

## Record migration to Australia Overseas arrivals & departures; Chinese inflation

- **Tourism:** Tourist arrivals rose by 0.9 per cent in February, the strongest gain in five months. And Aussie tourist departures fell by 3.3 per cent, the biggest fall in almost two years.
- **Migration:** In February, a record 115,100 migrants arrived in Australia (defined as “permanent and long-term arrivals”). The annual number of net permanent arrivals (arrivals less departures) hit 5-year highs.
- **Chinese inflation:** Chinese consumer prices rose by 2.3 per cent over the year to March, up from 1.5 per cent in the year to February. Annual growth of producer prices rose from 0.1 per cent to 0.4 per cent.

*Tourism data is important for airlines, hotels and booking agents. Migration data is important for retail and housing industries. The Chinese data have implications for the currency markets and therefore exporters and importers.*

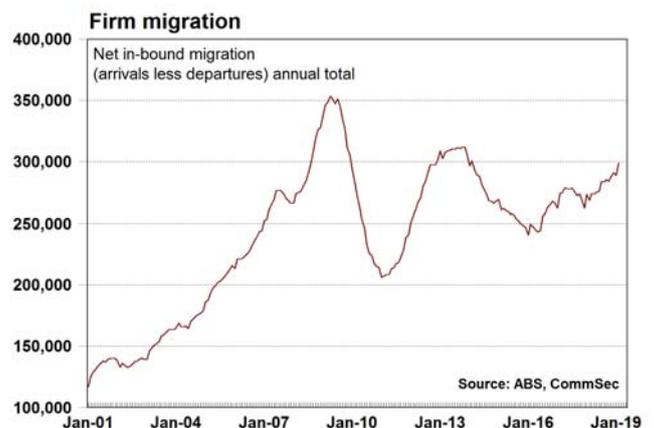
### What does it all mean?

- More people are deciding to call Australia home – if not permanently, at least for longer than a year. The lift in permanent and long-term arrivals reflects a perception of Australia as a great place to live and work – a country with a high standard of living and great opportunities. Over 115,000 foreigners came to Australia as a “permanent or long-term arrival” in February. While February is seasonally a peak time for migrant inflows, the annual total of 844,800 is also a record high and up 11.4 per cent on a year ago – the strongest growth in 20 months.
- In February there were also 40,740 Aussies deciding to move overseas either permanently or for more than year – the lowest level in four months. Over the year to February the net number (arrivals less departures) of permanent and long-term arrivals hit a 5-year high of almost 300,000 people. While studying, working or travelling, the ‘new Aussies’ will contribute to spending and demand for accommodation.
- The new migrants boost employment in the short-term but provide the strongest contribution to economic output the longer that they are in their positions (as the case of all new employees). This highlights the fallacy of the recent ‘per capita’ discussion – more a reflection of a timing gap.

### What do the figures show?

#### Tourism

- **Tourist arrivals** rose by 0.9 per cent in February, the strongest gain in five months. **Aussie tourist departures** fell by 3.3 per cent, the biggest fall in almost two years.
- **Over the year**, arrivals were up by 4 per cent and departures were up by 3.7 per cent.
- **In February, tourists from Greater China (China and Hong Kong)** totalled 141,800 (mainland China 115,600; Hong Kong 26,200), ahead of New Zealand (124,800).
- **China is the largest source of tourists to Australia.** Over the past year a record 1,451,600 tourists came to Australia from China, up by 3.9 per cent.
- **Tourists from New Zealand** totalled 1,400,200 visitors over the past year, up by 3.0 per cent.



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- A record 364,300 Indian tourists travelled to Australia over the year to February, up by 16.7 per cent on a year ago.
- In February, there were record tourist inflows from New Zealand and India. And in the month a record number of Aussies travelled to India.

**Migration**

- In February there were 115,100 permanent and long-term arrivals in Australia. The annual number of permanent and long-term overseas arrivals rose to a record high of 844,800 in February, up by 7.3 per cent over the year.
- In February there were 40,740 permanent and long-term departures from Australia. The annual number of permanent and long-term overseas departures fell from 546,310 to 545,610 in February but were still up by 5.2 per cent over the year.
- Net permanent and long-term arrivals stood at a 5-year high of 299,100 in the year to February, up 11.4 per cent on the year.

**Chinese inflation**

- Consumer prices rose by 2.3 per cent in the year to March (forecast: +2.4 per cent), after lifting by 1.5 per cent in the year to February. It was the highest annual rate for consumer prices in five months
- Consumer prices fell by 0.4 per cent in March after rising 1.0 per cent in February. Food prices fell by 0.9 per cent to stand 4.1 per cent higher than a year ago. Non-food prices fell by 0.2 per cent to stand 1.8 per cent higher than a year ago.
- Producer prices rose by 0.4 per cent in the year to March (forecast +0.4 per cent), up from 0.1 per cent in year to February.

**What is the importance of the economic data?**

- The Australian Bureau of Statistics releases data on overseas arrivals and departures is produced monthly and is an indicator of the health of the tourism sector. The figures are also useful in understanding spending trends and tracking migrant numbers – an indicator with widespread implications for employment, housing and spending.
- China’s National Bureau of Statistics releases its monthly economic statistics around mid-month. Quarterly GDP data is released around the 19th of January, April, July and October. China’s Customs Office releases trade data, and the People’s Bank of China releases financial statistics, around the 10th of each month. China is Australia’s largest trading partner and changes in the Chinese economy have major implications for the Aussie economy.

**What are the implications for interest rates and investors?**

- Australia is rightly regarded as a great place for study, work and travel. The continued growth of short and longer-term arrivals is good news for a raft of industries such as retailing, tourism and higher education.
- The lift in Chinese inflation is encouraging as a weak economy would be more likely to have deflation issues. Chinese consumer price inflation is near a 2 per cent annual rate, like a raft of economies at present.
- CommSec expects the cash rate to remain unchanged for the foreseeable future.

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