
Covid-19 Accelerates Growth of Investment Migration Industry

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There has been a 25% increase in the number of HNWIs enquiring about citizenship-by-investment as opposed to residence-by-investment programs since the coronavirus was first reported nearly a year ago, indicating that wealthy international investors are considering a more permanent change. Leading residence and citizenship advisory firm [Henley & Partners](#) has also reported an unprecedented and sustained surge in enquiries from citizens of highly developed countries such as Canada, the UK, and the US compared to last year, along with noticeable shifts in its clientele's priorities.

[Henley & Partners](#) CEO [Dr. Juerg Steffen](#) says that when combined with over a decade of growth in engagement from the buy and sell side, it's fair to state that investment migration is now very much a mainstream (U)HNWI advisory service. "The value to both investors and their families, and sovereign states and their citizens, is very clear. The volume has also now reached a critical mass where it is reasonable to suggest that investment migration is now a standard consideration for international HNWI who are looking to hedge volatility, create short term value as well as long term yield through enhanced global mobility. As client advisors, we are now seen, treated, and understood as other professional advisors to HNWIs such as lawyers, bankers, wealth and investment management professionals."

Last year, the top five countries in terms of enquiries were all emerging markets: India, South Africa, Bangladesh, Pakistan, and Nigeria. India remains at the top in 2020, but the combination of Covid-19 and sustained political turmoil saw the US, which was in 6th position last year, shoot up into 2nd place (as it plunged down the [Henley Passport Index](#) rankings), followed by Pakistan, Nigeria, and South Africa. The UK was 7th last year but ongoing Brexit uncertainty saw it creep up to 6th place in 2020, while Canada leapt from 16th position in 2019 to 8th place in 2020.

Remarkably, yet understandably, the most stratospheric growth in interest in investment migration programs globally has been in the US. By mid-November, Henley & Partners had seen an astonishing 235% spike in enquiries from US citizens since the start of the pandemic compared to the same period last year, with 74% more enquiries from Canadian citizens, and a 38% rise in enquiries from UK citizens.

Dr. Steffen says the two years leading up to 2020 saw investment migration mature from being a luxury lifestyle product to become a sophisticated investment choice, and the Covid-19 fallout has put a spotlight on the many benefits of strategic residence and citizenship planning. "More than simply being about ease of travel or acquiring a vacation home, alternative residence and citizenship encompass portfolio diversification, global investment and operations, and the creation

of a new inheritance and identity for the family. The unexpected events of 2020 have simultaneously exacerbated push factors such as political and economic instability, and reprioritized pull factors, with stability, safety, and access to education and healthcare becoming issues of greater concern than ever. Savvy investors have realized that diversification is as relevant to lifestyle planning as it is to wealth management. By spreading their assets across a range of markets and jurisdictions, over time they are more likely to harvest returns than if they hedge their bets on one country alone — even if that is a world-leading nation.”

The unprecedented new investment migration industry dynamics are evidence of the fact that HNWI are increasingly appreciating that acquiring alternative residence or citizenship is a powerful diversification tool. Having been locked in for months, and with a second lockdown now being enforced in numerous countries, many people are wanting a new start in a different place. Those with the means are looking to diversify their portfolios in all possible aspects, including lifestyle and choice of location. No longer bound to physical offices in urban hubs, some are fleeing to country retreats away from the city crush or to remote, sparsely populated destinations where they and their families feel safe to breathe. Others are keenly exploring options to relocate to entirely new countries, from where they are able to continue operating their businesses while living a better life in a place where they feel more comfortable and secure — akin to their pre-Covid existence.

In terms of numbers of enquiries received, the Caribbean citizenship-by-investment (CBI) programs feature prominently in the top three for Americans, Canadians, and UK citizens. [St. Lucia](#) is the number one choice for UK citizens and the second most popular program for US citizens. These statistics give a clear indication of the abiding allure of having the option to up and off to a small, safe island that can rapidly self-isolate should future crises strike. When it comes to residence-by-investment (RBI) options, [Portugal](#) outstrips all others, being the top choice for Americans, Canadians, and UK nationals.

In tandem with the rising number of enquiries from citizens of leading nations during 2020 is the constant and steadily growing interest shown by citizens from emerging market countries. Emerging economies have advanced impressively over the past two decades, and economic power has increasingly shifted towards these regions, but while these markets abound with opportunities in the form of a rapidly rising middle class, higher consumption, and attractive returns, the downside is that there are as many (if not more) risks, such as political and economic instability, inferior infrastructure, and poor market access. Kenya has seen tremendous growth in enquiries of 116% between mid-November 2019 and the same period in 2020, while India saw growth of 61% off an already high base in the same period, and Nigeria saw 30% growth, also off an impressive starting point.

[Henley & Partners](#) Group Head of Private Clients [Dominic Volek](#) says “The past few years have seen many affluent individuals from emerging markets across the world transcending the historical constraints imposed on them and accessing business, career, educational, and lifestyle

opportunities on a global scale, for themselves and their families, by investing in residence or citizenship programs. We expect to see these numbers soaring in 2021 and beyond as the prevailing political and economic uncertainty that has unfortunately been exacerbated by Covid-19 prompts even more international investors to plan their next move.”

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About Henley & Partners

Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals and their advisors rely on our expertise and experience in this area. The firm’s highly qualified professionals work together as one team in over 30 offices worldwide.

The concept of residence and citizenship planning was created by Henley & Partners in the 1990s. As globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day.

The firm also runs a leading government advisory practice that has raised more than USD 8 billion in foreign direct investment. Trusted by governments, the firm has been involved in strategic consulting and in the design, set-up, and operation of the world’s most successful residence and citizenship programs.

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