Report on
ECONOMIC CONTRIBUTION
OF NZ INDIANS

$10 Billion And Rising

SENSE PARTNERS
UNCOMMON KNOWLEDGE
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Waitakere Indian Association
DiasporaIndiaNZ
Waitakerelndian

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FOREWORD

Namaste and kia ora,
He aha te mea nui o te ao. He tāngata, he tāngata, he tāngata.
What is the most important thing in the world? It is the people, it is the people.

On the 20th anniversary of the Waitakere Indian Association, we are proud to release the first ever report on the “Economic Contribution of NZ Indians – $10 Billion and Rising”.

From its humble beginnings in 2000, the Waitakere Indian Association has been working tirelessly to serve the social, economic and cultural needs of the Indian diaspora. Our membership is inclusive. We have members from India, Fiji and other parts of the world as well as from other ethnicities. We pride ourselves on being part of an inclusive and cohesive society.

We were the first Indian organisation to hold an inclusive public Diwali event for all Kiwis. This has now become a hugely-anticipated feature in the social calendar. We later took this celebration to the New Zealand Parliament with the support of our local Member of Parliament.

This report is dedicated to our forefathers, to the girmityas and to the recent immigrants of Indian origin from across the world, and to the young and working Indian diaspora in the age group of 20 to 40 years.

Indians now make up five percent of the New Zealand population. Thank you for contributing $10 billion to the national economy and for your ongoing social and cultural participation in the fabric of New Zealand.

Economic success crucially relies on human capital – the knowledge, skills, competencies and attributes that allow people to contribute to their personal and social well-being, as well as to that of their nation.

Education is the key factor in forming human capital. People with better education tend to enjoy higher incomes – a benefit that is also reflected in improved economic growth. This is reflected by the 56% of Indians who hold post-school qualifications, 1.6 times higher than the national average. But the impact of human capital goes beyond economics. Raising human capital raises health levels, community involvement and employment prospects. The importance of human capital will only grow with increasing globalisation.

Today, the 186,000 Indians of voting age need to exercise their democratic rights and have their voices heard. One hundred and eight-six thousand party votes translate to between seven and nine seats in Parliament; and the voting population of the Indian diaspora will only increase.

Finally, thanks and acknowledgements. First, a huge applause to Shamubeel Eaqub of Sense Partners for his research and in-depth analysis. Thank you Shamubeel for your time and effort. You report showcases for the first time what we knew anecdotally but could not back with facts and figures.

I would like to acknowledge the support of the trustees and the executive of the Waitakere Indian Association for this initiative. This report belongs to each one of you.

Our gratitude and warm hugs to those who worked tirelessly behind the scenes from the initial concept to the final product. A special mention to Roy Kaunds, Edwin Paul, Dr David Cumin, Sunil Kochuthara of The Sweatshop Film Company and members of The Parivaar for their time, support, encouragement, ideas and tenacity to see this report to its fruition.

The Executive Committee and Trustees of the Waitakere Indian Association and the entire Indian diaspora in New Zealand appreciates and thanks the Office of Ethnic Communities, the High Commission of India in New Zealand and the Indian Weekender, without whose support this report would not have been published and delivered. Dhanyawad.

Thank you for taking time out to read this report. Please do share it widely with your associations, community groups, workmates, friends and family. It belongs to you.

Warmly.

Sunil Kaushal
President – Waitakere Indian Association
KEY POINTS

The Waitakere Indian Association commissioned this descriptive research report to understand the economic significance of people of Indian ethnicity in New Zealand. There are 240,000 people of Indian ethnicity in New Zealand, and they contributed $10b to the economy in 2019. Their contribution has grown rapidly and looks set to continue.

YOUNG AND WELL QUALIFIED

Indians made up 5% of the population in 2019, up from 2% in 2001. The rapid growth has been driven by net inward migration, as well as growing families. The Indian population is young, with a high proportion in the under 5 and 20-40 age groups. They are in their prime working age, and in the family building phase. 78% of the population – or 186,000 Indians – are of voting age.

Indians, like many other migrant communities, are largely concentrated in Auckland (65% of the Indian population), Wellington (9%) and Waikato (7% of the Indian population), although they are present in every region of New Zealand.

Indians are more likely be highly qualified and employed. 56% of Indians hold post-school qualifications, 1.6 times the national average. 72% of Indians of working age are in work, compared to the 65% on average. Indians are less likely to be in business (entrepreneurship), making up around 3.5% of employers and self-employed.

UPWARDLY MOBILE

Indians are more likely to work in retail, accommodation, logistics, health, business support, finance, IT and professional services. On average, Indians in work earned $50,000 pa, compared to a national average of $55,400 pa. 37% of the difference was explained by a younger workforce; 8% by occupational mix; and 54% due to wage differences. The latter may reflect a range of barriers to work and low bargaining power often faced by recently arrived migrants. The gap is closing, as Indians are increasingly likely to work in higher income industries and occupations. Reducing this penalty will increase their economic contribution.

$10B CONTRIBUTION TO THE ECONOMY IN 2019

The economic contribution of Indians is perhaps easiest to conceptualize as the share of income (both labour and capital) going to people who identify as of Indian ethnicity. We estimate Indians in New Zealand contributed $10b to the economy in 2019; the total economy was worth $303b.

There are additional contributions to the New Zealand economy from visiting Indians for tourism and education. We estimate they contributed $645m through international education and $180m through tourism.

Indians are a growing part of New Zealand’s diverse population. They are already a $10b part of the New Zealand economy. But their contribution is less that it could be, because of skills mismatches and lower incomes. Reducing barriers for recent migrants will be better for NZ Indians and New Zealand.
Message from Hon Jenny Salesa

Aotearoa New Zealand is home to a large and vibrant Indian population, one that proudly demonstrates aroha, diversity, and value in everything our Kiwi Indians do. We benefit from the contributions of our Indian communities – those that call New Zealand home and those who may visit.

I commend the Waitakere Indian Association for this report: Producing the Economic Contribution of NZ Indians, $10b and rising. The report outlines the remarkable contribution of our Indian communities, particularly in the labour market, highlighting that the workforce is young, dynamic and highly skilled. The broader economic contribution is vital.

However, this report is not just about the numbers. It is also about the people. From sport to film, innovation and art, the perspective of our Indian communities and the strong cultural diversity they bring, are central to building social inclusion.

We must all continue to remove the barriers to success in this country. Every New Zealander, no matter their origin, must be able to succeed - be it economically, socially, or culturally. It is crucial that Aotearoa New Zealand continues to be a socially inclusive country. Harnessing the unique skills and connections of our Indian communities will continue to make a positive impact on our way of life.

Hon Jenny Salesa
Minister for Ethnic Communities
Minister for Building and Construction
Minister of Customs
Message from
Hon Judith Collins

New Zealand is a wonderfully diverse and vibrant country. The Indian community play a pivotal role in shaping our community and also play an important role in boosting our economy.

It’s very exciting that more and more Indians are calling New Zealand home, making up 5 per cent of our total population. During my time as Minister for Ethnic Communities I was able to connect with so many different Indian communities from all walks of life.

The National Party knows that small business is the backbone of our economy. These businesses are a part of what ties people together, they make communities and families strong and they are ultimately the building blocks of our society. The Indian community play a pivotal role within our business sector, with an estimated contribution $10 billion to our economy.

I hope we continue to have the gracious support from the Indian community so we can continue to make New Zealand a better country for everyone.

Hon Judith Collins
Leader of the Opposition Of New Zealand
Message from
H. E. Muktesh Pardeshi

I would like to congratulate Waitakere Indian Association for bringing out a well-researched and useful study on the demographic profile, geographic distribution and professional achievements of people of Indian origin in New Zealand. It is heartening to note that by dint of hard work, Kiwi Indians are not only doing well for themselves in their chosen professions and businesses but are also contributing significantly to the economic prosperity of New Zealand. The large, peaceful and prosperous Indian diaspora in New Zealand has assimilated itself seamlessly into its socio-economic fabric and has added to its rich diversity. It is also satisfying to note that a large number of Indian students are taking advantage of New Zealand’s reputed institutions of higher learning and New Zealand is emerging as a favourite destination for Indian tourists. Indian diaspora in New Zealand serves as a strong bridge, bringing our two countries closer- politically, commercially and culturally.

Muktesh Pardeshi
High Commissioner of India to New Zealand
Message from Shamubeel Eaqub

Indians are an important and growing part of New Zealand’s diverse population. 240,000 people of Indian ethnicity in New Zealand made up 5% of the population in 2019, up from 2% in 2001.

Indian migrants’ economic contribution is a success story. They contributed $10b to our $303b economy in 2019. They are well educated, in their prime working age, more likely to be in work, and over time have been progressively moving into better paid industries and occupation. They are becoming more likely to be entrepreneurs too.

Many recent migrants face difficulty in getting jobs suited to their qualifications and skills. Indians face the same hurdles. Indians represent a significant economic resource and contributor. They are being underutilised. The more we can do to tap into the potential of the young and well qualified Indians in New Zealand, the more they and New Zealand will benefit.

Shamubeel Eaqub, CFA
Sense. Partners

Message from Reuben Abraham

In the aftermath of Covid-19, there is likely to be a restructuring of geo-politics, especially in Asia, which will lead to closer Indo-Oceanic ties. Indians are relatively recent immigrants to New Zealand, but they already form the bedrock of an important emerging relationship between the two countries, both in population as well as contribution to GDP terms, as this report succinctly lays out.

Given its recency, it should come as no surprise that the Indian community hasn’t quite achieved the level of success it has in other Anglosphere countries. However, that represents an opportunity to move up the opportunity ladder, especially in sectors where the Indian diaspora has traditionally excelled, including technology, hospitality, and finance, all of which are critical to the NZ economy. The other area where Indians can make a big contribution is through entrepreneurship. The contribution of Indian entrepreneurs to Silicon Valley and similar clusters is well documented, so there is no reason why it cannot be repeated in NZ.

It is my hope that the increasing prominence of Indians in NZ will not only attract more high-end professionals, but also talented students, and well-heeled tourists. This circulation of people is mutually beneficial for both countries and offers a firm foundation for building a key partnership of the 21st century.

Dr Reuben Abraham
CEO of the IDFC Foundation & Institute
Honorary Advisor to the Asia New Zealand Foundation
1. INTRODUCTION

The Waitakere Indian Association commissioned this descriptive research to collate census data since 2001 to better understand the economic role and contribution of New Zealand Indians.

Ethnicity is a self-defined concept. The Statistics New Zealand Census collects ethnicity information of all those living in New Zealand. Each person may pick more than one ethnicity. We report on the basis on those who identified as Indian in the Census.

Economic contribution by ethnicity is difficult to pin down, as the economy is a complex and dynamic web of inter-relationships. So, our analysis spans a broader set of indicators to paint a picture of the make-up of Indians in, and their contribution to, New Zealand. Our estimates of the contribution to Gross Domestic Product (GDP) should be seen within this broader canvas.

One way to think about the economy is in terms of three key ingredients: labour, capital and technology. Labour is about quantity and quality (for which education can be a shorthand), and the ability to use technology to increase efficiency and effectiveness of a business is linked to the capital available (equipment, computers, software, etc), and the ability to use (correlated to qualifications).

2. DEMOGRAPHICS

The makeup and attributes of a population help us better understand who they are, and also what economic potential they may hold. For example, those with higher qualifications are more likely to have higher income jobs and their children are more likely to also gain higher levels of education.

2.1. 1 IN 20 IN NEW ZEALAND ARE INDIANS

The number and share of Indians living in New Zealand is growing rapidly.

The number of Indians in New Zealand has increased from about 65,000 people in 2001 to around 240,000 in 2018 (Figure 1). The Indian share of the population has increased from 1.7% in 2001 to 5.1% in 2018. Every 1 in 20 New Zealander is now of Indian ethnicity.

The increase in the Indian population has been more rapid than other Asian ethnicities (Figure 2). Indians now make up 34% of the Asian population, compared to 26% in 2001. This in part reflects increased immigration over the past two decades.

The Indian population is very young: more likely to be aged 20 – 40 and under 4 than the overall population. This reflects the immigration dynamic, where people who move to other countries tend to be in their prime working age. 78% or 186,000 are of voting age, a similar proportion to the total population. The actual number is a lower, because about 60,000 are on work and student visa (although some may go on to become residents) according to Immigration NZ data.
FIGURE 1: 1 IN 20 NEW ZEALANDERS IS NOW OF INDIAN ETHNICITY

NZ Population Share by Ethnicity

Source: Sense Partners calculations from Statistics New Zealand Census data

FIGURE 2: THE SHARE OF ALL MINORITY ETHNICITIES HAS INCREASED SINCE 2001

NZ Population Share by Ethnicity (excluding European)

Source: Sense Partners calculations from Statistics New Zealand Census data
FIGURE 3: INDIANS ARE YOUNGER AND IN PRIME WORKING AGE; ALSO MORE YOUNG CHILDREN

Population Distribution by Age: Indian & Total in 2018

Source: Sense Partners calculations from Statistics New Zealand Census data

FIGURE 4: 186,000 INDIANS ARE OF VOTING AGE

Voting Age Share of Population by Ethnicity

Source: Sense Partners calculations from Statistics New Zealand Census and other data
2.2. MAINLY, AUCKLAND BUT EVERYWHERE

Most migrants flock to Auckland, and Indian migrants are no different (Figure 5). Auckland is the most ethnically diverse region in New Zealand. Auckland is unique in its economic, cultural and social offerings. It has a large and diverse economy, and specialisations that do not exist in other regions (which do not have the scale and agglomeration benefits of Auckland).

This leads to network benefits, both economic and social. Existing networks of ethnic social groups and services further enhance the desire to locate in Auckland, making it easier for migrants to settle economically and socially.

While 65% of Indians live in Auckland, they are present in every part of the country. There are sizeable populations in Wellington, Canterbury, Waikato and Bay of Plenty (Figure 6). 1 in 10 Aucklanders are Indian, compared to 1 in 20 nationally. Outside of Auckland, Indians make up less than 5% of the regional population (Figure 7).

FIGURE 5: MIGRANTS LARGELY CONGREGATE IN AUCKLAND

<table>
<thead>
<tr>
<th>Area</th>
<th>European</th>
<th>Māori</th>
<th>Pacific Peoples</th>
<th>Total</th>
<th>Indian</th>
<th>Asian</th>
<th>Other East/Latin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northland</td>
<td></td>
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<tr>
<td>Auckland</td>
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<tr>
<td>Waikato</td>
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<tr>
<td>Bay of Plenty</td>
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<tr>
<td>Gisborne</td>
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<tr>
<td>Hawke’s Bay</td>
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<td></td>
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<tr>
<td>Taranaki</td>
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<tr>
<td>Manawatu-Whanganui</td>
<td></td>
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<td></td>
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<tr>
<td>Wellington</td>
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<td>Marlborough</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>West Coast</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canterbury</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Otago</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southland</td>
<td></td>
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</tr>
</tbody>
</table>

Source: Sense Partners calculations from Statistics New Zealand Census data
FIGURE 6: 65% OF INDIANS LIVE IN AUCKLAND

Indian Population Distribution by Region

Northland
Auckland
Waikato
Bay of Plenty
Gisborne
Hawke's Bay
Taranaki
Manawatu-Whanganui
Wellington
Tasman
Nelson
Marlborough
West Coast
Canterbury
Otago
Southland

Source: Sense Partners calculations from Statistics New Zealand Census data

FIGURE 7: INDIANS ARE PRESENT EVERYWHERE, BUT IN RELATIVELY SMALL NUMBERS OUTSIDE OF THE MAIN CENTRES

Indian Share of Population by Region

Northland
Auckland
Waikato
Bay of Plenty
Gisborne
Hawke's Bay
Taranaki
Manawatu-Whanganui
Wellington
Tasman
Nelson
Marlborough
West Coast
Canterbury
Otago
Southland

Source: Sense Partners calculations from Statistics New Zealand Census data
3. EMPLOYMENT

Indians are more likely to hold higher levels of qualifications and are more likely to be in employment than the national average. However, they are likely to earn less than the average, only part of which can be explained by age, occupation and industry – there are other contributing factors at play, including barriers to jobs, income and lower bargaining power faced by immigrants and ethnic minorities. Previous research has show that recent migrants tend to earn lower on average, but this effects fades over time.

3.1. WELL EDUCATED

Indians in New Zealand are well qualified. 56% of Indians have post-school qualifications, compared to 36% for the total population (Figure 8). 27% of Indians have undergraduate qualifications compared to 16% for the whole population, and 18% of Indians have post-graduate qualifications compared to 10% for the whole population.

Qualifications are a shorthand for access to well-paying jobs. Education attainment, incomes and career progression are closely linked. But the relationship is not perfect. Reasons include some overseas qualifications not being recognised or valued, or qualifications that may not match demand for knowledge or skills.

Nevertheless, higher levels of qualifications suggest the Indian labour force has high economic potential.

FIGURE 8: MORE INDIANS HAVE POST-SCHOOL QUALIFICATIONS THAN THE POPULATION AS A WHOLE

Source: Sense Partners calculations from Statistics New Zealand Census data
3.2. MORE LIKELY TO BE IN WORK

Indians are more likely to be in work than the total population of working age. 72% of working age Indians were in work in the 2018 Census, compared to 65% of the total population of working age, or any other broad ethnic group (Figure 10: Indians are more likely to be in paid work). Similarly, the unemployment rate was lower than the national average in 2018 (Figure 11).

**FIGURE 9: INDIANS ARE MORE LIKELY TO BE IN PAID WORK**

![Employment Rate Chart]

Source: Sense Partners calculations from Statistics New Zealand Census data

**FIGURE 10: INDIANS ARE MORE LIKELY TO BE IN PAID WORK**

![Employment Rate by Ethnicity Chart]

Source: Sense Partners calculations from Statistics New Zealand Census data
FIGURE 11: INDIANS WERE UNTIL RECENTLY MORE LIKELY TO FIND IT HARD TO LAND A JOB...

Source: Sense Partners calculations from Statistics New Zealand Census data

FIGURE 12: ...BUT BY 2018, INDIANS ACHIEVED RELATIVELY LOW UNEMPLOYMENT

Source: Sense Partners calculations from Statistics New Zealand Census data
3.3. MORE LIKELY TO WORK IN SOME SECTORS

Indians are more likely to work in some sectors than others.

There are three dimensions to consider. What industries Indians work in, whether that is different from the total, and how that has changed over time. Figure 13 shows the share of jobs held by Indians by industry, and how that industry mix compares against that for the total population. Figure 14 shows how the industries Indians work in has changed over time.

For example, in 2018 Indians were most likely to work in retail. 14% of all Indians in work were in the retail sector – the highest of any industry. Indians were also more likely to work in retail than the total of all ethnicities (which was 9%). But the share of jobs in retail has fallen over time. 22% of all Indian employment was in retail in 2001, but that had fallen to 14% in 2018.

Indians also less likely to work in some sectors. For example, 4% of Indian workers are in the construction sector versus 9% for all ethnicities. However, the share of Indians working in construction has been increasing over time.

Figure 15 summarises this data. In the right half of the chart are the industries that Indians are most likely to work in. Those in the top half are industries Indians are moving towards over time.

Figure 16 does the same analysis, but for broad occupation groups. It shows that Indians are less likely to work in clerical, administrative, community and personal care occupations, and increasingly likely in sales and professional occupations.

On average, Indians appear to be moving toward higher paying industries and occupations. Although this is not universally true.
FIGURE 13: INDIANS ARE MORE LIKELY TO WORK IN SOME INDUSTRIES THAN OTHERS...

**Indian Industry Employment Share: 2018**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Over-represented vs total</th>
<th>Under-represented vs total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Health</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Professional services</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Business support</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Logistics</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Education</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>Construction</td>
<td>0%</td>
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</tr>
<tr>
<td>Government</td>
<td>0%</td>
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</tr>
<tr>
<td>Finance</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Primary</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>IT &amp; media</td>
<td>0%</td>
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<tr>
<td>Real estate</td>
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<td>0%</td>
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<tr>
<td>Arts, rec. &amp; other</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>Utilities</td>
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<tr>
<td>Mining</td>
<td>0%</td>
<td>0%</td>
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</table>

Industry share of employment byt ethnicity

**Source:** Sense Partners calculations from Statistics New Zealand Census data

FIGURE 14: ...ACROSS A RANGE OF INDUSTRIES FROM HOSPITALITY TO PROFESSIONAL SERVICES

**Indian Employment Share by Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>2001</th>
<th>2006</th>
<th>2013</th>
<th>2018</th>
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<tbody>
<tr>
<td>Retail</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Health</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Professional services</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
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<td>Manufacturing</td>
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<td>Business support</td>
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<td>Wholesale</td>
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<td>Construction</td>
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<td>Government</td>
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<td>Primary</td>
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<td>IT &amp; media</td>
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<td>Real estate</td>
<td>5%</td>
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<tr>
<td>Arts, rec. &amp; other</td>
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<tr>
<td>Utilities</td>
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<tr>
<td>Mining</td>
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</tbody>
</table>

**Source:** Sense Partners calculations from Statistics New Zealand Census data
FIGURE 15: INDIANS ARE MOVING TOWARDS DIFFERENT INDUSTRIES...

Industry Exposure of Indian Workers

Share of jobs in industry held by Indians in 2018

Source: Sense Partners calculations from Statistics New Zealand Census data
FIGURE 16: ...AND OCCUPATIONS

Occupation Exposure of Indian Workers

Source: Sense Partners calculations from Statistics New Zealand Census data
3.4. LOWER INCOME - SOME EVIDENCE OF BARRIERS FACED BY NEW MIGRANTS

While Indians are more likely to be in work, and hold higher qualifications, they tend to earn less on average. The average income of Indians in work was around $50,000 in 2018, compared to $55,400 for all ethnicities.

There are some obvious sources of the difference: a relatively young workforce and the industries and occupations they work in.

Age composition matters. But even within age groups there are differences in incomes. Young Indians experience the biggest difference in income from the total (nearly 20%), but the gap is lower in prime working ages (5%-10%). Indians are more likely to work in industries like retail and accommodation, which tend to have lower incomes, both due to lower wage rates and often fewer hours or part-time of work.

But even after adjusting for differences in age, industry, and occupation, around half of the lower wages remain unexplained. This may reflect that nearly 40% of the Indian population may be considered recent arrivals (as migrants, students or on work visas).

Previous research has shown that recently arrived migrants may experience a 20% difference in income in the first year after arrival, which fades after 20-30 years of residence.

Other research has also showed that the migrant settlement process is complex and is affected by many variables, including language proficiency, skills, qualifications, occupation mismatch, networks (family, social and economic), and discrimination.

Source: Sense Partners calculations from Statistics New Zealand Census data
3.5. LOW BUT RISING ENTREPRENEURSHIP

Economic engagement is not only through work, but also through entrepreneurship (owning businesses) or owning other types of investments Figure 18.

Figure 18 shows the share of Indians in employment who are employers or self-employed. 10% of Indians make up these two categories of entrepreneurship, lower than the total of 15%.

The prevalence of Indian entrepreneurship has trended lower over time, from 18% in 2001 to 10% now (Figure 19), with an increasing proportion in paid employment instead. However, there has been a similar declining trend in entrepreneurship across the economy, and the Indian share of all entrepreneurs has in fact been trending higher, from less than 3% of all entrepreneurs in 2001, to 6.6% in 2018.

FIGURE 18: INDIANS LESS LIKELY TO BE IN ENTREPRENEURSHIP

Source: Sense Partners calculations from Statistics New Zealand Census data

FIGURE 19: INDIANS’ ECONOMIC CONNECTION IS INCREASINGLY AS AN EMPLOYEE...

Labour Market Status of Indians

<table>
<thead>
<tr>
<th>Year</th>
<th>Paid employee</th>
<th>Self-employed</th>
<th>Employer</th>
<th>Unpaid family worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
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<td></td>
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</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Sense Partners calculations from Statistics New Zealand Census data

FIGURE 20: ...EVEN THOUGH INDIANS MAKE UP AN INCREASING SHARE OF ENTREPRENEURS

Indian Share of Entrepreneurs

<table>
<thead>
<tr>
<th>Year</th>
<th>Employer</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
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<tr>
<td>2018</td>
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</tr>
</tbody>
</table>

Source: Sense Partners calculations from Statistics New Zealand Census data
4. ECONOMIC CONTRIBUTION

The contribution of Indians to the New Zealand economy is substantial. We estimate $10b of GDP in 2019, or 3.3% of the total, can be attributed to Indian workers, entrepreneurs and investors. This is lower than the population, largely explained by lower incomes and exposure to lower paying industries. However, this mismatch has been reducing over time.

A further $825m was contributed by visiting Indians, through international education and tourism.

FIGURE 21: NZ INDIANS CONTRIBUTED $10B OF GDP IN 2019, AND VISITING INDIANS ANOTHER $0.8B

Economic Contribution of Indians to NZ: 2019

Source: Sense Partners calculations

4.1. NZ INDIANS

As one measure of the economic contribution of NZ Indians, we assign a share of national income of the different components of the economy’s income (income from labour or work and capital or ownership of businesses) to people of Indian ethnicity. We estimate this was $10b in 2019, largely made up of income earned from work, as well as profits of businesses owned by Indians (Figure 22). This accounted for 3.3% of national GDP in 2019, up from 0.9% in 2001.
FIGURE 22: INDIANS IN NZ ACCOUNTED FOR $10B OF GDP IN 2019, OR 3.3%

2019 GDP: Attributable to Indians

![Graph showing GDP attributable to Indians over time.](chart)

Source: Sense Partners calculations

FIGURE 23: THE ECONOMIC CONTRIBUTION OF INDIANS HAS INCREASED OVER TIME, FROM 0.9% IN 2001 TO 3.3% IN 2019

Contribution to NZ GDP: Indian Ethnicity

![Graph showing the contribution of Indians to GDP over time.](chart)

Source: Sense Partners calculations
4.2. VISITING INDIANS

Visiting Indians also contribute to the economy. In this case, it is easier to measure it in terms of spending, than the income and profits of Indians in New Zealand we counted in the earlier section. This is because of the data availability.

Visiting Indians, both tourists and international tourists, spend money in the economy, which are considered exports of services.

- **Tourism**: 68,000 visitors from India, 2% of total, growing at 10%pa over the past decade. Last year contributed spending in the economy of around $180m.
- **Foreign students**: 15,300 international students; 19% of total and worth around $645m of spending in the economy per year.
- In total, visiting Indians contributed $825m of services exports to the New Zealand economy in 2019.

![Figure 24: Visiting Indians spent $825m in 2019](image)

**Source**: Sense Partners calculations from Statistics NZ, Immigration NZ and MBIE data

5. CONCLUSION

There are 240,000 people of Indian ethnicity living in New Zealand. They are more likely to be young, well-educated and economically engaged compared to the general population. Their economic contribution is increasing over time, both because there are more Indians living and visiting New Zealand for pleasure and work, but also because they are more likely to be involved in higher paying and higher productivity industries and occupations. But right now, the skills and qualifications of Indians is not yet being put to best economic use. The more the barriers to ‘migrant settlement’ can be reduced, the greater the benefits to NZ Indians and New Zealand.