

ATTRACTING FOREIGN INVESTMENT THAT WILL BENEFIT THE COOK ISLANDS

Attracting the right mix of foreign investment will allow the economy to grow and potentially open up new industries and markets.



The existing foreign investment environment in the Cook Islands is not particularly welcoming for potential investors, with most (if not all) potential industries being considered “Reserved Investment Areas” and only open to foreign investment via exemption. This restriction, along with other similar barriers (and the high cost of borrowing) have limited the amount of investment which occurs in the Cook Islands to predominately only that which is domestically-funded. This has led to the current situation where the level of private investment is lower than would be optimal, reducing the

opportunities for employment and income-generating assets in the economy.

A foreign-investment free-for-all is not proposed, as there remain some areas of the economy which it is appropriate to preserve for local activity only. However, the current environment is too-strongly biased against allowing foreign investment across the board. By allowing a prudent level of foreign investment to occur in the Cook Islands, the economic recovery can occur more quickly, and greater opportunities for the future can be unlocked.

Economic Development Strategy Actions related to this focus area:

No.	Action	Lead Agency	Details	Indicative timing
1.2	Consider incentives for long-term worker accommodation	MFEM	As part of the Revenue Strategy, assess the merits for further incentivising tourism operators to build long-term housing for their staff	2021-22
4.8	Foreign investment framework review	BTIB/MFEM	Comprehensive review of the current foreign investment framework to ensure that it is fit for purpose	2022

