

Migration rises to 11-year high as fewer kiwis leave for Australia

26 Apr 2014 NZ Herald

New Zealand migration rose to an 11-year high in March, the second-highest gain on record, as fewer kiwis left for Australia.

The country gained a seasonally adjusted 3,800 net new migrants in March, the most since February 2003, said Statistics New Zealand. A net 400 people left for Australia in March, down from 600 in February, according to seasonally adjusted figures.

In the year through March, New Zealand gained a net 31,900 migrants, a 10-year high, as 98,000 people arrived while 66,100 departed. That's more than 12 times the 2,500 annual net migration gain in the year through March 2013 and compares with an average net gain of 11,700 migrants over the past 20 years.

The Reserve Bank last month said the rapid increase in net migration over the past 18 months, which has boosted demand for housing and consumer spending, is an inflationary pressure which prompted it to lift the official cash rate a quarter-point to 2.75 percent. The central bank reviews interest rates tomorrow, and is widely expected to hike a further 25 basis points.

"We expect annual net migration to peak just below 40,000 later this year - which implies some slowing from the current pace," Daniel Smith, an economist at ASB Bank, said in a note. "Additional workers will help meet strong demand in the Canterbury construction sector, but stronger population growth overall is likely to add to domestic demand and exacerbate housing market pressures, particularly in Auckland.

"That is one of the reasons why interest rates will continue to rise over the next couple of years," Smith said.

China was the nation's biggest source of net long-term arrivals, with 6,200 people relocating to New Zealand in the year ended March, followed by 6,100 Indian migrants and 5,800 British arrivals. Auckland attracted 14,800 migrants, with Canterbury seeing 5,200 international arrivals settling there over the year.

Today's figures showed short-term visitor arrivals fell 6 percent to 253,600 in March compared to a year earlier, as a late Easter meant school holidays in Australia, the UK and Hong Kong started in April rather than March. In the month visitors from across the Tasman dropped 13 percent, UK visitors were down 19 percent and Hong Kong short-term arrivals fell 42 percent.

Annually short-term visitors rose 5 percent to 2.75 million, as Germans outstripped Japanese arrivals to become the fifth biggest source of visitors. Australian visits rose 4.3 percent to 1.2 million in the year, China rose 14 percent to 239,700, the US gained 10 percent to 207,700 while annual UK visitors rose 1.3 percent to 191,900.

Source NZ Herald