## **Global migration**

## Migration to rich countries hits record high in 2023

Surge has helped economies recover from inflationary crisis, but has also prompted voter backlash



About a third of OECD countries had record levels of immigration in 2023, including Canada, France and Japan © FT montage/Getty Images

Delphine Strauss in London 4 HOURS AGO

Legal migration to some of the world's richest countries reached an all-time high in 2023, sparking a voter backlash against governments despite the trend boosting growth and job creation.

Roughly 6.5mn people moved to the 38 countries that make up the membership of the OECD through permanent <u>migration</u> routes last year. That was an almost 10 per cent increase on the previous record of 6mn who moved in 2022, a report by the Paris-based organisation showed.

The greatest surge was <u>in the UK</u>, which for the first time became the biggest recipient of migrants after the US, with net immigration of 750,000 driven by recruitment to the care sector.

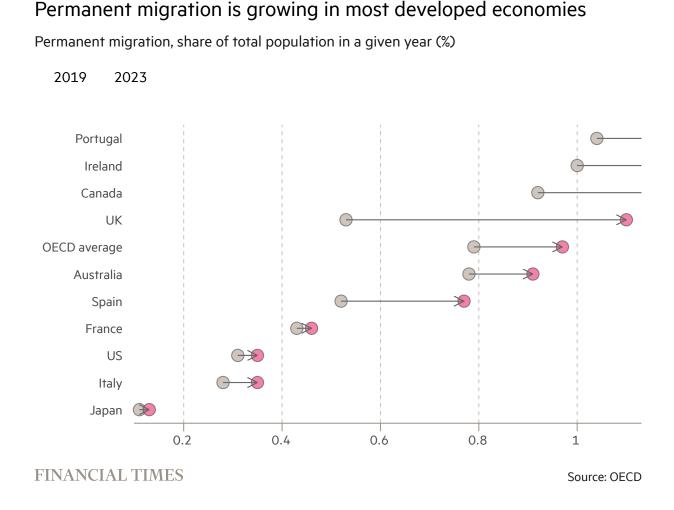
"This is not only a catch-up from the pandemic. Certainly in 2023 this is another story that we are facing," said Jean-Christophe Dumont, head of the OECD's international migration division, who noted that the trend reflected strong demand for foreign workers and overseas study.

About a third of OECD countries had record levels of immigration in 2023, including Canada, France and Japan. The US received 1.2mn permanent legal immigrants.

Economists believe the surge in cross-border movement has helped rich economies recover from the inflationary crisis that took hold in the aftermath of the pandemic and Russia's invasion of Ukraine.

But many voters focus instead on the increasing scale of migration and on asylum seekers arriving by irregular routes — even though these are a small share of overall figures. All of the incumbent <u>OECD</u> governments that faced re-election this year lost their share of the vote, with many losing office, including the US.

President-elect Donald Trump based his campaign on pledges to <u>crack down on</u> <u>undocumented migration</u> to the US and potentially deport millions of migrants living in the country without authorisation.



The number of new asylum seekers in OECD countries rose 30 per cent to a record 2.7mn, driven by a surge in the number of people arriving in the US from Venezuela, Colombia, Nicaragua and Haiti.

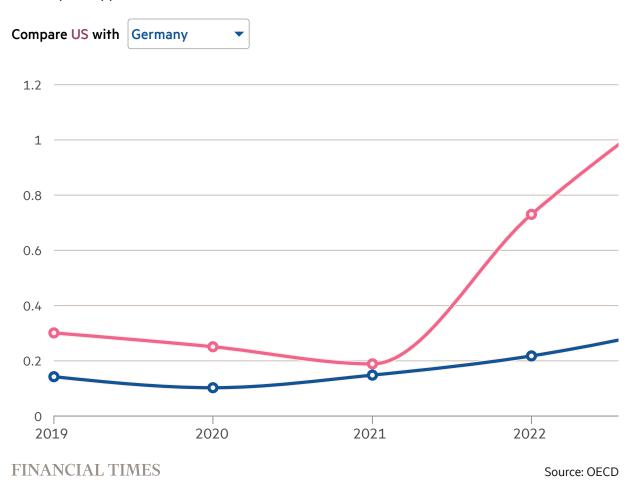
The US received more than a million applications for asylum — more than the total

for asylum claims in all the OECD's European members combined.

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"Lower numbers [of overall migration] from 2025 onwards would not be a surprise," Dumont said, adding this could lead to "increasing tensions" as routes for legal migration narrowed.

## Asylum applications have surged in the US relative to other countries



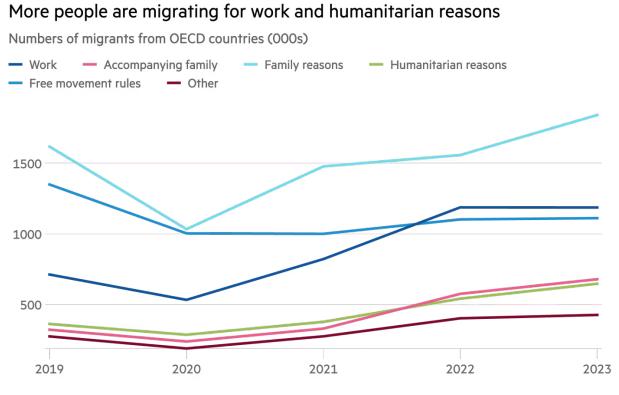
New asylum applications (mn)

Analysis published this week by Goldman Sachs showed that immigration accounted for almost all the employment gains in Canada, New Zealand, Norway, Sweden, Germany and the UK since the start of 2023 — as well as boosting the US workforce by more than 4mn.

Joseph Briggs, economist at Goldman Sachs, said in the US, this had "helped rebalance the labour market with little economic cost".

Seth Carpenter, chief economist at Morgan Stanley, warned in a note this week that while it was impossible to tell how US policy would change under Trump, "a

curtailment of immigration will force slower growth and higher inflation".



Source: OECD

Other countries that have traditionally been among the biggest recipients of new migrants have toughened their entry rules.

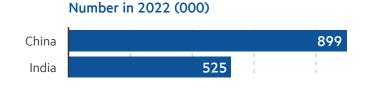
Canada, Australia and the UK have all brought in measures to limit work-related migration, with Canada capping the number of <u>temporary residents</u> for the first time.

All three countries are also rethinking their approach to international students, whose surging numbers are seen as a source of pressure on overheated housing markets.

Arrivals of international students, driven in recent years by the emergence of a global middle class able to pay for their children to study abroad, increased 6.7 per cent across the OECD in 2023 to 2.1mn.

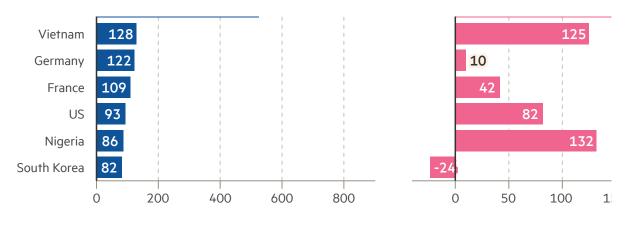
A large share of international students in OECD countries come from China and India

International students in OECD countries, top 8 nationalities in 2022





Change since 2014 (%)



FINANCIAL TIMES

Source: OECD • Stocks of international students. Excludes Erasmus students in Europe

The UK now bans masters students from bringing family members; while Australia and Canada have raised fees and capped student numbers. The Netherlands is taking similar steps, with new rules limiting the number of courses taught in English.

Dumont said labour shortages in the US would make it "difficult to close the door", while in many other countries, ageing populations meant that "to attract foreign direct investment, they need workers".

He added: "The US economy needs legal migration in the fields, in the hotel trade, in the healthcare sector. It is difficult, going forwards, to turn back on legal labour migration."

Data visualisation by Amy Borrett

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