors



Simon Vannini, Partner
+64 9 977 5186
simon.vannini@simpsongrierson.com



James Hawes, Partner
+64 9 977 5448
james.hawes@simpsongrierson.com



Anastasiya Gamble, Partner
+64 9 977 5121
anastasiya.gamble@simpsongrierson.com



Michael Pollard, Partner
+64 9 977 5432
michael.pollard@simpsongrierson.com



Andrew Matthews, Partner
+64 9 977 5402
andrew.matthews@simpsongrierson.com



Michelle Dunlop, Senior Associate (ICT)
+64 9 977 5325
michelle.dunlop@simpsongrierson.com



Barney Cumberland, Partner (Tax)
+64 9 977 5155
barney.cumberland@simpsongrierson.com

Additional specialists



Andrew Kirk, Partner
+64 3 968 4020
andrew.kirk@simpsongrierson.com



Karen Ngan, Partner (ICT)
+64 9 977 5080
karen.ngan@simpsongrierson.com



Catherine Shipton, Partner
+64 3 968 4055
catherine.shipton@simpsongrierson.com



Richard Watts, Partner (IP)
+64 9 977 5182
richard.watts@simpsongrierson.com



Don Holborow, Partner
+64 4 924 3423
don.holborow@simpsongrierson.com



Tara Wylie, Real Estate Partner
+64 9 977 5291
tara.wylie@simpsongrierson.com



Edward Norman, Partner
+64 4 924 3575
edward.norman@simpsongrierson.com



Toby Holborow, Senior Associate
+64 9 977 5319
toby.holborow@simpsongrierson.com



Hugh Lindo, Partner
+64 3 968 4010
hugh.lindo@simpsongrierson.com

Auckland

Visit L27, 88 Shortland Street
Auckland 1010

Call +64 9 358 2222

Wellington

Visit L5, 40 Bowen Street
Wellington 6011

Call +64 4 499 4599

Christchurch

Visit L1, 151 Cambridge Terrace
Christchurch 8013

Call +64 3 365 9914