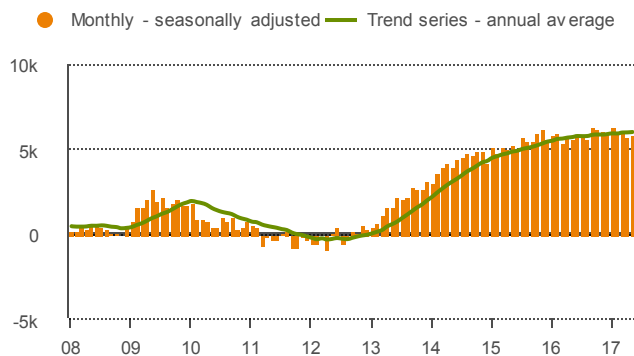


	Monthly Flows		Annual Flows	
	Actual	Seasonally adjusted	Total	Working age(3)
Arrivals(1)	8,386	11,100	130,403	107,810
Departures(2)	5,269	5,190	58,439	48,330
Net migration gain/(loss)	3,117	5,900	71,964	59,480

(1) Intended stay longer than one year (2) Intended absence longer than one year (3) 15-64 years
Data source: Statistics New Zealand

Net migration

Monthly figures



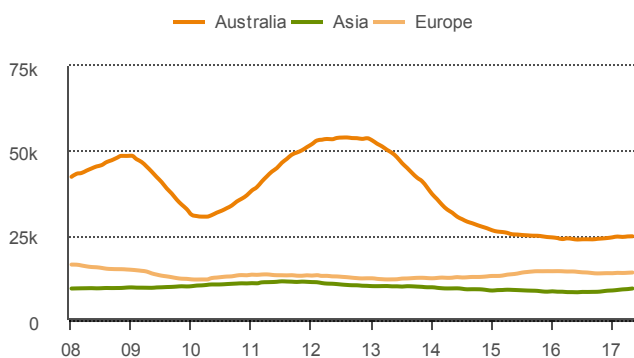
Net migration bounces back on strong work visa arrivals

Annual net migration popped back up in May, reaching 71,964 people – just higher than the previous record high of 71,932 set in March this year. Although departures have continued to track upwards since April, the lift in arrivals has more than made up for this increase in people leaving the country.

Breaking arrival visa data down by visa type shows that the number of people arriving on work visas continued to grow at a rapid pace in May, climbing 18% from a year earlier. However, [recent analysis from Statistics NZ](#) shows that only about two-thirds of people arriving on work visas remain in New Zealand on a work visa for longer than a year.

Departures by destination

YE, country of next permanent residence

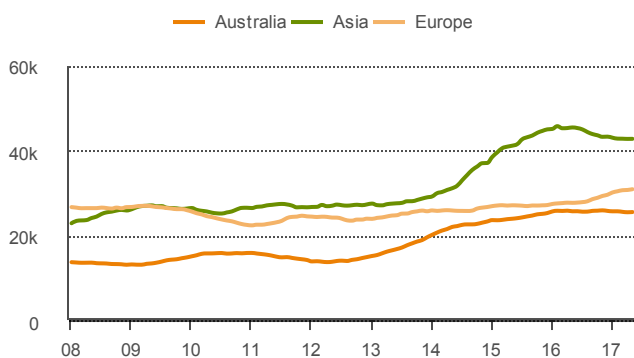


Arrivals on resident visas saw a slight resurgence in May, but the lift only partly offset the declines seen in March and April. Over the three months to May, arrivals on resident visas were down 2.4% from a year earlier.

There was a similar fall in student arrivals, which were down 2.5% from the three months to May 2016. However, this drop was the smallest decline all year, suggesting that student arrivals are levelling off at a new equilibrium of around 23,000-24,000 people per annum. To put this figure into perspective, student arrivals in the few years before [student working regulations were changed in October 2013](#) were running at around 14,000-16,000 people per year.

Arrivals by origin

YE, country of previous residence



The drop in student visa arrivals has contributed to a 0.9% drop in overall arrivals from Asia. In the three months to May, arrivals from India were down 20% from a year earlier.

In contrast, arrivals from Europe and the US were up 12% and 18% respectively over the period. The lift in arrivals from Europe was broad-based across countries.

At the same time as arrivals from the UK are increasing, departures to the UK have continued to drop, with 5.1% fewer people leaving than in the three months to May last year. This fall is part of a broader decline in departures to the UK since the start of 2016 (notably pre-Brexit). However, overall there has been a 6.5% increase in departures compared with the three months to May 2016, largely due to an increase in departures to Canada, India, and Australia.

With the economy expanding at 3.0%pa and the labour market still absorbing any additional capacity provided by migrants, we think

there is still scope for net migration to increase. However, the upward trend in departures is one to keep an eye on, as it is the most likely factor to bring net migration down from its highs.