



Decision Summary

Case: 200810068

Decision	Consent granted Section 12(a) Overseas Investment Act 2005
Decision Date	3 December 2008
Investment	An overseas investment in sensitive land, being the Applicant's acquisition of a freehold interest in 893.7735 hectares of land at Break Neck Road, Dipton and Lillburn Valley Road, Lillburn Valley, Southland.
Consideration	\$11,812,500
Applicant	Kodansha Limited Japan (100.0%)
Vendor	Hardwood Forests Limited New Zealand (73.97%), Japan (26.03%)
Background	<p>Kodansha Limited (Kodansha) is a Japanese publishing and printing company. Kodansha's business relies on the supply of wood chips for the production of paper. In order to secure a supply of wood chips, Kodansha has previously invested in forestry in Japan and Australia.</p> <p>Kodansha proposes to acquire the forestry and land known as Cotton Forest and Drumfern Forest situated in Southland. The forests have a planted area of 765.4 hectares, comprising predominantly eucalyptus nitens. The forests are currently managed by South Wood Export Limited (SWEL) and it is envisaged that this arrangement will continue. Harvesting of the forest is scheduled over the three years commencing in 2009. Kodansha intends to replant the area harvested each year being undertaken the following year.</p> <p>The proposed investment will secure a long-term supply of woodchips for export to Kodansha's business in Japan.</p> <p>The overseas investment transaction has satisfied the criteria in section 16 of the Overseas Investment Act 2005. The 'substantial and identifiable benefit to New Zealand' criteria were satisfied by particular reference to the following factors:</p> <ul style="list-style-type: none">• Overseas Investment Act 2005<ul style="list-style-type: none">– 17(2)(a)(i) – Creation/Retention of jobs– 17(2)(a)(v) – Additional investment for development purposes– 17(2)(e) – Walking Access• Overseas Investment Regulations 2005<ul style="list-style-type: none">– 28(c) – Affect image, trade or international relations

More information

Junichi Nishimura
Rosebank Law
PO Box 19259
Auckland