

Expanding links with China and India

Australia has substantially increased its involvement with the Asian region over the last quarter of a century. During this time the number of Australians born in Asian countries has increased, contributing to the expansion of economic and cultural links with the region.

Of all Asian countries, China and India stand out as the world's fastest growing major economies over the last decade. In contrast to the economic contractions in the United States, Euro area and Japan, the International Monetary Fund forecasts China and India to continue with positive growth in 2009 and 2010.¹

Over the last two decades, the number of Chinese born and Indian born Australians has increased six-fold and four-fold respectively.

With each having more than one billion people, China and India together make up 62% of the Asian population and 38% of the world's population.² The emergence of these two large rapidly developing countries not only provides Australia with significant export markets, but also a source of investment, human capital and cultural wealth. This article charts the increase in Australia's Chinese and Indian populations, as well as the growing links from travel and trade.

Australia's Chinese and Indian born populations

Over the past two decades, skilled migration from China and India has increased markedly, driving rapid growth of these populations (see *Australian Social Trends 2007*, 'Migration'). In 2008, there were over half a million

Data sources and definitions

Estimated Resident Population (ERP) is the official measure of the population. It's based on the concept of residence and includes all people, regardless of nationality or citizenship, who usually live in Australia. For the purposes of this article, *Chinese born Australians* and *Indian born Australians* include people who were resident in Australia and counted in the ERP, regardless of their citizenship or visa type. ERP by country of birth is sourced from *Migration, Australia* (ABS cat. no. 3412.0).

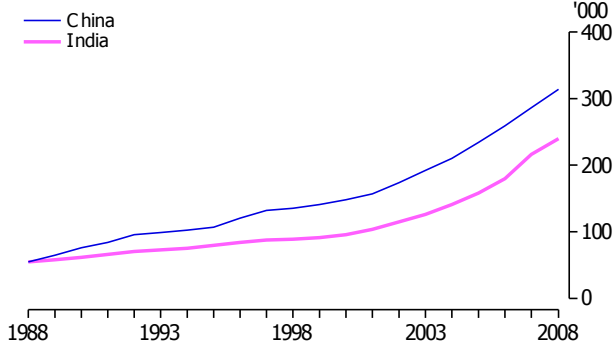
Permanent additions to the population are people arriving from overseas who intend (and are eligible) to settle permanently in Australia plus people who gain permanent residency while here on temporary visas. Data on permanent additions comes from the Department of Immigration and Citizenship.

China, as defined in this article, excludes the Special Administrative Regions (SARs) of Hong Kong and Macau, as well as Taiwan province. For more information see the *Standard Australian Classification of Countries* (ABS cat. no. 1269.0).

Australian residents who were born in China or India. The number of Chinese born Australians increased nearly six-fold in two decades to be over 310,000 in 2008, while those from India increased four-fold to almost 240,000. Together, these populations accounted for 10% of all overseas born people in 2008, up from 3% in 1988. The rapid increase from migration also implies that a relatively high proportion of these two populations arrived recently, with around two-fifths of all Chinese and Indian born Australians arriving in the five years before the 2006 Census.

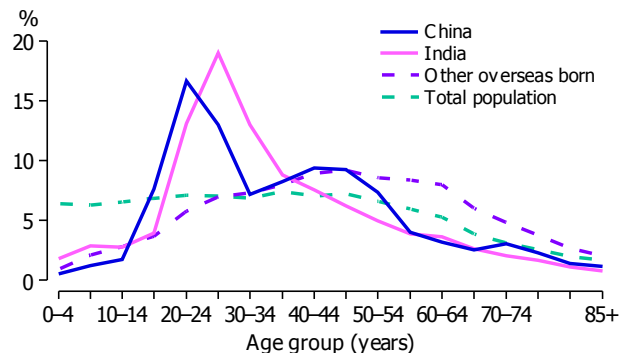
Chinese and Indian born Australians, estimated resident populations

NUMBER



Source: *Migration, Australia* (ABS cat. no. 3412.0)

AGE DISTRIBUTION, 2008



...age and sex

Chinese and Indian born Australians were relatively young, reflecting the large number of overseas students and the recent arrivals through the Skilled Migration Program (applicants to this program must be over 18 and under 45 years old). In 2008, 45% of Chinese and 54% of Indian born Australians were aged 20–39 years. In contrast, only 28% of other Australians were in this age group.

The sex ratios of the Chinese and Indian born populations differed markedly, with more women among Chinese Australians (85 men per 100 women), and more men from India (137 men per 100 women). The Indian sex ratio was highest in the 20–24 years group where there were 246 men for every 100 women in 2008. This is likely to reflect a cultural norm within Indian society which tends to place greater value on the education of males.³

...most live in Sydney and Melbourne

According to the 2006 Census, over 90% of both Chinese and Indian born residents lived in capital cities, compared with 64% of the total

Highest non-school qualification, people aged 25-64 by country of birth – 2006(a)

	China %	India %	Other %	All Australians %
Level(b)				
Postgraduate Degree	15.7	25.7	3.6	3.9
Graduate Diploma/ Graduate Certificate	1.6	2.5	2.2	2.2
Bachelor Degree	24.6	33.7	15.9	16.2
Advanced Diploma/Diploma	12.4	8.5	9.5	9.5
Certificate	6.2	8.4	21.6	21.3
No qualification	37.0	17.7	45.6	45.2
Field				
Information Technology	10.7	14.1	3.2	3.5
Engineering and Related Technologies	17.7	20.3	20.3	20.3
Management and Commerce	32.1	25.9	20.6	20.8
Other(c)	39.5	39.6	55.9	55.4
Total(d)	100.0	100.0	100.0	100.0

(a) Percentages exclude records where level/field were not stated.

(b) Components do not add to 100%, as some qualifications were not adequately defined.

(c) Includes: Natural and Physical Sciences; Architecture and Building; Agriculture; Environmental and Related Studies; Health; Education; Society and Culture; Creative Arts; and Food, Hospitality and Personal Services.

(d) Of all those people with a non-school qualification.

Source: ABS 2006 Census of Population and Housing

population. Sydney was home to over half (53%) of the Chinese population and over one-third (36%) of the Indian population. Melbourne had another third of the Indian population (34%), and just over one-quarter of the Chinese born population (26%). Together, the other Australian capitals had 21% of the Indian and 15% of the Chinese populations.

...tend to be highly educated

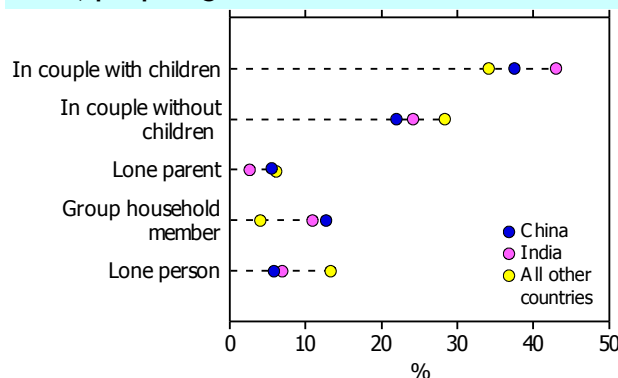
Indian born Australians were almost three times as likely as other Australians to have a Bachelor degree or above, while the Chinese born were almost twice as likely. Among Indian born Australians aged 25–64 years, 34% had a Bachelor degree, and a further 26% had a postgraduate qualification as their highest qualification. Of the Chinese born, 25% had a Bachelor degree as their highest qualification and 16% had a postgraduate level qualification. In contrast, for all other Australians aged 25–64 years, 16% had a Bachelor degree, while less than 4% had postgraduate qualifications.

Both Chinese and Indian born graduates were more likely to be qualified in the field of management and commerce than other disciplines (32% and 26% respectively). This was a significantly higher proportion than other Australians (21%). The second most popular field of qualification for both Chinese and Indian Australians was engineering and related technologies (18% and 20% respectively) which was similar to that of other Australians (20%). The third most popular field was information technology (11% of Chinese and 14% of Indian graduates), much higher than the 3% for other Australians.

...mostly in couple families

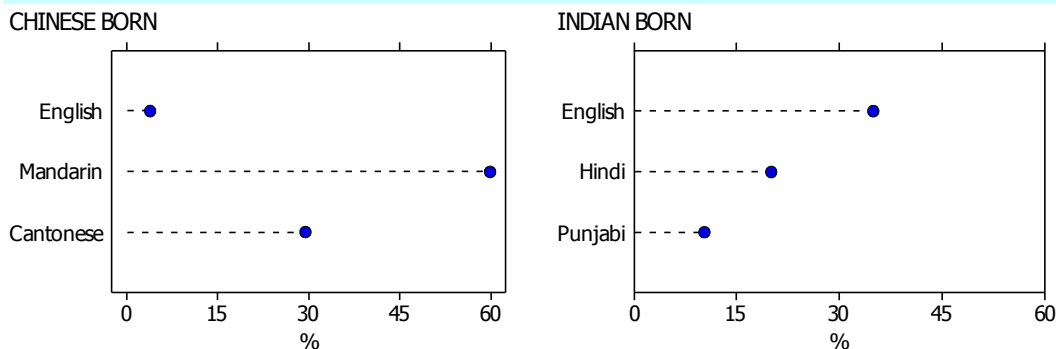
Indian born adults were more likely to be part of a couple family with children (43%) than both Chinese born adults (38%) and other Australians (34%). This is consistent with the age profile of the Chinese and Indian born populations, being significantly concentrated in

Selected living arrangements by country of birth, people aged 18 or over – 2006



Source: ABS 2006 Census of Population and Housing

Selected main language spoken at home, Chinese and Indian born Australians – 2006



Source: ABS 2006 Census of Population and Housing

the 20–39 years age group. Similarly, being in a couple without children was slightly less common among Chinese (22%) and Indian born Australians (24%) than other Australians (28%).

In eight out of ten couple relationships where at least one partner was Chinese born, the other partner was also someone who was Chinese born or had Chinese ancestry. Similarly, of all Indian born people in couple relationships, in seven out of ten cases the other partner was either Indian born or had Indian ancestry.

Group house living was higher among the Chinese (13%) and Indian born populations (11%) than other Australians (4%). Among Chinese and Indian students (who make up 28% and 18% of the respective populations), group house living was a very common living arrangement with 34% of Chinese students and 35% of Indian students living in a group house.

...languages spoken

People's proficiency in English can affect their ability to access services and education, find employment and participate in Australian society. However, continuing to use one's home language can also be important for cultural connections and identity.

In 2006, 60% of the Chinese born population spoke Mandarin at home while 29% spoke Cantonese and 4% spoke English. Nine out of ten Australian born children of Chinese born parent(s) also spoke a Chinese language at home. Of the Chinese born who usually spoke a language other than English, around two-thirds (65%) considered themselves able to speak English well or very well.

Among the Indian born, more spoke English at home (35%) than any other language, with the next most common languages being Hindi (20%), Punjabi (10%) and Tamil (7%). Among the Indian born who usually spoke a language other than English at home, 95% thought they spoke English well or very well.

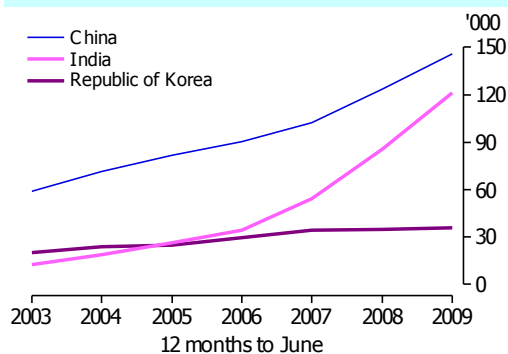
Overseas students

The growth of transnational education over recent decades has provided Australia with the opportunity to develop a market for international students, offering courses and qualifications that are accredited globally. The provision of education services is a major export sector for Australia, worth an estimated \$13.7 billion in 2007–08. As the number one and two source countries for overseas students, China and India together accounted for \$5.1 billion of these exports.

Although overseas students are temporary migrants (they do not hold a permanent residency visa), while in Australia, they are generally counted as part of the estimated resident population. At June 2008, there were 66,000 Chinese and 63,000 Indian students temporarily in Australia.⁴

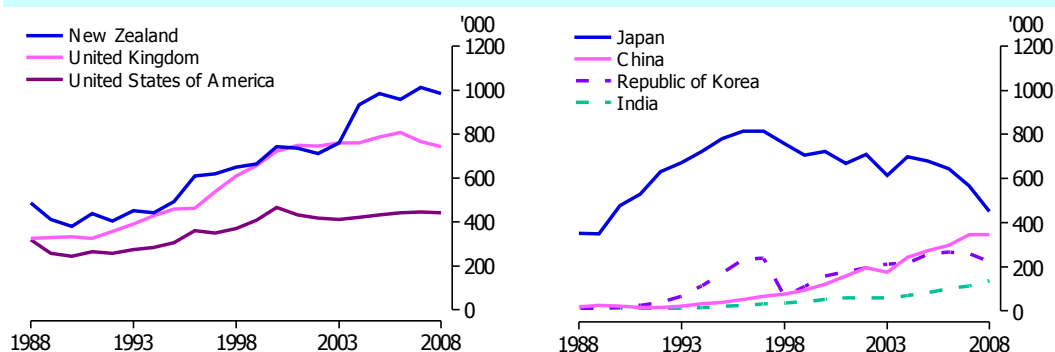
As students may be enrolled in more than one course, and many study English language courses concurrently, the number of enrolments is well in excess of the number of students. Together, students from China and India accounted for 267,000 enrolments (or two-fifths of international student enrolments) in the year to June 2009.

Enrolments of international students, top three contributor countries, 2003-2009



Source: [Australian Education International](#), International student data

Short-term visitor arrivals, leading six countries and India – 1988 to 2008



Source: *Overseas Arrivals and Departures, Australia* (ABS cat. no. 3401.0)

In addition to being Australia's largest markets for international students, they have also grown very fast and account for most of the growth in overall student numbers.

In the six years to June 2009, the annual number of enrolments by Chinese students in Australian institutions increased by an average of 16% per year to be 146,000 in the year to June 2009. Over the same time, the number of enrolments by Indian students increased by 46% per year, on average, to 121,000 in 2009.

Higher education was the sector with the largest share of student enrolments from China (42% in the year to June 2009) with the number of higher education enrolments almost trebling in the six years to 2009. While making up a smaller share (22% in 2009), Vocational Education and Training (VET) enrolments among Chinese students grew even more rapidly (showing a four-fold increase in the six years to 2009), with 'Management and commerce' and 'Food, hospitality and personal services' popular fields of education. English language courses are often studied concurrently with other qualifications and nearly one quarter of enrolments by Chinese students were in English language courses.

Among Indian students, VET made up the greatest share of enrolments (62% in the 12 months to June 2009). The number of VET enrolments by Indian students has grown very rapidly from 1,600 in 2003 to 75,000 in 2009. Higher education made up 24% of the enrolments by Indian students, growing three-fold between 2003 and 2009.

...as a pathway to residency

Studying in Australia can be a step on the pathway to permanent residency. Of the 44,000 Chinese and Indian born people who committed to permanent settlement in 2007–08, more than a third (36%) had applied from within Australia and most were students.

International visitors

Over the last decade international travel has boomed as airline travel has become more affordable for many people around the world. The desire to travel may have also been fuelled by development of tourist markets and larger expatriate populations wanting to visit their homelands.

...short term visits to Australia

In 2008, there were 343,000 short term visitor arrivals (i.e. people planning to stay less than 12 months) by people from China, making it the fifth largest market for overseas visitors (after New Zealand, the United Kingdom, Japan and the United States). India was the eleventh largest source country with 138,000 arrivals in 2008. Short-term arrivals from both China and India have grown exceptionally quickly since 1988 (15% and 13% per year respectively), with only South Korea having similarly rapid growth over the period (16%).

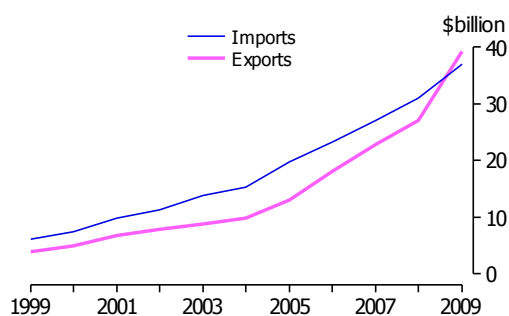
Reflecting the large number of overseas students from China and India, short-term visitors from these countries were more likely to say their reason for travel was for education in 2008 (17% for China and 14% for India) when compared with people from all other countries (5%). However, the most popular reason for visiting was for a holiday (50% for China and 26% for India) with business being relatively more important among Indian (30%) than Chinese (17%) visitors.

...short term visits to China and India

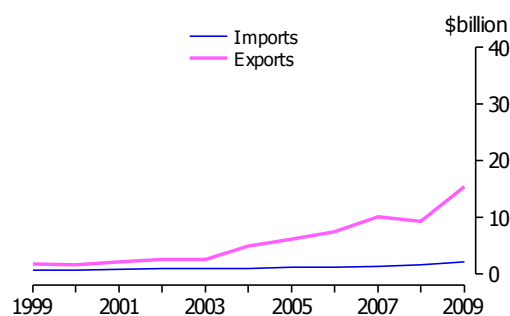
China and India (along with Vietnam) have been the fastest growing destinations for Australians heading overseas in recent decades. In 2008, over a quarter of a million Australian residents visited China. This number has grown by an average of 14% per year since 1988. India had around half the number of Australian visitors that China had in 2008, with 127,000 Australian visitors, up by an average of 10% per

Australian merchandise trade with China and India, 1998-99 to 2008-09(a)

CHINA



INDIA



(a) 12 months to June.

Source: *International Trade in Goods and Services, Australia* (ABS cat. no. 5368.0)

year from 1988. Many of the Australian residents visiting China and India were expatriates of these countries, with over one-third (37%) of those travelling to China being Chinese born, and nearly half (47%) of those travelling to India born there. A higher proportion of visitors to China were travelling for business (30%) compared with India (16%). Having a holiday or visiting friends/relatives was the main reason for visiting both countries (64% China, 82% India).

International trade

...in merchandise

Strong demand in China (and to a lesser extent India) for raw materials throughout the 2000s has driven Australia's resources boom and the sharp increase in the terms of trade (see *Australian System of National Accounts 2007-08*, (cat. no. 5204.0, p15). The value of goods traded between Australia and China and India grew more strongly over the last decade than for any of Australia's other major trading partners. In the 12 months to June 2009, the total value of merchandise traded between Australia and China (imports + exports) was \$76 billion. This level has grown by an average of 22% per year in the ten years to 2009, making China Australia's largest trading partner (ahead of Japan and the United States). India was Australia's seventh largest trading partner with \$18 billion of merchandise traded in 2008-09, up by an average of 21% per year on 1998-99.

Iron ore was the most important commodity that Australia supplied to China, making up 56% of the value of exports in 2008-09. Coal and gold were the main exports to India, comprising 43% and 37% respectively of the value of exports to India in 2008-09.

The major imports from China comprised appliances and other electrical/electronic equipment (39%), clothing and footwear (14%), toys, games and sporting equipment (6%), and furniture (5%).

...in services

Australia's success in exporting education services has been largely responsible for a six-fold increase in the value of services exported to both China and India in the eight years to 2007-08. In 2007-08, educational services made up 70% of the total \$4.4 billion in services exported to China and 79% of the \$2.5 billion worth of services exported to India.

Of services imported to Australia from China and India, travel was the most significant. In 2007-08, travel by Australians made up 58% of the \$1.3 billion in services imported from China and 73% of the \$0.5 billion in services imported from India. Most of the balance of services imported from India were for computer services (\$73 million) and communication services (\$13 million).

Looking ahead

Australia's economic and cultural links with China and India have grown steadily in recent years, benefiting from the rapid development in these countries. These ties should continue, with China and India forecast to continue with relatively strong economic growth and to have an ongoing demand for Australian mineral resources. In addition, the number of visits between the countries is set to increase, with the Tourism Forecasting Committee expecting that China and India could contribute almost one-third of the growth in international visitor arrivals to Australia between 2008 and 2018.⁵

Endnotes

- 1 International Monetary Fund, April 2009, *World Economic Outlook Crisis and Recovery*.
- 2 United Nations World Population Prospects: *The 2008 Revision Population Database*.
- 3 Tilak, Jandhyala, B.G 2003, *Education, society and development: national and international perspectives*, New Delhi.
- 4 Department of Immigration and Citizenship, 2009, *2007-08 Immigration update*.
- 5 Tourism Forecasting Committee, *Forecast, 2009 Issue 1*.