

Second citizenship & the migration of HNWIs

2000 - 2014

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Second citizenship

Since the turn of the century, large numbers of global HNWI's have sought out second citizenship. According to Nadia Read, head of world residence and citizenship platform LIO Global: "the main reason people apply for a second residence or citizenship is to ensure freedom of global mobility and access, as well as security and wealth protection for their families."

According to Read: "the majority of investors are typically looking towards the EU. Cyprus and Malta, in particular, are very popular as they offer direct citizenship without long waiting or residence periods. Portugal's Golden Residence Visa, as well as the Hungarian Residence Bond program, have also seen significant interest, as they offer investors residence in exchange for a smaller investment (in comparison to Malta or Cyprus). The Caribbean has also recently seen strong demand as countries such as Antigua and Barbuda or Grenada offer direct citizenship in under 6 months."

HNWI Migration

Along with the rise in second citizenship applications, the number of people changing domicile (or immigrating) has increased dramatically since the turn of the century. Major reasons for this include: turmoil in home country, security concerns and optimizing education of children.

Countries with biggest inflows of HNWI's

The following table lists countries that have had the biggest inflows of HNWI's from abroad over the past 14 years.

Note: This survey was conducted by comparing the domicile of a sample of approximately 60,000 global HNWI's in 2000 with the same sample in 2014.

World: Countries ranked by inflows, 2000 - 2014

Country	Net inflow of HNWI's	No. of HNWI's, 2014
UK	125 000	840 000
USA	52 000	4 105 000
Singapore	46 000	223 800
Australia	35 000	248 100
Hong Kong	29 000	211 700
UAE	18 000	72 100
Canada	17 000	340 500
Turkey	12 000	100 200

Notes: HNWI numbers rounded to nearest 1000.

Source: NW-Wealth

Highlights:

- The UK was the top beneficiary of HNWIs from abroad. Most of these HNWIs came from Europe, Russia, China and India. There were also substantial numbers that came from the Middle East and Africa.
- Inflows into the United States of America (USA) predominantly came from China. Notable numbers also came from the UK, India and Russia.
- Singapore in 2nd place benefited from a strong migration of HNWIs from China, India and Indonesia.
- Australia was boosted by strong inflows from the Asia Pacific region (India, China, Indonesia), as well as the UK and South Africa.
- Hong Kong saw most of its new HNWIs come from China.
- The UAE (mainly Dubai) saw strong inflows from North Africa, India and Middle Eastern countries.
- Canada saw strong inflows from Europe, the UK and South Africa.
- Turkey HNWI numbers were boosted by inflows from the rest of the Middle East and North Africa.

The UK and in particular London has become a hub for moving millionaires due to a number of factors including:

- The language.
- The international nature of the city.
- Ease of travel - EU has open border policy.
- Ease of moving money into the country.
- Ease of buying property in the country.
- Quality of schooling and universities.

Singapore has benefited from:

- Location - it's near fast growing HNWI markets such as China, Indonesia and India.
- Low tax structure.
- The international nature of the city.

Countries with biggest outflows of HNWI

The following table lists countries that have had the biggest outflows of HNWI over the past 14 years.

World: Countries ranked by outflows, 2000 - 2014		
Country	Net outflow of HNWI	No. of HNWI, 2014
China	91 000	608 500
India	61 000	226 800
France	42 000	323 400
Italy	23 000	198 300
Russia	20 000	117 600
Indonesia	12 000	48 500
South Africa	8 000	46 800
Egypt	7 000	20 200

Notes: HNWI numbers rounded to nearest 1000.

Source: NW-Wealth

Highlights:

- Chinese HNWI mainly moved to the US, Hong Kong, Singapore and the UK.
- Indian HNWI tended to move to the UAE, the UK, the US and Australia.
- French and Italian HNWI tended to move to the UK, Switzerland and Luxemburg.
- Outgoing Russian HNWI mainly went to the UK, Europe and the USA.
- Indonesian HNWI mainly moved to Singapore.
- South African HNWI tended to move to Australia, the UK, Cyprus, Mauritius, the USA and Canada.
- Egyptian HNWI mainly moved to the UAE, Turkey and the UK.

Top countries for worldwide millionaires

The following table lists the top 10 countries for millionaires at the end of 2014. The USA tops the list followed by Japan, the UK, Germany and then China.

World: Top countries for millionaires, 2014		
Rank	Country	Millionaires, 2014
1	USA	4 105 000
2	Japan	1 255 400
3	UK	840 000
4	Germany	821 900
5	China	608 500
6	Switzerland	345 600
7	Canada	340 500
8	France	323 400
9	Australia	248 100
10	India	226 800

Note: HNWI numbers rounded to nearest 100.

Source: NW-Wealth.com

Notes & Definitions:

- “Millionaires” otherwise known as “high net worth individuals” or “HNWIs” refer to individuals with net assets of US\$1 million or more excluding their primary residences.
- This survey was conducted by comparing the domicile of a sample of approximately 60,000 global HNWIs in 2000 with the same sample in 2014.
- Outflows/inflows refer to the number of individuals that have changed their domicile during the review period.
- “Domicile” refers to the country that a person treats as their permanent home.
- This is our 2nd annual global migration paper. Our previous paper was featured in the latest Knight Frank Wealth Report and by several major news outlets worldwide.

About New World Wealth

New World Wealth provides information on the global wealth sector, with a special focus on high growth markets.

We provide information and consultancy services to:

- Luxury Goods Companies.
- Private Banks.
- Family offices.
- Real estate professionals.
- Asset managers.
- HNWIs and the general public.

Services on offer include:

- Comprehensive wealth reports.
- Luxury surveys.
- Private banking industry statistics.
- HNWI asset allocation statistics.
- Prime property statistics.
- HNWI city, sector, suburb and country statistics.

New World Wealth is based in Johannesburg, South Africa.

For more information on New World Wealth please visit www.nw-wealth.com

Database

Our database comprises dossiers on over 120,000 HNWIs from around the world and profiles on luxury brands, private banks and family offices in each market.

In terms of our HNWI database, we source our names from: company databases, director databases and various luxury goods databases (with a focus on prime property, yacht, art and private jet owners).

We then track the liquidity events, purchases and movements of these individuals over time.

Contact

Andrew Amoils

New World Wealth

andrew@nw-wealth.com

+27 11 706 1185

www.nw-wealth.com

Nadia Read

LIO Global

nadia.read@lio-global.com

+27 83 375 1078

www.lio-global.com