BRITISH COUNCIL

Undergraduate Recruitment Channels

from China and Future Prospects

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Introduction

China has long been a cornerstone source of undergraduate students for UK universities, and its significance as a purveyor of new non-EU undergraduate entrants has notably intensified since the academic year 2006/07. Data from the Higher Education Statistics Agency (HESA) reveals that new Chinese undergraduate enrolments expanded at an impressive rate of over 8% annually up to the 2021/22 academic session. During this period, the proportion of Chinese students amongst all new non-EU entrants climbed from 22% in 2006/07 to a peak of 36% in 2020/21, subsequently declining slightly to 33% in 2021/22.

Further scrutiny of UCAS data pertaining exclusively to Year 1 admissions demonstrates that in 2019, China surpassed Northern Ireland to generate the fourth largest national contingent of undergraduate applicants. The subsequent year, 2020, saw China exceed Wales, positioning it as the third largest source country for the UK.

The pandemic and its stringent restrictions have had a profound impact on global student mobility, with China experiencing substantial disruptions until the relaxation of constraints in late 2022. It is only recently that a more defined picture of the post-pandemic scenario for Chinese student mobility has begun to emerge.

In an era marked by increased examination of university budgets and immigration figures, delving into the trends within this critical undergraduate market is both opportune and vital. This report endeavours to unravel the complex network that underpins undergraduate student mobility from China, examining in detail the pathways these students take to gain entry into UK higher education institutions.

Furthermore, this exploration aims to provide insights into the evolving dynamics of international student recruitment, considering the broader implications of shifts in geopolitical relations, changes in scholarship availability, and the increasing allure of alternative educational destinations. By doing so, the research seeks to offer a comprehensive understanding of the factors driving Chinese undergraduate students towards UK universities, their impact on the UK higher education sector, and the challenges and opportunities that lie ahead in nurturing this essential relationship.

THE UK'S APPEAL AS A STUDY DESTINATION HAS TRADITIONALLY BEEN STRONG AMONG CHINESE STUDENTS, THANKS TO ITS COST-PERFORMANCE RATIO, SHORTER PROGRAMME DURATIONS, AND ACADEMIC PRESTIGE

THERE IS A NOTICEABLE SHIFT IN INTEREST TOWARDS AUSTRALIA AND THE US, DRIVEN PARTLY BY BOTH COUNTRIES' IMPROVING GLOBAL UNIVERSITY RANKINGS

New Chinese undergraduate enrolments expanded at an impressive rate of over

8%

2006/07

22%

2020/21

36%

The proportion of Chinese students amongst all new non-EU entrants climbed

2020

No. 3

China positioning it as the third largest source country for the UK

Methodology

To obtain as clear a picture as possible of key routes to UK undergraduate degrees, the research restricted the type and range of entry points covered. This research assesses the share of first year entrants to first degree study at entry points into Years 1, 2, and 3. Between 2020/21 and 2021/22, this cohort accounted for 98% of new undergraduate entrants, with 1% coming via Foundation (factored into the report) and 1% coming in at Year 4 or higher.

This research was commissioned by the British Council and carried out by BONARD, an independent market research firm specialising in international education.

MULTIPLE RESEARCH METHODS WERE USED IN THIS STUDY, AS OUTLINED BELOW:

Desktop research

In the first phase of the research, the BONARD international education team consulted a variety of sources to gain a comprehensive picture of existing intelligence covering the routes taken by Chinese undergraduates. The team conducted an extensive review of all the literature and data available online, including academic research, government reports and press releases, statistical reports, research conducted by international and national organisations, reports and press releases from trade organisations and unions, international and national media, and online forums.

This phase of the research allowed the BONARD team to develop a detailed picture of the key routes taken by students taking up undergraduate studies in the UK. It also provided a solid base to develop the following phases of the research by identifying key stakeholders and areas for further investigation.

In-depth interviews

The team conducted 27 in-depth interviews with selected stakeholders identified during the first phase of the research. The stakeholder selection was carefully curated to ensure that interviews could capture a wide range of views and experiences and yield insight into the researched topic.

Stakeholders interviewed included university representatives, pathway providers, education agencies, and other industry experts.

The research was conducted between December 2023 and March 2024.

Definitions

Agent

public or private organisation, company, or association that represents, recruits for, and refers students to accredited educational institutions on a fee-for-service basis.

Articulations and credit recognition

entrants through these routes transfer to an undergraduate degree directly from a course at a Chinese institution at degree or sub-degree level. This could be a course leading to a Chinese qualification or sub-degree or to a UK or other international qualification.

China

mainland China

Double First-Class Universities

a key education policy launched by the Chinese government, aimed at cultivating world-class universities and academic disciplines within China. This initiative is part of China's broader efforts to enhance its higher education sector, encouraging innovation, improving global competitiveness, and making significant contributions to global academic and technological advancements.

Double Reduction Policy

an educational reform in China aimed at reducing the homework burden on students and decreasing the reliance on after-school tutoring. Implemented to address concerns over student well-being, excessive academic pressure, and educational inequality, this policy seeks to create a more balanced education system.

First degree

the initial level of higher education that an individual can pursue after completing secondary education.

First year entrants

students who are commencing their first year of higher education at a university, college, or other tertiary institution. This term typically includes individuals who are entering an undergraduate programme directly after completing their secondary education as well as those who are returning to education or starting a university course for the first time at any age.

Hukou

synonym of official registration in China. Originally, the hukou system divided the population into agricultural/non-agricultural and those living in urban areas/rural areas, according to place of birth and the hukou status of the parents. The distinction between agricultural and nonagricultural hukou became obsolete in the 1990s, but the dichotomy between the access to land for rural hukou holders and social entitlements restricted to urban hukou holders remains the key feature of the system. In the educational system, gaining access to prestigious schools and property eligibility are key benefits. Studying abroad can be advantageous in obtaining the hukou - for instance, in Shanghai, those who graduate from a university that is ranked in the top 50 globally automatically qualify for an SH Hukou.

International Foundation

a specific type of programme designed to prepare international students for university study abroad.

International Year One

a specialised pathway programme designed specifically for international students who wish to study in the UK (or other countries where similar programmes are offered). It is a step beyond the foundation year, tailored for students who are aiming to enter directly into the second year of an undergraduate degree.

Pathway

a route by which students can access UK undergraduate education.

Pathway program

a programme offered by Pathway Providers, typically International Foundation programs, International Year One programs, and International Year Two programs.

Pathway provider

an organisation recruiting pathway students. The research included private pathway provider organisations and universities that recruit to their own pathway programs.

Transnational Entrants

students who pursue their higher education in a country other than their country of origin. These individuals cross national boundaries to enrol in educational programmes abroad, making them a part of the global student mobility trend. This term encompasses students participating in degree programs, short-term study abroad experiences, or exchange programmes offered by universities worldwide.

TNE Students

students transferring to an undergraduate degree in the UK from UK degree programmes in China.

Executive summary

The first part of the report delves into the key factors driving Chinese students to pursue undergraduate studies in the UK, providing insights into current trends and future predictions for Chinese outbound mobility.

EDUCATIONAL LANDSCAPE AND DEMAND FOR OVERSEAS STUDY

Access to top-tier education within China is highly competitive, with only a small percentage of students securing places at elite universities. Consequently, a growing number of those students who can afford it are looking abroad for higher-quality education and prestigious university brands. The importance of education is deeply ingrained in Chinese culture, driving families to invest significantly in securing the best educational opportunities for their children.

Despite the economic slump caused by the Covid-19 pandemic, the long-term outlook for Chinese students studying abroad remains positive, driven by continued expansion of China's middle class which increases the number of households that can afford overseas education.

University rankings significantly influence Chinese students, with a marked preference for QS Top 100 universities. This has led to increased competition among universities, especially for students outside the top-ranked institutions.

UNDERGRADUATE STUDENT MOBILITY TO THE UK AND OTHER DESTINATIONS

The UK's appeal as a study destination has traditionally been strong among Chinese students, thanks to its cost-performance ratio, shorter programme durations, and academic prestige. However, post-pandemic, the competition has intensified, and traditional and emerging study destinations are now vying for a larger share of the Chinese student market. Despite an initial surge in applications to the UK during the pandemic, a decline in enrolment rates has been noted and attributed to students applying to multiple countries simultaneously.

There has been a noticeable shift in interest towards Australia and the US, driven partly by both countries' improving global university rankings. Additionally, non-traditional destinations within Europe and Asia, such as Singapore and Hong Kong, are becoming more attractive due to their high-quality education, lower language barriers, and proximity to China.

Recent policy changes in the UK, such as restrictions on dependants and increased visa fees, have had little impact on student mobility. Meanwhile, policies in China aimed at reducing the academic burden and promoting vocational education have also been reported to have limited impact on study abroad.

The UK also has more stable diplomatic relations with China than competitor destinations, which has positively influenced Chinese student mobility. However, the future landscape of student mobility could be affected by changes in international relations, particularly the outcome of US elections.

The second part of the report delves into trends in undergraduate student mobility from China to the UK, with a focus on the size and growth of individual pathways to entry at undergraduate level.

TRENDS IN YEAR OF ENTRY

While Year 1 entrants have grown substantially in recent years, the number of Chinese students entering courses in Year 2 or later has stagnated, meaning that their share of the total has declined. Over the pandemic there has been a decline in those joining at Year 2 and 3, which interviews suggest was due to the inability to travel overseas to complete their degrees, combined with a lower inclination to wait; this was especially true for students on TNE courses.

TRENDS IN RECRUITMENT CHANNELS FOR YEAR 1 ENTRY

Growth in international schools in China - particularly private international / bilingual schools that mainly recruit Chinese citizens - has been a major contributor to recent growth in undergraduate mobility. While China's Double Reduction Policy slowed this growth significantly, international schools continue to appeal to many Chinese families. Future growth is likely to be increasingly geographically dispersed.

Prior to the pandemic, foundation programmes in the UK were one of the main entry routes for Chinese undergraduates. The short to medium-term outlook shows stability or slight decline, with highly-ranked universities continuing to perform strongly among this student group while other institutions are finding recruitment more challenging. Longer-term prospects are less encouraging due to competition from international schools in China.

Chinese students attending independent schools in the UK had risen steadily and consistently up until 2019, but saw a huge decline over the pandemic. While student numbers are now bouncing back, they are still not yet at pre-pandemic levels. Over the longer term, however, the outlook for UK independent school recruitment is positive, with a corresponding effect on undergraduate enrolments.

The fourth major source of Year 1 entrants is foundation programmes within China. This pathway is expected to see steady growth, driven by cost, convenience, and parents' preferences to keep children closer to home for longer. Compared to other major student sources, foundation programmes in China offer stronger recruitment prospects for universities outside the top 100; however students' budgets are typically more limited than those at international high schools.

Other sources of Year 1 entrants include transnational entrants who studied Year 1 at a Chinese university and direct entrants with Gaokao qualifications. These pathways are small and are not expected to see strong growth in the short to medium term.

TRENDS IN RECRUITMENT CHANNELS FOR YEAR 2+ ENTRY

TNE partnerships have historically been an important source of Chinese students entering UK HEIs in year 2 and 3 of their course. However, their numbers had already plateaued pre-pandemic as many TNE students now prefer to study their entire course in China. The pandemic caused another major drop in transfers, and there is some doubt as to whether the number of students will reach pre-pandemic levels again.

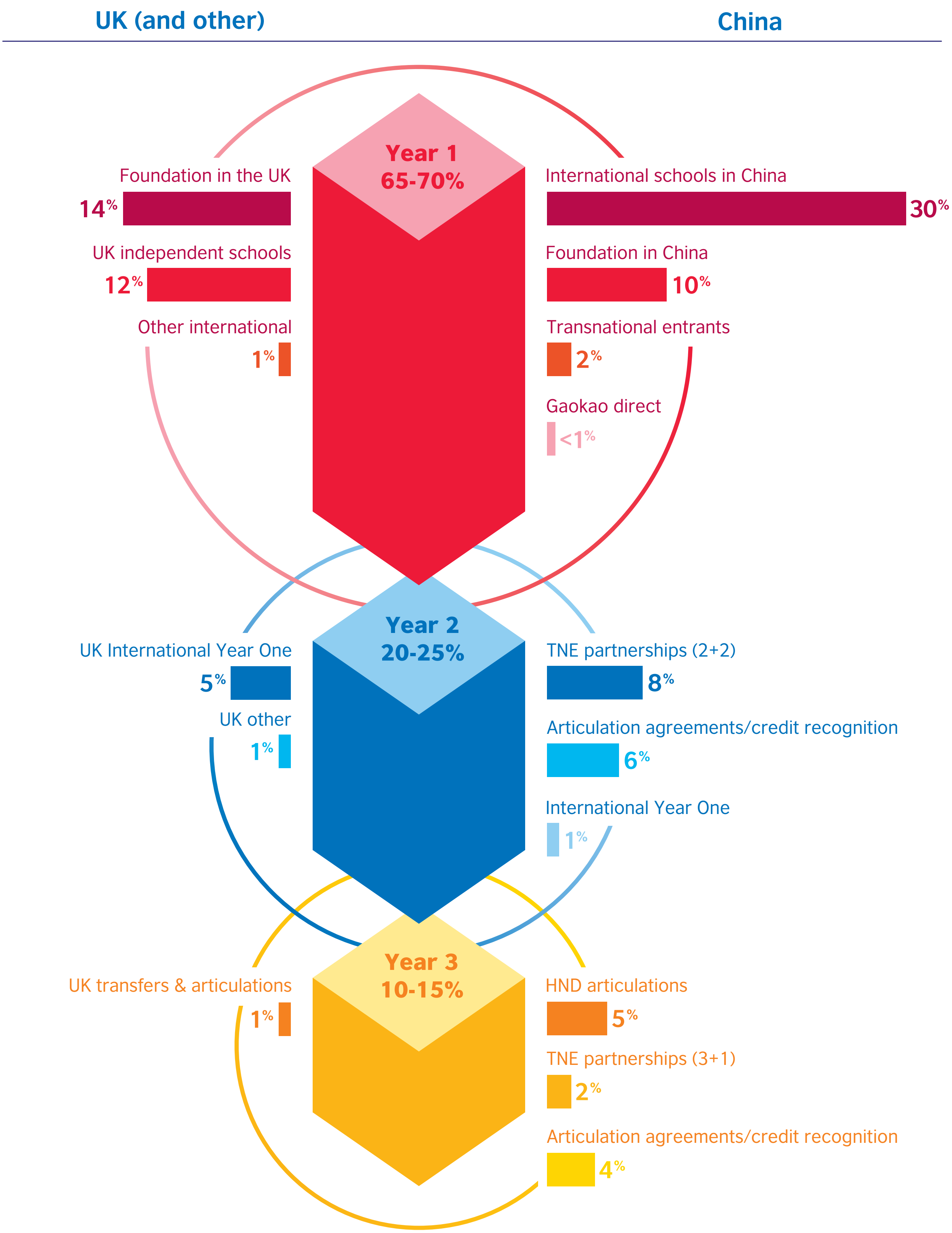
Credit recognition and individual articulation agreements are particularly important recruitment channels for HEIs whose rank and brand make it difficult to recruit students directly into Year 1. Interviews conducted suggest that numbers through these routes are relatively stable.

International Year One programmes, which allow students to study the first year of their course at a pathway provider, are seeing strong and consistent growth. This growth is likely to continue in both the UK and China.

The number of students pursuing HND programmes - mainly with SQA - and transferring to a UK undergraduate degree course has been significant for many years. The pandemic significantly reduced the number of students transferring to the UK to complete their undergraduate studies, but interviewees reported that the number of students taking HND programmes appears to be rising once more, giving this pathway a positive short-term and a reasonable long-term outlook.

The number of Chinese students entering the UK via sub-degree qualifications other than HND is far smaller, while the proportion of students transferring from other UK HEIs was also very small.

Pathways to UG study in the UK from China by year of entry



Note: The estimates used in this chart are based on an analysis of available data sources and trends in relation to each route highlighted. Additionally, in-depth interviews with industry leaders helped to determine the size of each route.

CHINESE FAMILIES PLACE A VERY HIGH IMPORTANCE ON EDUCATION AND ARE WILLING TO DEDICATE SIGNIFICANT ECONOMIC RESOURCE TO ACCESSING THE BEST POSSIBLE OPPORTUNITIES FOR THEIR CHILDREN

I. Influencers and drivers of Chinese outbound mobility

Examining the pathways taken by Chinese students to undergraduate study in the UK and then seeking to predict how trends in these pathways may develop can only be possible with a clear understanding of the reasons that lead students to study abroad in the first place. This section will look at the key factors that influence students' decision to go overseas for university education.

ACCESS TO WORLD-CLASS HIGHER EDUCATION IS ONLY AVAILABLE TO A SMALL MINORITY DOMESTICALLY

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China's Elite Double First-Class Universities

Gaining access to a top university in China is highly aspirational and regarded by most Chinese as the best possible route to securing a good career. Places at China's 147[1] elite Double First-Class universities (top universities identified by the Chinese government for investment to improve their standing globally) are extremely competitive. It is estimated that in 2021 only 6.2%[2] of students taking the Chinese national undergraduate entrance exam (Gaokao) were able to secure places at Double First-Class universities, while competition for the most prestigious universities within this group is even more intense. The number of Gaokao entrants has surged to record highs in the past couple of years, putting even greater pressure on candidates (see figure 1).

1 http://www.moe.gov.cn/srcsite/A22/s7065/202202/W020220214318455516037.pdf
2 https://www.sohu.com/a/548025219_121004068

Once outside of the Double First-Class Universities, perceived prestige and investment in resources and facilities drop off rapidly - while even within this group, many institutions do not perform strongly in international rankings. For students unable to get into the university of their choice but with the economic means to study abroad, studying overseas can offer a higher quality education and access to more prestigious university brands.

Chinese families place a very high importance on education and are willing to dedicate significant economic resource to accessing the best possible opportunities for their children. This is facilitated through careful, long-term planning with parents and families saving for higher education from a young age.[3]

Furthermore, the Chinese government, state-owned and large private employers preferentially employ students with higher education qualifications from prestigious institutions.[4] This has fanned the flames of an already strong appetite for higher education, as reflected by a rapidly increasing tertiary enrolment rate in China (see figure 2), and a uniquely powerful market for overseas study as demand for top-quality tertiary education in China remains unmet for many.

DEMOGRAPHICS - CURRENT GROWTH IN POPULATION OF UNIVERSITY AGE

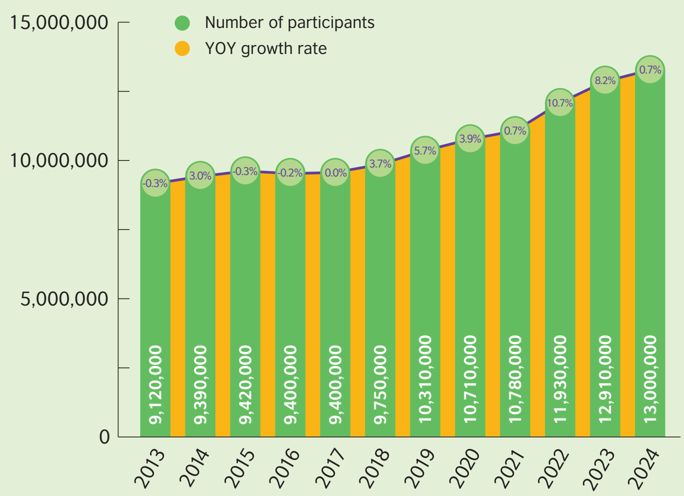
China's university age population declined significantly from the late 2000s until 2020. In terms of student numbers attending tertiary education however, the declines have been more than offset by the increasing proportion of the population enrolling in tertiary education. We are now part way into a period of growth in university-age population that is projected to carry on until the early-to mid-2030s. This, combined with increasing rates of students enrolling in tertiary education, will continue to produce an opportunity for student recruitment in China, as competition for places at top Chinese universities will remain very strong.

From the mid-2030s onwards, the projections are then for a very significant and sharp decline that leaves prospects for recruiting Chinese students far tougher in 10 years' time (see figure 3).

3 https://www.stats.gov.cn/sj/ndsj/2023/indexch.htm
4 https://evp.51job.com/51job/2020CampusRecruitment/mobile/index.html

Figure 1:

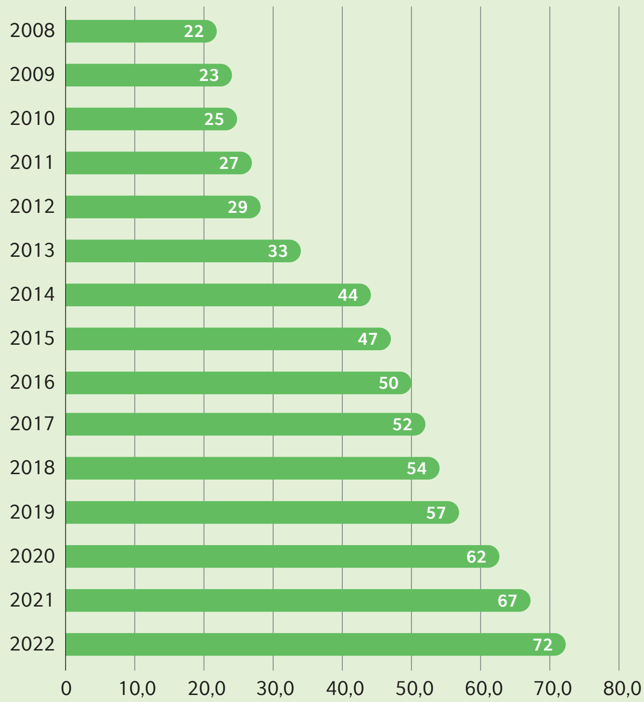
Number of students taking the Gaokao exam each year



Source: China National Bureau of Statistics, 2023

Figure 2:

School enrolment in tertiary education (% gross)



Source: World Bank, 2024

ECONOMIC CLIMATE - TEMPORARY UNCERTAINTY AMONGST A SWELLING MIDDLE CLASS

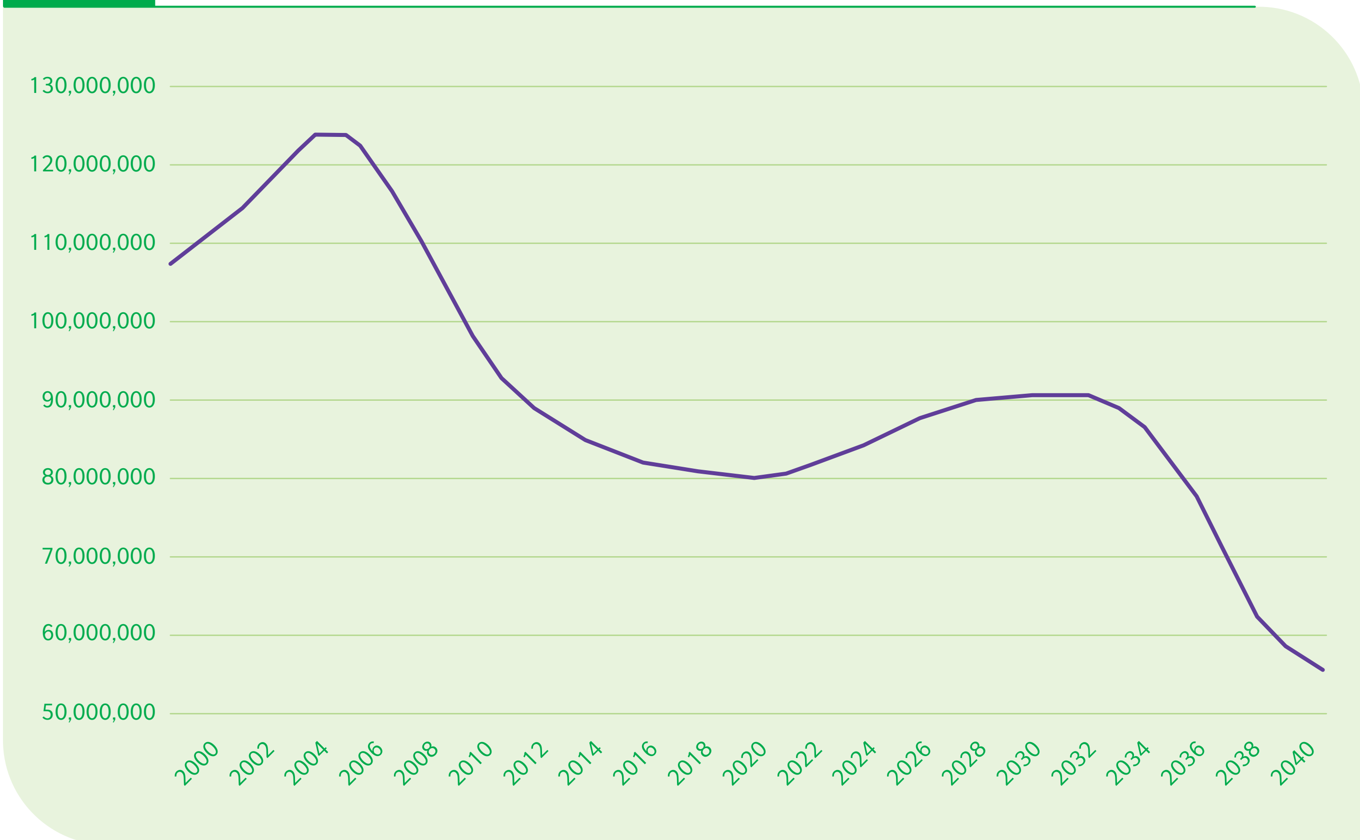
After decades of consistent high growth, the Covid-19 pandemic brought the first slump in GDP growth in over a generation (see Figure 4), with the impacts visible across many areas of the economy. Whilst the precise effects on the overseas study market are not yet completely clear, feedback from interviewees suggests that the weaker economic outlook has affected the study abroad plans of a minority of students. The impact appears to have been relatively small due to the long-term planning involved in overseas studying, the strong desire of many to study overseas and a more positive outlook for the Chinese economy.[5]

However, as an increasingly large group of students consider alternative, most cost-effective options, new pathways have opened that will persist and make Chinese student recruitment more challenging for traditional study destinations such as the UK.

Taking a step back and looking at the longer-term outlook, the picture is still very positive. Research from the Economist Intelligence Unit in 2020 had projected that the number of high-income households (households earning over RMB 200,000 or around GBP 22,00 a year) in China would rise 5-fold from 2020 to 2030 (see Figure 5).

The increasing number of households that are able to afford overseas education should ensure overall growth in the number of students choosing to study overseas, offering opportunities for growth even in an increasingly competitive market.

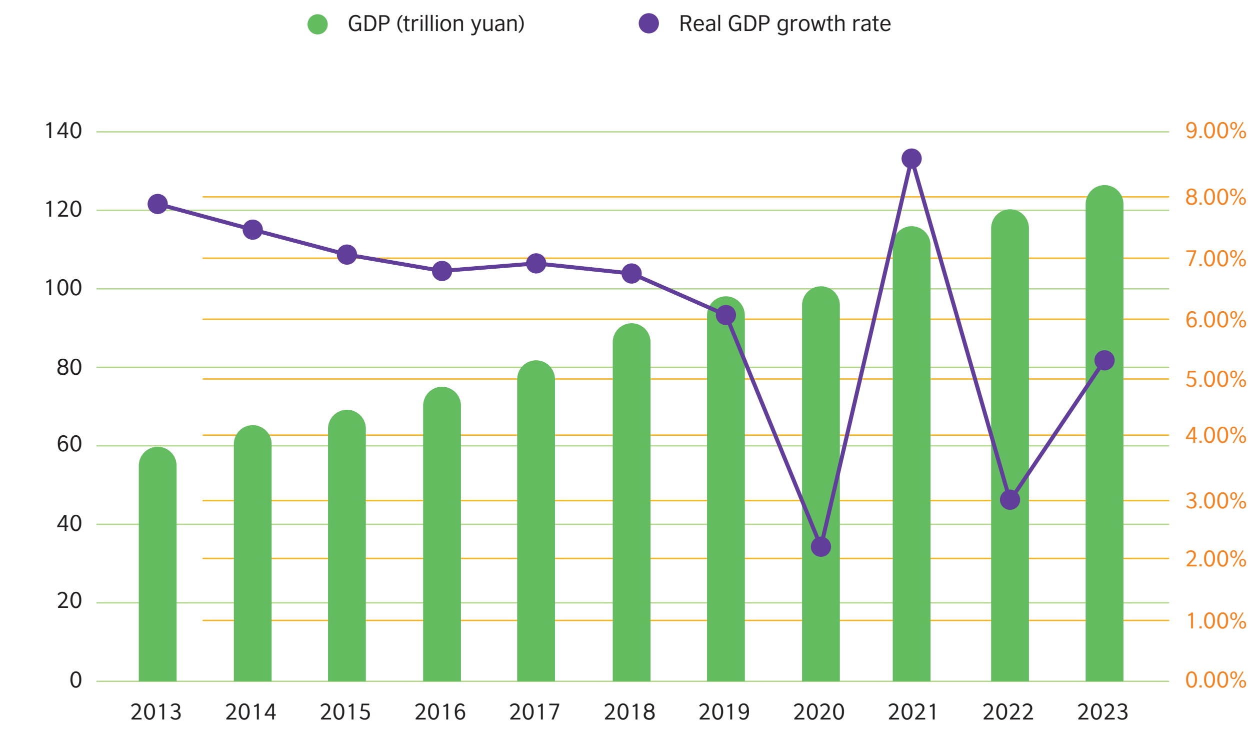
Figure 3: 15-19 year old population in China (2000 - 2040)



Source: UN Population Division Data Portal, 2024

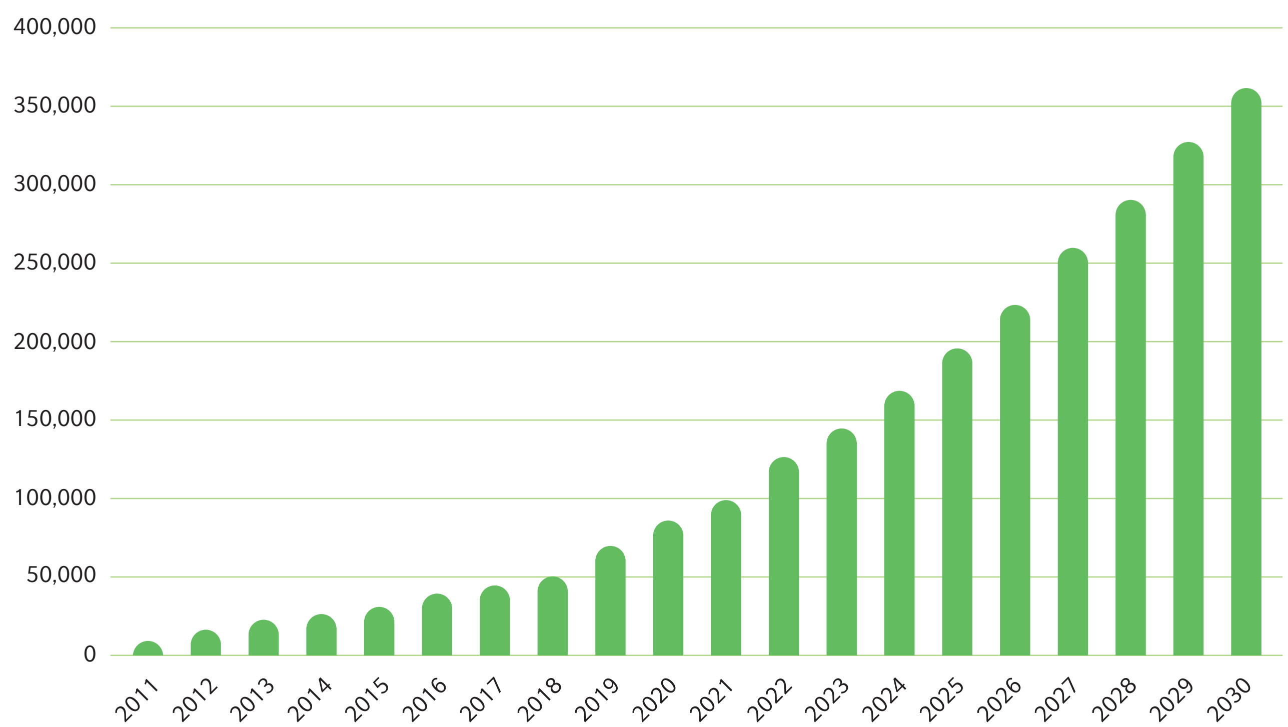
5 https://zhuanlan.zhihu.com/p/518762687

Figure 4: **China's current price GDP and real GDP growth rate**



Source: National Bureau of Statistic in Chine, 2023

Figure 5: **Number of households earning over Rmb 200,000 a year**



Source: The Economist Intelligence Unit, 2020

GOVERNMENT POLICY: RECENT CHANGES DID NOT SIGNIFICANTLY DIMINISH APPETITE FOR UK STUDY

Government policy in both the UK and China have the potential to significantly impact student mobility. The ability to respond to policy changes is important to either seize the opportunities or mitigate the challenges created by these changes.

In China, recent examples include the “Double Reduction” policy announced in 2021, which aims to reduce the academic burden of students in compulsory education, and the education provision of the Chinese government’s 14th 5-year plan (2021-2025), which aims to increase the number of students student engaged in vocational education. Meanwhile, the UK has recently introduced restrictions on students’ ability to bring dependants, increases in the earnings threshold required for overseas nationals to be able to work in the UK, as well as increases in visa fees and the health surcharge.

Interviewees predominantly found these policies to have limited downward impact on Chinese student mobility to the UK. The overseas study market in China and associated organisations are adjusting to function within the new government guidelines. The push on vocational education appears to be watered down and may create additional opportunities for foreign universities as students may try to avoid being channelled down the vocational route, which is perceived as less prestigious. Concerning the impact of the new UK policies, Chinese students have historically been amongst the least likely to bring dependants to the UK and stay on to work after their studies, therefore the impacts are likely to be far less profound than on other markets. However, the new policies will still impact the UK’s competitiveness compared to other destinations.

THE OVERSEAS STUDY MARKET IN CHINA AND ASSOCIATED ORGANISATIONS ARE ADJUSTING TO FUNCTION WITHIN THE NEW GOVERNMENT GUIDELINES

A KEY AND CONSISTENT THEME FROM THE RESEARCH IS THE IMPORTANCE OF OVERSEAS STUDY ON INTERNAL MOBILITY IN CHINA

INTERNAL MOBILITY: OUTBOUND MOBILITY UNLOCKS OPPORTUNITIES AT HOME

Chinese students have consistently considered a career in China as their biggest opportunity. The vast majority of Chinese students overseas plan to return home. For many, their overseas study choice will have a direct impact on where they can find opportunities on their return.

A key and consistent theme from the research is the importance of overseas study on internal mobility in China. In recent years, local governments in key cities have been relaxing rules around “Hukou”, the rules which govern the rights and access to government services for in-country mobility for Chinese citizens. These rules have made it easier for skilled workers to acquire the right to live and work in major cities such as Shanghai and Beijing.[6]

Some of these policies give preferential treatment to those who have completed higher education overseas, especially when attending a highly ranked university. According to interviewees, this has been a key factor leading to increasing numbers of students seeking admission to universities ranked in the Top 100 by the QS World University Rankings, a trend that appears to be evidenced by recent enrolment data (see figure 10).

The reality of these internal mobility drivers is further evidenced by some counter-responses from regional governments trying to stop the “brain drain” of overseas returnees moving to big cities, with improved salaries being offered to those who return to their hometowns.

6 www.education.gov.au%2Fdownload%2F16844%2Fchinas-hukou-system-and-impact-study-abroad%2F34127%2Fdocument%2Fdocx&usg=AOvVaw0wnxFceqqJWzn074XJieS6&opi=89978449

EMPLOYMENT, THE ULTIMATE MEASURE OF RETURN ON INVESTMENT

The ability to provide evidence of the positive impact of studying abroad remains a challenge for many institutions, but also represents a key opportunity to break down the status quo of Chinese undergraduate recruitment for those who can succeed.

As mentioned above, many employers in China are eager to recruit students with overseas study experience. Surveys by the job recruitment platform Zhaopin have indicated that overseas returnees command higher salaries than local graduates, with employers appreciating the language, communication, and creative thinking skills of returnees.[7]

There are signs that the salary gap between local and international graduates has narrowed amidst a very tough employment market for graduates where graduate unemployment levels spiralled so high that the government suspended publishing data on them for several months. The figures currently published use a different definition of unemployment, which ultimately results in a lower reported unemployment rate.[8]

Whether employers will continue to favour international returnees will be important in determining the continued attractiveness of an overseas degree, and UK universities need to work on supporting their students in being ready and well-placed to enter the job market either in the UK or in China. With recent research from UCAS indicating that 7 in 10 current Chinese undergraduate students in the UK were more likely to stay on in the UK because of the Graduate Visa Route, it appears that more students are now interested in finding employment in the UK.

However, there appears to be a gap between the opportunity to stay and the reality of making that stay in the UK productive for their future careers, and the majority of Chinese students eventually returned to their home country.[9] Statistics from the Home Office show that the number of Chinese citizens receiving Graduate Route visas was only around 10 percent of the number of issued student visas in the same year.

Interviewees participating to the research confirmed that Chinese students are increasingly interested in employability outcomes; degree programmes featuring a work experience component are particularly valued by prospective students and are an effective tool in driving interest and conversion.

COVID-19 IMPACT: SOME TRENDS PERSIST POST-RESTRICTIONS

The preference for studying online or closer to home has persisted after the pandemic, and institutions need to adapt to some of these changes whilst also better communicating the positives of in-person study in the UK.

The inability of students to travel out of China during the pandemic meant many deferred or cancelled their plans to study abroad. Fears over health and travel restrictions prompted some students to stay in China, or to seek more local options in the region. Increases in student demand for more local options in Hong Kong and Singapore have been reported by many student recruitment agencies as well as in New Oriental's 2023 Report on Chinese Students' Overseas Study.

Large numbers of students, however, persisted with plans to earn a degree overseas and commenced and completed degrees partially or wholly online. Remarkably, UK undergraduate student numbers from China remained stable throughout the pandemic, as competitor countries closed their borders and the UK fared better than its key competitors in terms of diplomatic relations with China.

Familiarity and confidence with online study as a format has grown significantly. Whilst for degree programmes the majority of students appear to be returning to in-person study, UK universities noted an enduring preference for online learning in Pre-Sessional English (PSE) programmes. Prior to the pandemic, almost all students travelled to the UK for their PSE programmes; now, whilst an increasing number of students are returning to the UK, interviewees reported that a majority were still taking PSE online in 2023, although the proportion of online students is expected to decline again in 2024.

An important element in the persistence of online PSE is the ability of students to study PSE while finalising all necessary elements of their visa applications - often, it is challenging for students to prepare the application for, submit and receive their visas in the time available between completing their previous studies and the start date of a PSE programme.

Optimising visa processing times could help more students come to the UK earlier and hopefully improve their study experience: the institutions we interviewed strongly believed in the benefits of students taking their PSE in the UK to ensure they are settled and acclimatised to life in the UK before commencing their studies.

7 https://www.zhihu.com/question/351886332/answer/2520813517
8 https://time.com/6304881/china-stops-publishing-youth-unemployment-statistics/
9 https://www.ucas.com/rising-popularity-creative-arts-among-chinese-students-can-help-maintain-uks-competitive-global?hash=tY9w72hGTjdlsY9jcBNTeGMVc5SjfUoMN41sfU5vur0

II. Trends in undergraduate student mobility from China to the UK

INCREASED COMPETITION IS REDUCING APPLICANT CONVERSION

The UK has traditionally been a popular destination for Chinese students due to its strong cost-performance ratio, the short duration of study programmes, and the high academic value of its degrees. Competition has stiffened since the end of the pandemic as key destinations look to win back market share, whilst newer destinations look to grow their Chinese numbers.

During the pandemic, the sector saw continued growth in the number of Chinese students applying to the UK through UCAS and an increase in the UK's share of undergraduate Chinese students among its key competitors (see figure 6). This was due to border closures in key competitor countries, meaning the UK was the only available destination for those seeking to study in person.

However, during that period, a slight decline in the number of accepted and enrolled students, despite high application volumes, can be observed (see figure 8). Interviews confirmed that the key driver for this was an increase in the number of parallel applications to institutions in different study destinations. They believed that this is a trend that is likely to persist, which is a view backed up by UCAS research. The report found that Chinese students consider several study destinations in parallel and 63% of applicants applied or planned to apply to another country alongside the UK and China. These applications were to top study destinations including the USA (40%), Canada (39%) and Australia (27%). If interviewees are correct and this trend continues, we can expect to see a steadily declining yield from Chinese undergraduate applications.

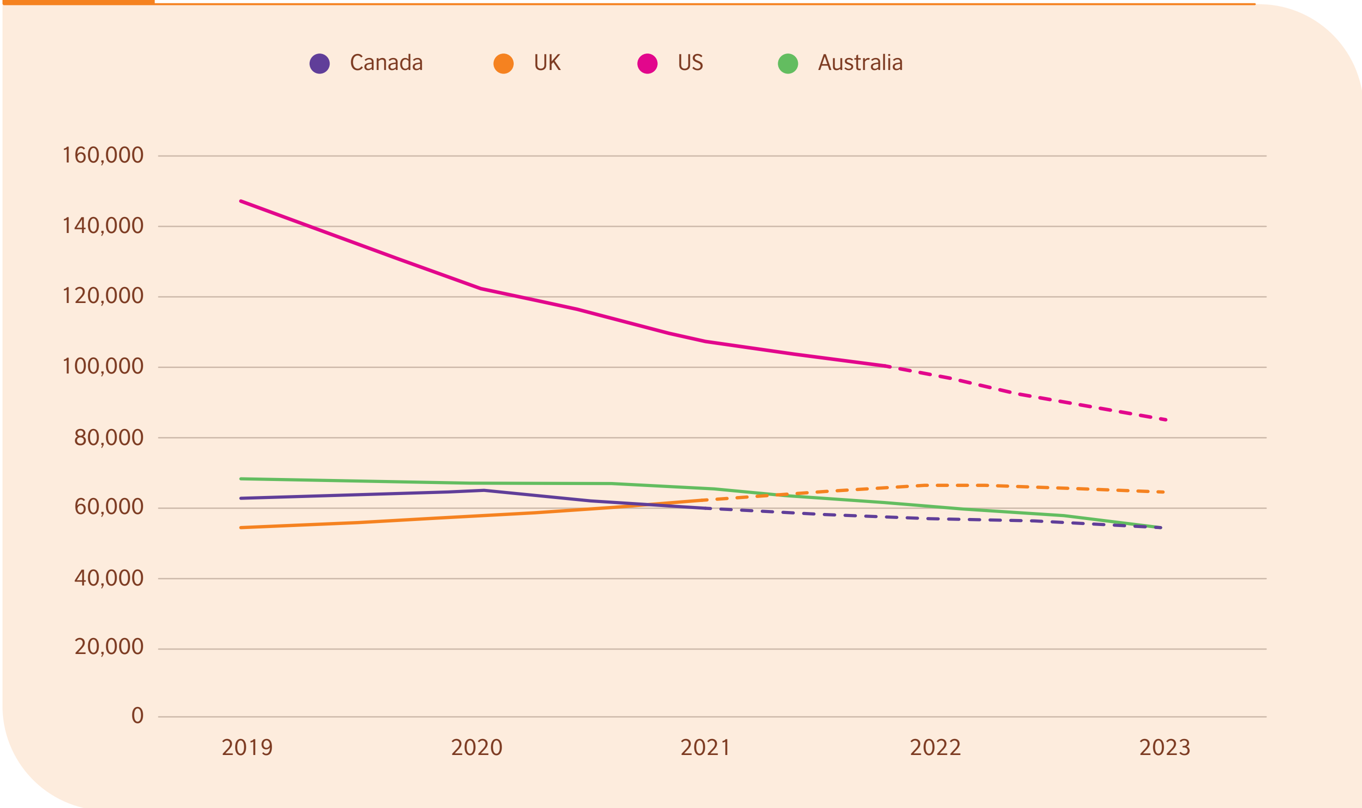
Most interviewees noted rising interest in Australia and the US among the UK's traditional competitors. One important element driving students to Australian institutions was a recent improvement in global university rankings relative to the UK.

At the time of writing, HESA data is only available until 2021/22 (see Figure 7). UCAS data offers a more up-to-date view of undergraduate interest, albeit only providing insight into Year 1 entry. UCAS data indicates that, in 2022, UG Year 1 numbers from China increased before declining by 6% in 2023, still leaving accepted applicants in 2023 6.6% higher than in 2021.

The number of accepted applicants in the 2020 and 2021 UCAS end-of-cycle data almost matches the number of Year 1 First Year entrants in HESA data; this means that confidence in the extent to which UCAS figures will ultimately reflect final HESA enrolment data can be high.

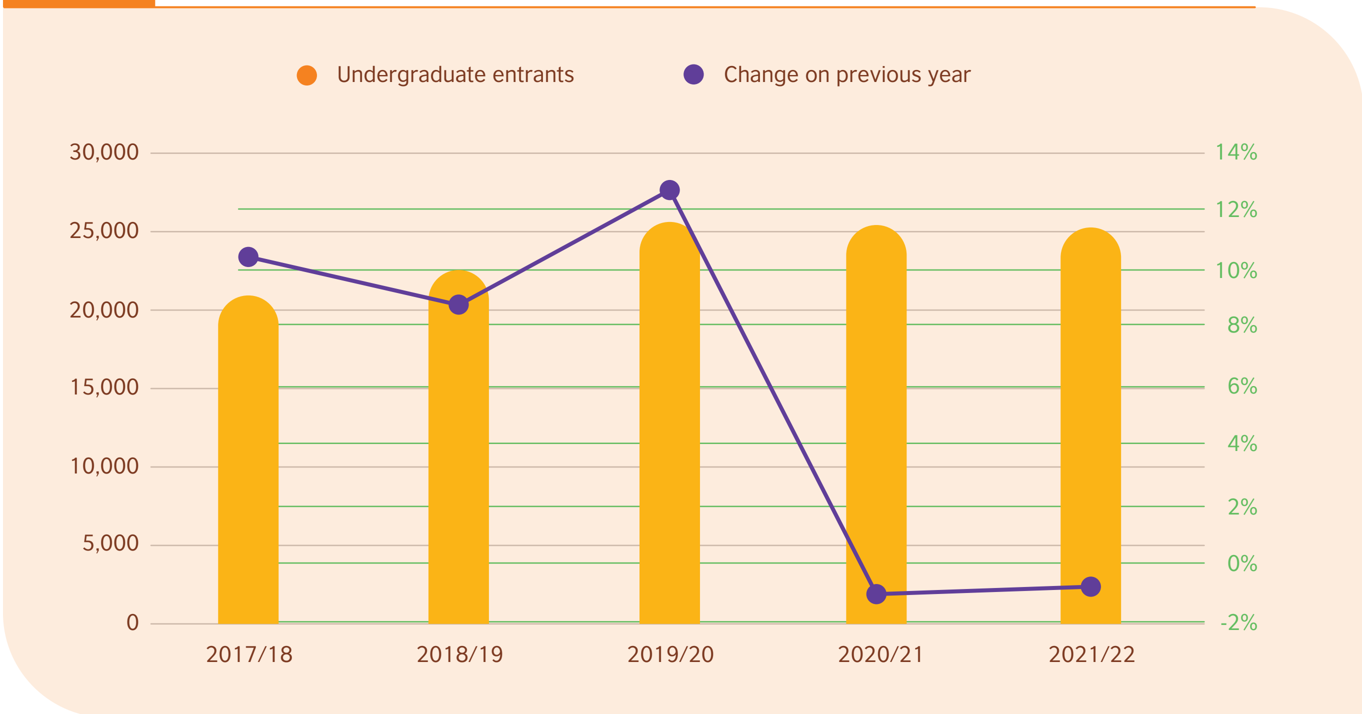
Outside of the UK's traditional competitors, Europe has been attracting Chinese students in recent years, especially France and Germany. As previously mentioned, Singapore, Hong Kong and other Asian destinations have also grown in popularity since the pandemic. Offering high-quality education, potentially lower language barriers, geographical proximity and safety, these destinations situated in strategic locations in Asia appear to be increasingly attractive alternatives to Western countries.

Figure 6: **Bachelor-level enrolment volumes in traditional competitor destinations**



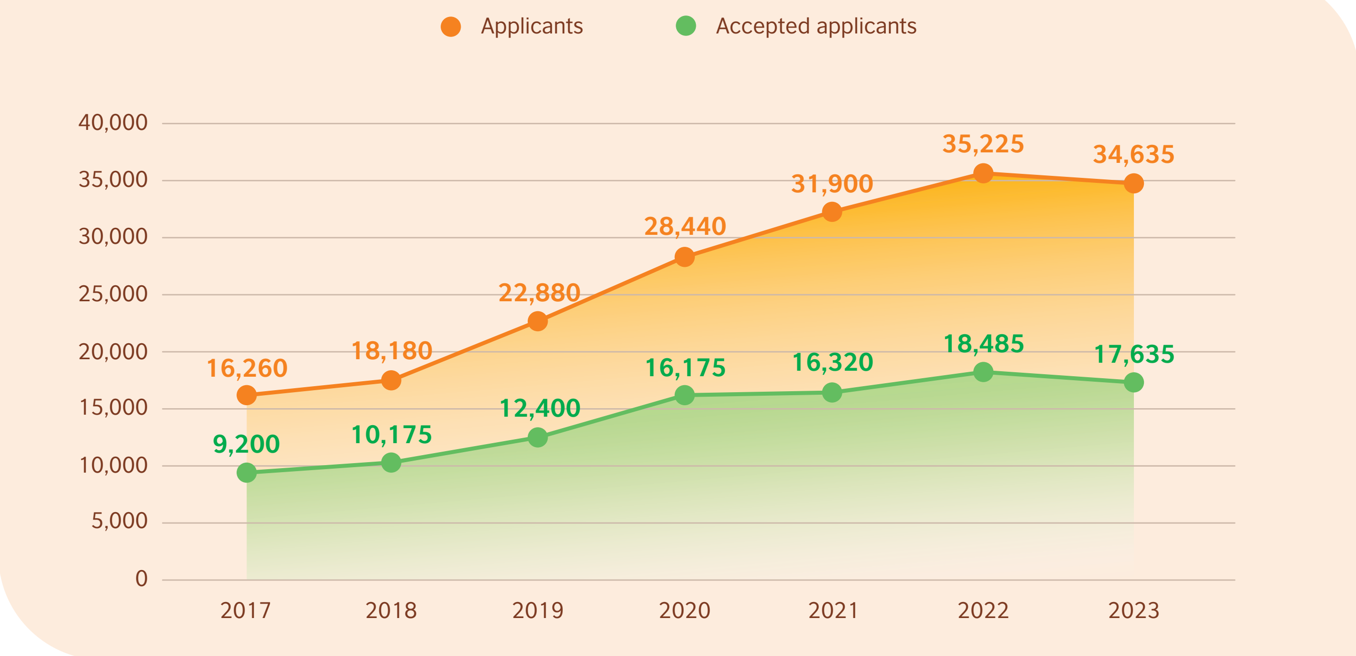
Source: IIE, HESA UG enrolment (First Degree), StatCan enrolments Bachelor, Australian Department for Education (Bachelors & Bachelors Honours), 2024

Figure 7: **Plateauing of growth in Chinese undergraduate entrants to UK universities**



Source: HESA, 2023

Figure 8: **Recent trends in Chinese undergraduate applications**



Source: UCAS, 2023

Short-term forecast (2024)

At the end of the January 2024 deadline, Chinese applicant numbers were up 3.3% year-on-year, which suggests that the number of students enrolling in September 2024 should be quite similar to 2023 (allowing for a continued decrease in yield of applicants to accepted applicants). A recent survey by the British Universities International Liaison Association (BUILA) indicated institutions collectively expect Chinese enrolments to be declining marginally across all levels of study in 2024.

Medium-term forecast

It is expected that the UK's share of total outbound Chinese students to continue to decline gradually over time. This is, however, against a backdrop of expected growth in the total number of internationally mobile Chinese students. As such, the number of Chinese undergraduate students in the UK should remain steady in the medium term, though further weakening of UK universities in the global rankings or a slower-than-expected recovery of the Chinese economy could negatively impact this.

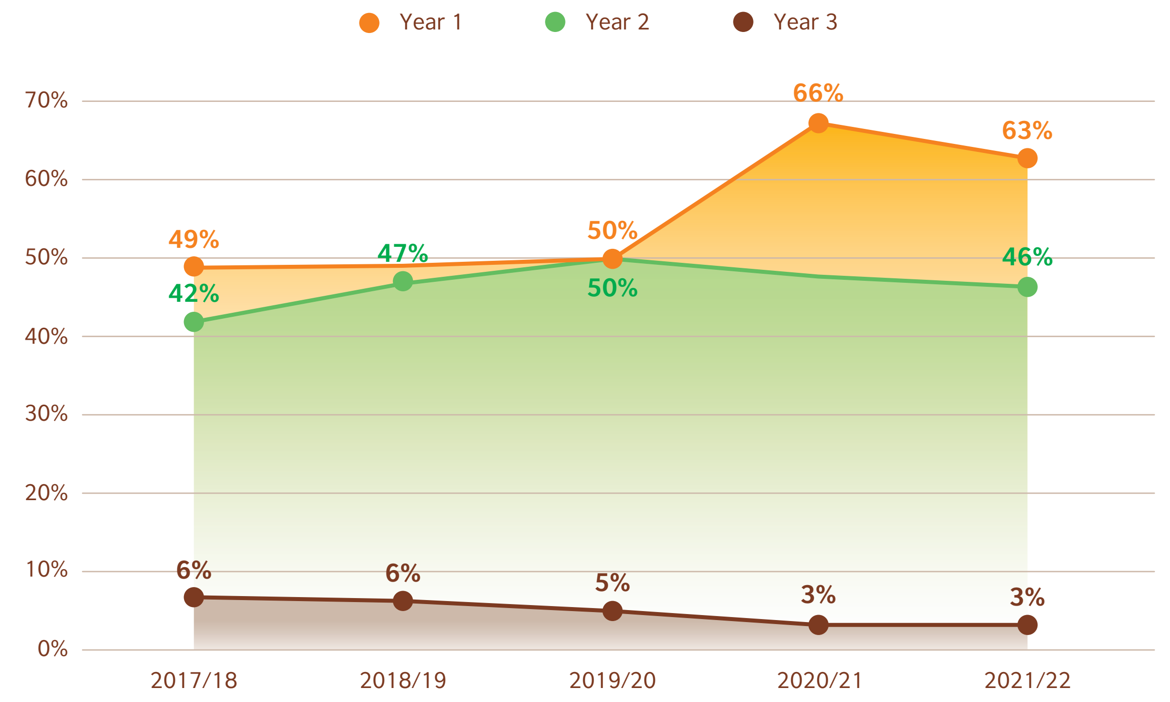
TRENDS BY MISSION GROUP: LARGE, HIGH-RANKED UNIVERSITIES WILL GROW STUDENT SHARE

Chinese students are typically highly influenced by university rankings. Combined with recent changes in Hukou policy and an increased preference for highly-ranked universities with most employers, this trend has accelerated in recent years.

HESA data shows that Year 1 entrants from China have become increasingly likely to go to Russell Group universities (see Figure 9). Interviewees indicated that the importance of being in the QS top 100 universities is rising, and a closer analysis of the share taken by QS Top 100 ranked universities confirms this.

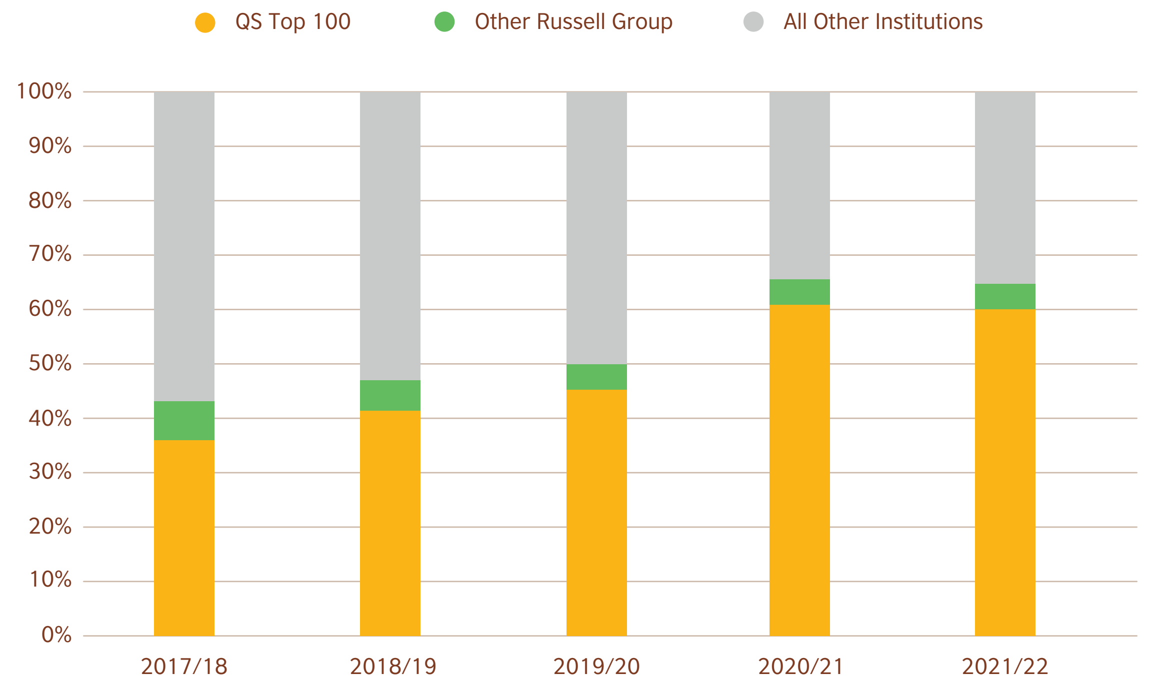
The proportion of students entering Russell Group universities in Year 2 has remained quite consistent, whilst the small proportion entering Russell Group universities in Year 3 declined in 2019/20 and then dropped very significantly during the pandemic (see Figure 10). Interviewees observed that competition for the smaller pool of students available outside of the Top 100 has intensified, and relies increasingly on advanced entry, with more universities active in the advanced entry space than in previous years.

Figure 9: Share of Chinese undergraduate entrants going to Russell Group institutions by year of entry



Source: QS Universities Ranking, 2024; HESA, 2023

Figure 10: Share of Chinese Year 1 entrants going to QS Top 100, other RG and non-RG universities*



Source: QS Universities Ranking, 2024; HESA, 2023

* For the purpose of the above analysis the QS Top 100 Group refers to the 18 UK institutions that appeared in the QS Top 100 from 2019-2022

INTERVIEWEES REPORT THAT THE MARKET FOR ADVANCED ENTRY TO UNDERGRADUATE DEGREES APPEARS TO BE BOUNCING BACK

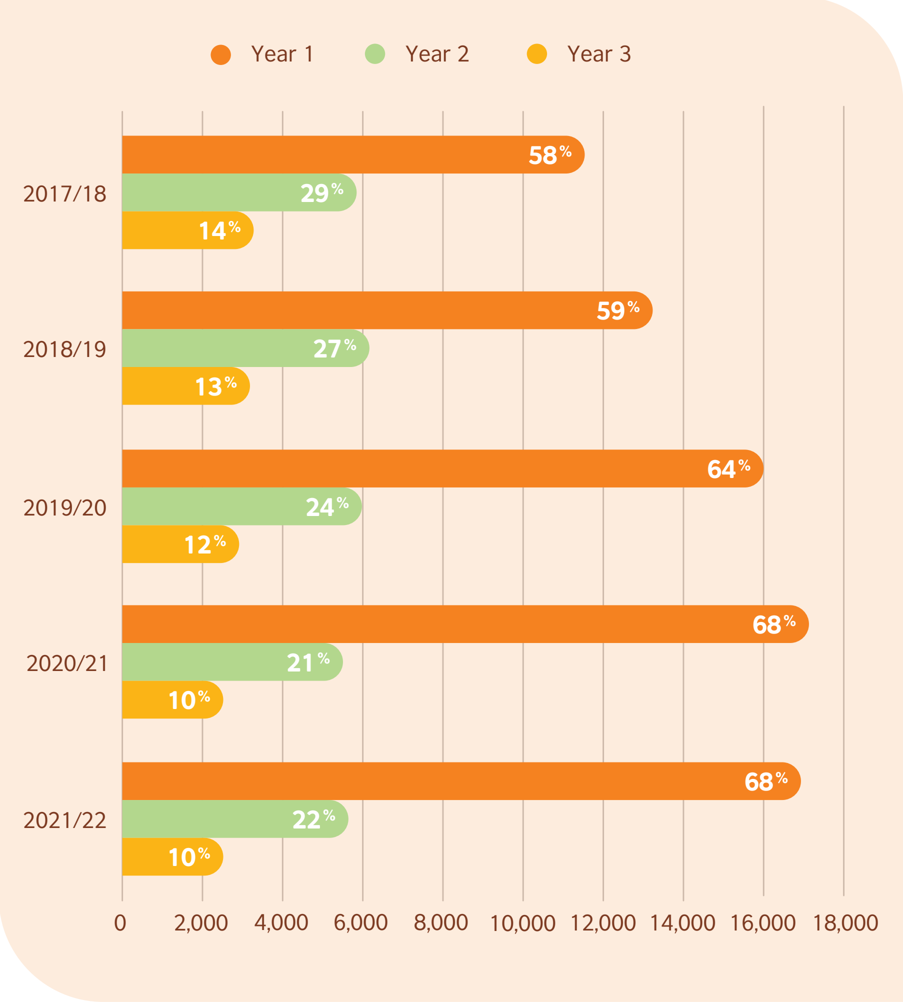
2.1 Size, growth and importance of individual pathways

Figure 10 shows the split between students starting UG study in the 1st, 2nd or 3rd year of their degree.

The volume and share of students joining in Year 1 have increased significantly in recent years. This is down to the increased attractiveness of top-ranked universities, combined with the increasing number of students attending international high schools in China, driving a higher number of students to gain direct entry to Year 1 of top-ranked universities.

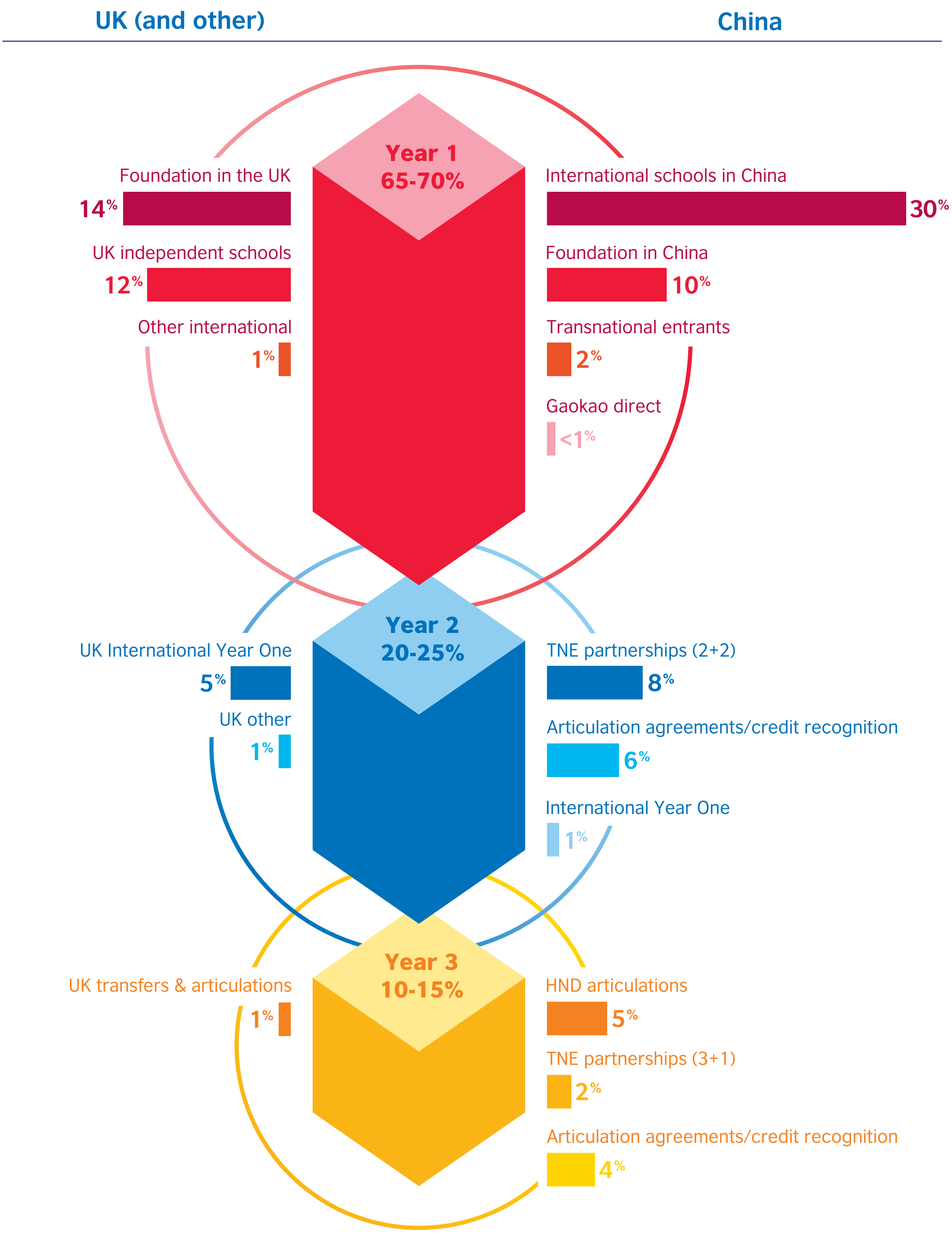
The pandemic brought declines in those joining at Year 2 and 3 in 2021 and 2022 (see Figure 11). Interviews suggest this was due to the inability to travel overseas to complete their degrees, combined with a lower inclination to wait, and this was especially true for students on TNE courses. As these students had a shorter time allocated to study in the UK, many reached the end of their undergraduate studies while pandemic restrictions were still in place.This was less of an issue for Year 1 entrants in 2021 and 2022. Starting in Year 1 at their desired institution, many students commenced their course online with an expectation that they would be able to transfer to in-person study at a later stage. Feedback from interviewees was that the market for advanced entry to undergraduate studies appears to be bouncing back.

Figure 11: New, first degree entrants by year of entry



Source: HESA, 2023

Pathways to UG study in the UK from China by year of entry



Note: The estimates used in this chart are based on an analysis of available data sources and trends in relation to each route highlighted. Additionally, in-depth interviews with industry leaders helped to determine the size of each route.

Year 1 entry
65-70% of annual undergraduate entrants

PATHWAYS TO YEAR 1 ENTRY - FROM CHINA

INTERNATIONAL HIGH SCHOOLS (25-35%)

Common entry qualifications

A-level, Advanced Placement (AP), International Baccalaureate (IB) as a group of international high school qualifications, is a vital, fast-growing route for Chinese students choosing an undergraduate degree in the UK. It is a complex ecosystem with a variety of school types and student profiles. Whilst this pathway drives a lot of traffic to the most elite institutions, a good understanding and careful targeting of international schools and the qualifications they offer can provide opportunities for various institution types. The vast majority of students are committed to studying abroad as they do not sit for the Gaokao and will therefore not be able to enrol in Chinese universities.[10]

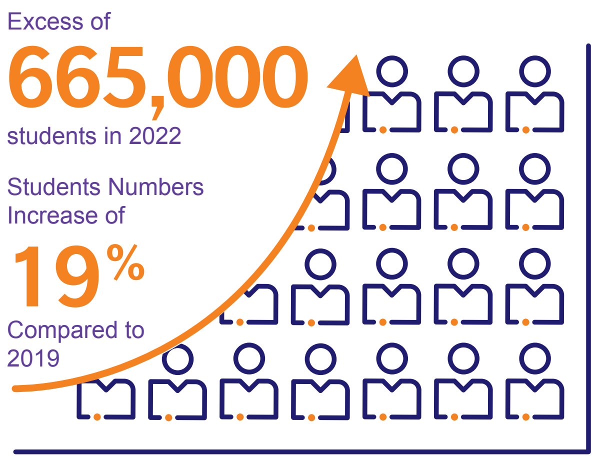
The data and research available on international high schools provides a solid indication of trends and overall numbers (though different sources tend to cite slightly different figures). Whilst the precise numbers of students progressing to undergraduate studies in the UK specifically are not available, it can be estimated (from interviewee feedback, desktop research, and the estimated number of candidates sitting for the A-levels exam annually in China) that 25-35% of new entrants to undergraduate degrees come from international schools.

ISC Research statistics indicate that the dominant qualifications in international high schools globally are the Cambridge Curriculum (or A-levels) with 35%, International Baccalaureate (IB) with 28% and Advanced Placement (AP) with 16%. In China, the feedback from interviewees and available data suggests that A-levels are most prominent, followed by AP, which has been growing fast in recent years.[11]

For students interested in coming to the UK, we would expect A-levels to be the most popular choice, and indeed analysis of UCAS data from the 22/23 cycle indicates that 79% of accepted applicants whose applications were submitted through schools in China came with A-levels. However, it is evident that a large number of candidates sitting for their A-levels are selecting alternative destinations to the UK. At the same time, there are also significant numbers of students joining UK undergraduate studies having taken qualifications such as AP and OSSD.

The IB is a less popular option,[12] anecdotally due to the perception that it is harder for Chinese students. Interviewees confirmed this opinion and also mentioned that the number of Chinese students taking the Ontario School Diploma (OSSD) is growing and larger than those taking the IB.

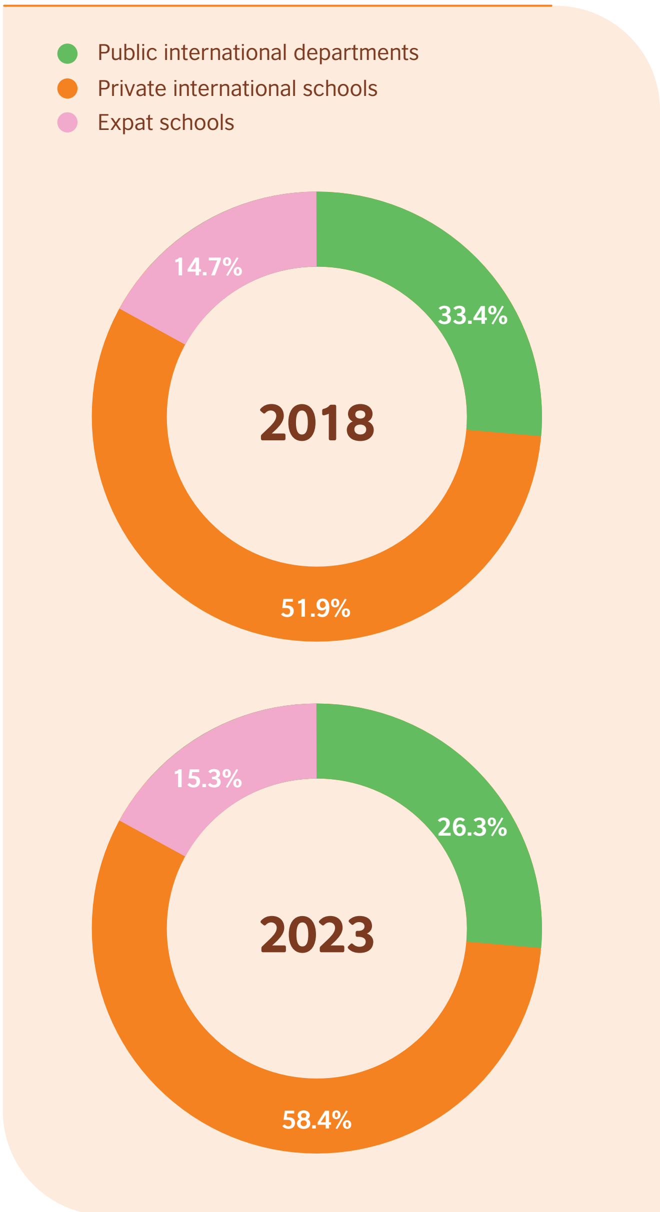
There has been substantial growth in the number of international high schools in China in recent years. A white paper from New Oriental indicates that the number of international high schools in China is now over 1,200. This compares to a figure of just over 700 in 2017 according to New School Insight Media.[13] New Oriental places total student numbers at these schools in excess of 665,000 students in 2022, and recent indications show that growth may be rising fast again: student numbers from a sample of 60 schools in the 2023 China International School Research White Paper showed an increase of 19% compared to 2019.



10 NewSchool Insight Media. 2017 Chinese International School Development Report. 2017
11 https://iscresearch.com/the-most-recent-data-on-the-international-schools-market-for-2023/
12 https://thepienews.com/analysis/the-very-real-world-of-the-ib-at-50/
13 Trends in Chinese International Education: What to Expect in 2018

These international high schools can be separated into 3 main types: private international high schools, international divisions with public Chinese high schools, and expatriate schools. According to a 2024 white paper by Sunrise, private international high schools make up just under 60% of the total number, with international divisions within public high schools representing just over a quarter and expatriate schools around 15% (see Figure 12). Private international high schools have experienced the fastest growth in recent years, while government policy appears to have slowed growth in international divisions of public high schools and expatriate schools have struggled as expat numbers in China shrink.

Figure 12:
International schools' market share by type of institution (as a % of all international schools in China)



Source: Sunrise, 2024

1. Private Chinese international schools

Now representing the majority of international schools in China, the private school sector has been the fastest-growing area within the fast-growing international school landscape.

Current estimates place around 700 schools in this category, representing an estimated student body of over 300,000. These schools typically offer full international curricula. A-levels are the most popular international qualification, with Cambridge Assessment International Education (CAIE) the dominant player. However, Oxford International AQA Examinations and Pearson Edexcel are also growing their candidate volume with having more education organisations and teaching centres compared to CAIE. In addition, large numbers of students take AP, with a smaller number of students studying IB and OSSD.

As these institutions typically feature high tuition fees, students attending these schools come from wealthy families and often have long-held plans to study overseas, aspiring to gain entry to prestigious international universities. As such, these schools are strong sources of students for elite Russell Group institutions. Some students who do not achieve the required grades opt to take pathway programmes in order to retain a chance of accessing top institutions.

The private school sector also includes branch campuses of UK independent schools. In the most recent 2023 ISC census (conducted in January 2023) the number of branch campuses of ISC schools in China was 49. In 2013, this number was 8 with 5,711 pupils and by the 2023 census the 49 branch campuses reported a combined student population of 29,302.

Many of these schools are located in Beijing and Shanghai. Guangdong and other Tier 1 and New Tier 1 cities are also popular locations, as are the affluent Eastern Seaboard provinces of Zhejiang, Jiangsu, and Shandong.

2. International divisions within public Chinese high schools

This category describes public Chinese schools that have divisions that offer an international curriculum in addition to the regular Chinese one. These divisions predominantly teach Chinese students interested in studying abroad, though there is significant variation in the curricula they deliver and also in the exams and final awards they offer. In the majority of instances, students studying in the international programmes will receive a Chinese High School Diploma and then additional international qualifications. When students earn only the Chinese High School Diploma, without taking the Gaokao, they are ineligible to attend Chinese universities and must therefore study abroad.

The international qualifications might be full international qualifications, such as A-levels, IB and AP, or a smaller number of international elements alongside more typical Chinese High School content.

Fees charged by these schools are usually lower than those of the private international high schools, and resources are correspondingly less abundant. Interviewees indicated that outcomes for this category of students are often slightly weaker; this, combined with more limited financial resources, means that these students are more likely to access the UK higher education system via a pathway programme.

The number of students from divisions of this type was growing quite fast prior to the introduction of the Double Reduction policy and have slowed significantly since. They do still, however, represent a very significant pool of potential students.

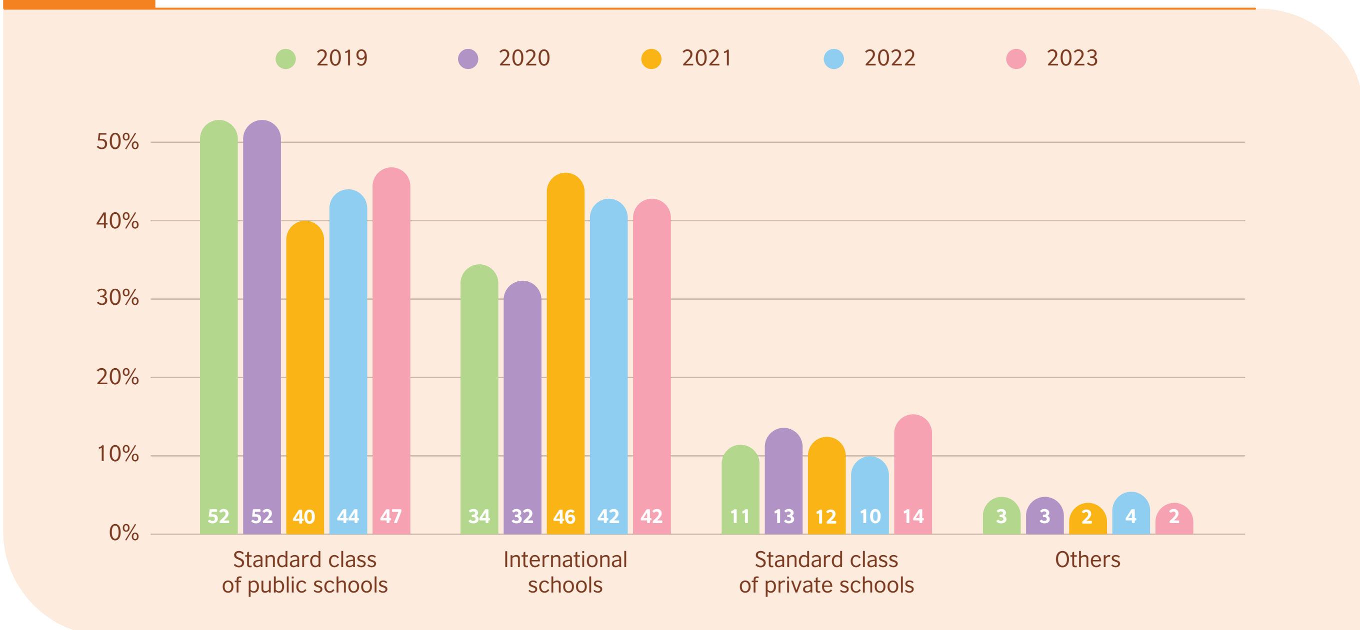
3. Schools for Children of Foreign Workers (SCFW)

As the common name “expat high schools” implies, these schools were, and predominantly remain, exclusively for students who hold non-PRC passports. The total number of these schools peaked at 127 in 2017, but has dropped back to 113 in 2022, according to NewSchool Insight Media. With an estimated 99,000 students attending these schools, they are an important source of non-Chinese international students for UK universities, but increasingly a source of Chinese students too.

The number of local Chinese families sending their children to expat high schools has increased in recent years. This group consists mostly (but not entirely) of students who hold foreign passports due to being born abroad or their parents acquiring foreign citizenship, but who were raised in China to parents who are current or former Chinese citizens.

On rare occasions, schools make exceptions to admit students with Chinese passports, even though this generally contravenes established policy guidelines. This increase in accepting Chinese students has been driven by economic need from the schools as the number of foreign expatriates has decreased in recent years and looks set to decline quite sharply in the next few years.

Figure 13: Prospective New Oriental undergraduate students by source institution (%)



Source: Report on Chinese Students' Overseas Study, New Oriental Vision Overseas, 2023

Trends and forecast -

International schools are the fastest-growing route for Chinese students planning to pursue undergraduate studies in the UK. The Double Reduction Policy slowed their growth significantly, but this sector of the education market in China is valuable, ambitious and has been heavily invested in. The huge emphasis Chinese parents place on children's education, the increasing number of families able to afford international schools, and continuing intense competition for top universities in China through Gaokao all suggest that international schools will continue to appeal to many Chinese families.

There are signs that growth in international school student numbers has started to pick up again and that the outlook for further growth remains strong, albeit not at the same speed of growth seen before the introduction of the Double Reduction Policy. Growth in international schools is likely to be increasingly dispersed, with growth areas for new international schools a good indicator of changing geographic opportunities to recruit undergraduate students.

Within the international schools sector itself, there is an ever-increasing amount of competition amongst the different available qualifications. A-levels appear to be the single largest qualification taken, but there is evidence of other qualifications expanding their reach, with AP and OSSD providing the greatest challenge to A-level dominance. Whilst A-levels are the most popular qualifications and increase the likelihood of students selecting the UK for their university studies, many A-level students go on to study in other countries, while a significant number of students taking high school qualifications of other countries (e.g AP, OSSD) ultimately head to the UK.

Institutions should ensure they are well-placed to recruit from international schools. It is important for institutions to have clear entry requirements in place for the common curricula to benefit from the widest possible recruitment funnel and access a large number of students who are highly likely to pursue undergraduate studies overseas.

Note on public and private high school students

The vast majority (98%) of Chinese High School students attend standard rather than international high schools. A large number of students going to the UK still come from standard Chinese High Schools. These students are more likely to access the UK higher education system via a pathway programme or transnational routes. Prestigious universities will require them to take one of these routes in order to join year 1 unless they achieve outstanding Gaokao results (see Direct Entry with Gaokao). Foundation providers reported that students from Public High Schools formed the majority of their Chinese student cohorts. The Report on Chinese Students' Overseas Study showed that 47% of prospective undergraduate students came from public high schools, with a further 14% coming from private high schools.

FOUNDATION PROGRAMMES IN CHINA (8-15%)

Foundation programmes in China are offered in different locations by a variety of providers, offering a range of curricula, often to relatively small numbers of students. These programmes should offer improved recruitment opportunities to institutions sitting outside the QS Top 100, with a wider range of student abilities typically with budgets more limited than those attending international high schools. While most students taking a foundation programme in China have studied a local curriculum, some are international high school graduates who have not achieved the required grades to enrol at their chosen institution.

Foundation programmes have been running in China since the 1990s. The large variety of providers include education agents, private education establishments and Chinese education institutions offering foundation programmes in partnership or with articulation agreements with UK universities. The format and content of the programmes vary, with some programmes focusing more heavily on language and others following syllabi with significant, well-defined subject content.

Interviewees place the total number of foundation programmes at over a hundred, with some believing a figure of two to three hundred may be more accurate taking into account significant growth in recent years. Several agents reported large increases in the number of students taking foundation programmes in China during the pandemic and believe that the increased propensity to keep children closer to home and study in China for longer has persisted, particularly as a weaker and more uncertain economic outlook causes many families to be more careful with finances.

As the most popular foundation qualification in China, with 35 active study centres in 21 cities, NCUK figures and feedback offer possible insight into trends in what is, in many areas, quite a fragmented market. NCUK reports good growth in Chinese students taking pathway programmes in China in 2023/24. A higher proportion take foundation programmes, as the ability to access more selective institutions is a big driver and foundation programmes offer the best chances of joining a globally ranked university.

Trends and forecast -

Feedback from almost all interviewees showed an expectation for steady growth in the number of students taking foundation programmes in China in the near future. Key drivers for this trend are a combination of convenience and cost. Anecdotal feedback indicates that another driver is parents' preference to keep children closer to home for longer. The pandemic drove an increase in the number of students staying in China and opting for pathway programmes. This increased the number of options available to students and elevated the profile of the pathway market, which is continuing to grow.

WE HAVE MANAGED CONSISTENT, STRONG GROWTH SINCE 2017, WITH A BIG INCREASE IN 2023/24. WE LOOK TO GROW OUR STUDENT NUMBERS BY CAREFUL PROSPECTING OF HIGH QUALITY DELIVERY PARTNERS.

HARRY FENG - REGIONAL DIRECTOR, NCUK, CHINA

TRANSNATIONAL ENTRANTS (1-2%)

Many universities will consider Chinese students who have successfully completed one year of study at a Chinese university or college for Year 1 entry. Feedback from interviews suggested that this is not a common route. A small proportion of the students that might take this route end up entering via an International Year 1 programme.

This group of students is divided in three groups: those who were enrolled on a UK degree course in China through transnational education (TNE), students transferring from overseas universities through credit recognition and articulation agreements, and students who join UK higher education programmes on the basis of sub-degree HE qualifications earned overseas (excluding Foundation and International High School qualifications).

Interviewees observed that a large majority of TNE students progress to UK universities later than in Year 1. This is backed up by data on TNE, indicating that students with pre-university TNE qualifications progressing to UK universities have almost completely disappeared from the statistics.

Trends and forecast -

Overall, feedback indicated that transnational entrants increasingly opt for a more advanced entry (later than Year 1), and the trend is expected to continue. The number of students progressing to the UK at Year 1 is expected to be and remain relatively low.

DIRECT ENTRY WITH GAOKAO (<1%)

In 2018, the University of Birmingham was the first Russell Group University to make a high-profile announcement of its acceptance of Gaokao for direct entry into its undergraduate programmes. Prior to this, Chinese Gaokao students looking to commence undergraduate studies in the UK would have had to take a foundation programme or an alternative qualification such as A-levels.

Interviews suggest that this route is used very little. The main reasons for this are the limited number of institutions accepting Gaokao, but also the high requirements set by those who do accept it. The high requirements set by institutions accepting GaoKao mean that qualifying students are also typically able to access an elite institution in China. As mentioned previously, students who can access a prestigious institution in China normally prefer to do so as this is considerably less expensive than pursuing undergraduate studies in the UK and still seen as the best route to a good career in China. In the future, it is expected that numbers from this route to remain low due to the reasons listed above and the growing trend of students choosing pathways that lead exclusively to studying abroad, thereby opting out of the Gaokao.

Trends and forecast -

The number of students coming in via this route is expected to remain small. There is potential for growth if more institutions with very strong global rankings choose to accept it. Respondents commented that if entry requirements for top UK universities were not as high as they currently are, then the appeal for students with high Gaokao scores would be stronger.

PATHWAYS TO YEAR 1 ENTRY - FROM THE UK

UK INDEPENDENT HIGH SCHOOLS (10-15%)

A majority of students from UK independent schools progress to high-ranking universities, and with many Chinese students sitting amongst the stronger performers from these schools, universities among the QS Top 100 are a likely destination for many. It is estimated that around 90% stay on in the UK to pursue a degree, with the US being the next most popular destination.

Chinese international students at this school category are generally defined as those who have been sent to study overseas - typically to prepare them for entry into the UK and other international universities. Compared to studying in China, this approach is viewed as providing students with optimal preparation to enter UK universities and enhance their admission prospects. This group is differentiated from Chinese students who move to the UK to accompany their parents, who are typically classified as domestic students regardless of their passport status.

The number of Chinese students attending independent schools in the UK had risen steadily and consistently up until the pandemic. The Independent Schools Council (ISC), which represents most independent schools in the UK (its members account for 86% of all independent school pupils in the UK), runs an annual census which offers clear insight into Chinese student mobility trends.

In 2001, over 500 new Chinese students were enrolled in ISC schools. By the 2020 census, this number had risen to nearly 5,000 new students per year. Students enter the independent school system typically at 11, 13 or 16 years of age. They enrol in these schools to prepare for GCSE, A-level and International Baccalaureate qualifications, typically with the ambition of enrolling at elite universities.

Elite UK independent schools are perceived by many Chinese families as the best and most prestigious in the world, with schools such as Eton, Harrow, Dulwich College and Cheltenham Ladies College being household names in affluent Chinese families. Branch schools have contributed to raising the profile of British Independent Schools in China.

Feedback from interviewees suggested that there is also growth in the number of students studying at less internationally famous school brands. This trend started already before the Covid-19 pandemic but has been stimulated further by a combination of increased consideration for children's welfare originating from the pandemic, a move away from the traditional high-pressure school environment and the tightening of regulations around private education in China. Added to this we should also note that the learning and support environment offered by UK independent schools is looked upon favourably and in some instances offer fees that are competitive with branch schools in China. Therefore, there may be additional opportunity for recruitment for institutions sitting a little outside the top 100 in global rankings.

Trends and forecast -

Chinese student numbers for independent schools are bouncing back, albeit not yet to pre-pandemic levels. Interviewee feedback and recent UK Child Student visa issuances from China indicate this is indeed the case; Home Office Visa Statistics for of 2023 showed Chinese Child Student visa issuances at their highest since 2019.

However, it is important to note that the number of Chinese students coming to the UK at the school level significantly decreased during the pandemic (see Figure 14). Consequently, the number of A-level candidates will remain low over the next few years as this cohort progresses through the system (for example, a student entering Year 10 in 2022 would be starting university in 2025). Additionally, the number of new entrants has not yet returned to pre-pandemic levels.

Over the longer term, the outlook for UK independent school recruitment is positive and, if numbers remain steady, students from this route will make up an increasingly large proportion of undergraduate enrolments in the UK.

INTERNATIONAL FOUNDATION PROGRAMMES IN THE UK (12-18%)

International Foundation programmes have been running for many years in the UK, and prior to the expansion of international schools in China were one of the main routes for undergraduate students from China and a key driver of growth in Chinese undergraduate student numbers in the UK. A frequently perceived benefit of pathway programmes is the ability to begin a course with relatively low English language levels and receive academic and language preparation concurrently, saving time for students.

With more students taking international qualifications in China and a higher acceptance rate of high school students directly to undergraduate courses, the proportion of students requiring a pathway programme has declined.

This has been accentuated by a broader improvement in English language proficiency in recent years, though there are some indications that this improvement has reversed since 2020 owing to poorer learning conditions during the pandemic and also the influence of the Double Reduction policy, which has reduced the amount of time students spend studying English outside of normal school class time.[14]

There are two main formats for pathway delivery. One is delivery that links directly to one university. This has increasingly been delivered on-campus, and this format has been a key drivers for Chinese student growth. In addition there are a smaller number of "one to many" operations, where students may take a foundation programme that offer progression to a number of different university options. The number of students from China taking this type of programme has decreased in recent years, as has the number of places delivering this type of programme. There are, however, a small number of “one to many” operations that operate successfully and prepare significant numbers of Chinese students.

According to feedback from pathway providers, programmes offering access to universities in the QS top 100 are performing strongly, whilst for other institutions recruiting Chinese students at foundation level is getting more challenging.

Pathway providers also confirmed that a majority of their students are coming through standard high schools, with international divisions of standard high schools also quite a common source.

Sales and marketing reach is an important element for many of those recruiting to pathways, with interviewees saying that an increasing proportion of their students are coming from outside of Tier 1 cities over time.

Trends and forecast -

The short to medium-term outlook for foundation programmes shows stability or slight decline, with high-ranked institutions insulated from the declines. Longer-term, the prospects are less encouraging, particularly if the growth in international high schools within China continues and spreads across a wider geography.

14 https://www.ef.edu/epi/regions/asia/china/

OTHER ROUTES TO YEAR 1: UK, CHINA AND ROW (1-2%)

UK (<1%)

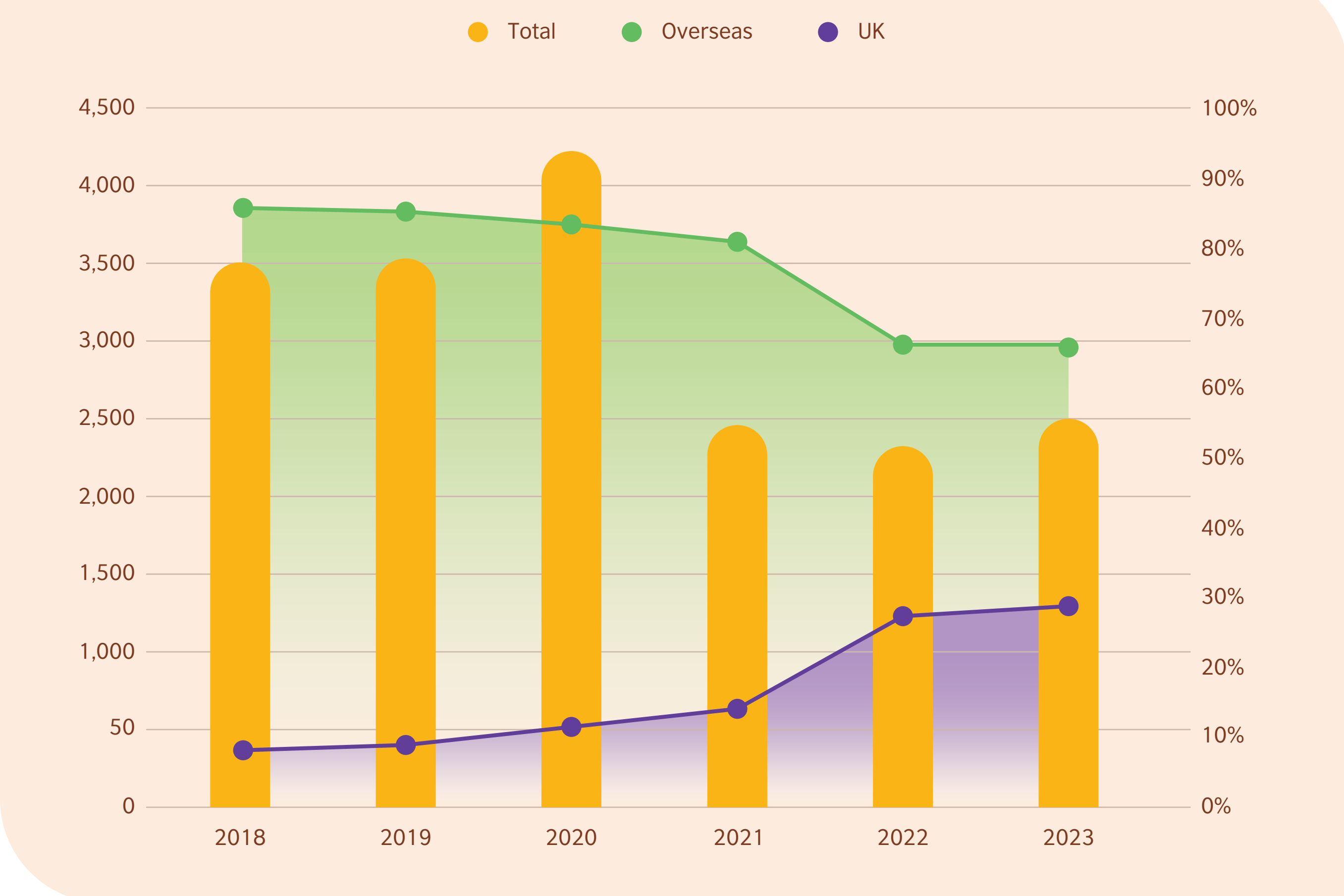
There is likely to be limited progression of Chinese students to universities from Further Education Colleges and English Language Schools. It is difficult to get an accurate view on the number of students entering universities from FE Colleges and English Language Schools. Data available on visa issuances indicates that they account for 5-6% of student visas issued across all nationalities. Feedback from interviewees confirmed that student numbers through these routes are extremely small and also that these routes are not popular with Chinese students. Recent data from English UK indicates the number of Chinese students studying at English Language Schools has declined quite sharply in recent years.

ROW (1%)

UCAS application data from 2020/21 indicated that 1.7% of Chinese Year 1 accepted applicants applied from a location other than the UK or China. This suggests that about 1% of all new Chinese entrants are Chinese nationals living or studying in other countries.

There was limited insight and data on students coming from countries outside of the UK and China, but some interviewees indicated that they were receiving applications from Chinese students at high schools outside of China and the UK. It is also likely that a small number of students are coming across from pathway or TNE arrangements in other countries, such as Asia, and competitor countries such as the US, Canada and Australia.

Figure 14: New Mainland Chinese students and parental domicile**



Source: ISC, 2023

* Chart excludes new Chinese student at ISC schools only offering pre-secondary education

** Parental domicile considered to be UK if 1 or more parent is domiciled in the UK

Year 2 entry
20-25% of annual undergraduate entrants

WHILST LESS POPULAR THAN FOUNDATION PROGRAMMES, THE TREND FOR STUDENTS TO STAY IN CHINA FOR LONGER, ALONGSIDE A BROAD FORECAST OF GROWTH FOR CHINA-BASED PATHWAY PROGRAMMES, SUGGESTS A MODEST GROWTH IN INTERNATIONAL YEAR ONE PROGRAMMES

PATHWAYS TO YEAR 2 ENTRY - FROM CHINA

TNE (7-12%)

Undergraduate TNE provision has been an area of consistent and significant growth in China for many years, and the number of TNE students going to study in the UK was also steadily increasing until the Covid-19 pandemic.

As mentioned previously, interviewees indicated that the majority of TNE students transfer at an advanced level. China is the single-largest provider of students to UK universities entering at Year 2 and above, delivering just over half of the total of international students commencing at Year 2 and above.

The 2020 British Council report on transnational routes to on-shore UK higher education (global perspective) explained that for most institutions, students joining at Year 2 and above predominantly ‘transferred from overseas universities’ own programmes or entered with overseas sub-degree HE qualifications. At some of the institutions with the largest cohorts of international Year 2+ entrants, most of these entrants come through transnational education activities such as an overseas branch campus.

Interviews carried out for this research gave similar feedback. For China, the impact of overseas campus activity for entry to Year 2 is significant, on account of a small number of large-scale TNE offerings (Xi’an Jiaotong Liverpool University and Nottingham University Ningbo represent a large proportion of these numbers).

The number of students entering at Year 2 declined significantly during the pandemic. The high end of the estimated Year 2 TNE contribution reflects the situation before the pandemic, whilst the low-end relates to the pandemic years themselves.

Trends and forecast -

The proportion of students entering at Year 2 had been steadily declining over time prior to the pandemic. However, overall growth in Chinese student numbers meant that volumes had only plateaued just before the pandemic.Numbers are expected to rise from pandemic levels and may continue to grow.

There is some doubt as to whether the number of students who transfer on-shore as part of their programme will reach pre-pandemic levels again, as more students stay in China for longer. In addition, the Chinese government no longer accepts applications for new TNE partnerships on a 2+2 model, which will limit the number of TNE students transferring into Year 2 of a UK degree course.

Some interviewees reported that student numbers at overseas campuses and other TNE programmes hit record highs during the pandemic. This means that it is still possible for student numbers to rise to pre-pandemic levels, even if more students choose to stay on-shore for longer.

CREDIT RECOGNITION AND ARTICULATIONS (4-8%)

This is an important segment for those institutions without the rank and brand to recruit students directly into Year 1. This segment includes more formal partnerships, such as established 2+2 programmes, wider recognition arrangements where certain colleges or qualifications may offer access to a range of UK partners, and individual instances of Chinese students seeking to transfer to the UK partway through their undergraduate studies in China.

The very varied nature and huge number of partnerships and relationships make this route a challenging one to quantify accurately. Interviews conducted suggest that numbers through these routes are relatively stable.

Trends and forecast -

The forecast for recruitment from this channel was reasonable, though a trend for students to stay in China for longer may have a slight downward impact on student volumes at this entry point.

INTERNATIONAL YEAR ONE PROGRAMMES IN CHINA (1%)

Research and interviews indicate that the key provider of International Year One programmes in China is NCUK, with very limited offerings by other providers.

International Year One (IYO) programmes, however, remain a relatively small component of its programmes in China overall. Owing to the strong drive to access highly ranked Russel Group institutions, the bulk of undergraduate pathways in China remains at foundation level.

As such it is believed that China-based IYO programmes account for around 1% of new entrants.

Trends and forecast -

Whilst less popular than foundation programmes, the trend for students to stay in China for longer, alongside a broad forecast of growth for China-based pathway programmes, suggests a modest growth in IYO programmes.

There may also be an increase in the number of organisations and locations offering these programmes. The ability to progress to a highly ranked university appears likely to still be a key determinant of success for organisations and institutions seeking to recruit to China-based IYO programmes.

PATHWAYS TO YEAR 2 ENTRY - FROM THE UK

INTERNATIONAL YEAR ONE (4-6%)

International Year One programmes allow students to study for the first year of a UK bachelor's degree at a pathway provider. In some cases these programmes are offered in addition to a foundation course.

International Year One programmes typically contain the same credit as year one of a degree programme, sometimes with additional English language modules. Students who are successful in their IYO programmes can progress straight into Year 2.

Pathway providers reported consistent growth, with IYO numbers anywhere between 20% and 30% of foundation numbers and increasing in share of undergraduate pathway students. It should be noted that International Year One is not very commonly offered outside of pathway providers. However, the number of programmes and the range of subjects offered by pathway providers continue to increase and create opportunities for growth.

Trends and forecast -

This route is likely to maintain moderate growth in the next few years. This growth will mainly be through increased offerings in the IYO space. The diversification of subject routes appears set to continue. As more institutions seek to access new pools of Chinese students beyond the small pool of Year 1 entrants, it is likely that the number of institutions outside of the QS Top 100 accepting IYO programmes will increase.

Highly ranked institutions that are starting to accept IYO programmes can expect to gain significant interest.

OTHER (1%) TRANSFER FROM ANOTHER UK UNIVERSITY OR FROM A UK FE COLLEGE

The 2020 British Council report on transnational routes to on-shore UK higher education indicated that around 2% of students joining UK universities at Year 2 and above had previously studied in the UK. This is predominantly students from FE colleges or those transferring across from another HE provider.

Year 3 entry
10-15% of annual undergraduate entrants

PATHWAYS TO YEAR 3 ENTRY - FROM CHINA

HIGHER NATIONAL DIPLOMA (HND) (6%)

The number of students pursuing HND programmes and transferring to a UK undergraduate degree course has been significant for many years.

Scottish Qualifications Authority (SQA) is the dominant provider of HNDs in China, due to their exclusive partnership with Chinese Service Centre for Scholarly Exchange (CSCSE). SQA recently reported that, in the past 20 years, over 55,000 students have graduated with HND qualifications, and that around 60% of these go on to a pathway programme to higher education. This would suggest that around half of Year 3 entrants coming from China to the UK may be SQA HND holders. Figures available on the CSCSE and SQA China websites indicate that numbers on these programmes have been increasing in recent years and now sit at around 16,000.

The pandemic significantly reduced the number of students transferring to the UK to complete their undergraduate studies. Due to the uncertainty and length of time of the pandemic restrictions in China, many chose to simply postpone overseas study plans to postgraduate level.

Institutions active in the HND recruitment space are predominantly post-1992 universities. Russell Group interviewees indicated that they do not accept students from HND qualifications into Year 3 at all. The very low share of Year 3 entrants in the Russell Group suggests this is likely to be consistent across all its institutions.

Interviewees representing institutions active in HND student recruitment, predominantly for 3+1 (top-up degrees), indicated that the number of students taking HND programmes appears to be rising, though it remains below historic highs from around 10 years ago. There were also reports of an increased number of institutions seeking to recruit into top-up programmes. Some of this new and increased activity came from universities established pre-1992, but without Russel Group universities.

Trends and forecast -

Interviewee feedback on increases in SQA students suggest a positive opportunity for non-RG institutions. The current softer economic outlook in China might continue to make the HND attractive to an increasing number of students, whilst the increase in HND students during the pandemic should flow through to an increase in numbers for the UK. Overall collective data and insights offer a positive short-term and a reasonable long-term outlook for this pathway.

TNE (2%)

There is limited movement of TNE students for Year 3 entry. A relatively large proportion of UK-China TNE partnerships are approved as 3+1 models, particularly since applications for new 2+2 programmes are no longer approved. However, the Chinese government has a preference for 4+0 models with no study abroad component, and even on 3+1 programmes there is an obligation to offer the option to complete the whole course in China.

Completing degrees wholly in China became particularly popular during the pandemic, but UK institutions were observing declining proportions of students transferring to the UK even prior to the pandemic.

Interviewees confirmed this, commenting that a majority of these students now complete their degrees in China and may then seek to go overseas for a postgraduate qualification.

ARTICULATIONS AND CREDIT RECOGNITIONS (4%)

This is a significant area of activity for undergraduate recruitment of Chinese students, predominantly through partnerships with some of China's many junior colleges, or students applying directly with their Diploma certificates. 2018/19 HESA data suggested that a slight majority of students with J level (NQF 5 equivalent) qualifications joining undergraduate entry to the UK came with non-HND qualifications. We estimate that a minority of these students joined at year 2 and that at Year 3 the balance between HND and other level 5 qualifications is quite balanced when factoring in HND growth.

PATHWAYS TO YEAR 3 ENTRY - FROM THE UK

SUB-DEGREE QUALIFICATIONS & ARTICULATIONS & TRANSFERS (1%)

There is very limited overall movement from within the UK at Year 3, but it does exist, predominantly in the form of transfers from one university, from sub-degree level qualifications at a university within the "other undergraduate" study level, or from FE colleges offering programmes such as HNDs. Volumes in this area were considered by interviewees to be incidental and not a specific area of recruitment focus.

2.2 Trends in Subject Demand

Monitoring and anticipating shifts in subject demand can allow institutions to adapt their promotional materials and strategies as well as develop and create programme portfolios that cater to specific market requirements. China has moved on substantially from the early days when most students chose business degrees. The profile of China's internationally mobile students has evolved along with the country's economy and its growing technological and political influence. Time shifted from the time when only a small elite, could afford to send their children to the UK for undergraduate studies, often sending them to study business with a view to helping the family enterprise. Now, children of middle-class families from increasingly diverse professional backgrounds are studying abroad. An increasing number of international students have parents who also pursued their studies overseas.

HESA data shows that whilst overall student numbers in Business degrees declined marginally from 2017/18 to 2021/22, the share of new entrants declined significantly from 52% to 41% (see Figure 15). Looking at Year 1 entry only, the decline in Business share was from 51% to 34%. All other major subject areas, except Engineering & Technology and Architecture, building and planning saw their share grow over that period. Art & Design and Social Science experienced the fastest growth, with Computing and Mathematical Sciences also growing strongly.

The shift away from business was not evident in new entrants into Year 2 and Year 3, where a majority of students still transfer to business degrees. The recent UCAS report[15] indicates that the shift amongst Year 1 entrants continued in the past two years, with Business accounting for just 26% of all acceptances by Chinese students in 2023, whilst Creative Art & Design Subjects accounted for 11%, up from 4% a decade ago.

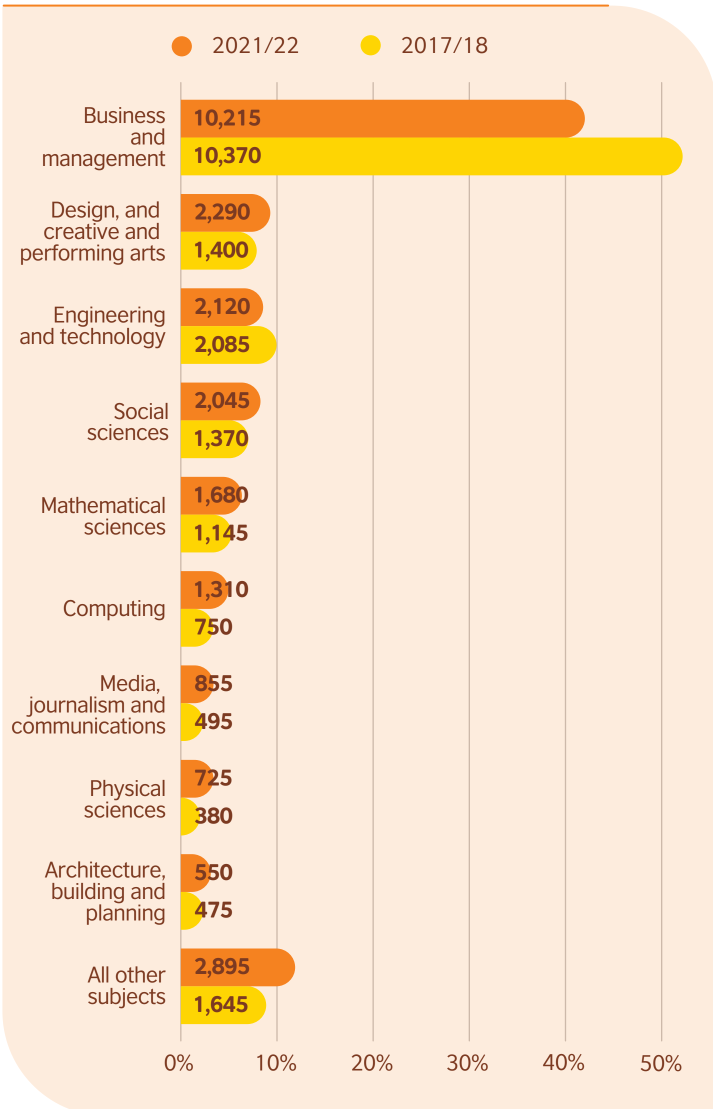
Interviewees offered a very similar picture; adding granular insights, they indicated that education and psychology are growing fast, whilst within Maths and Computing, areas such as Data Science, Big Data and Artificial Intelligence are in particularly high demand.

In terms of whether geography affected subject choice significantly, the research did not identify clear trends.

However, some interviewees indicated that Northern China had a higher proportion of students studying more traditional subjects such as Business and Engineering, whilst Shanghai was specifically cited for being an area of high demand for Art, Design and Creative Industries.

Figure 15:

First degree, New Entrants, subject share 2017/18 vs 2021/22



Source: HESA, 2023

15 https://www.ucas.com/file/782671/download?token=6tG5zO6i

2.3 Geographic trends in the pathways to UK

Understanding the most productive regions for recruitment to different institutions is important for maximising value from recruitment budgets. For some big brand institutions, recruiting almost exclusively from Tier 1 and New Tier 1 cities might be sufficient, but for many institutions, considering Tier 2 and Tier 3 cities will offer better opportunities to connect with prospective students, and result in improved conversion rates.

Feedback from interviewees on the most popular locations for undergraduate student recruitment was quite consistent, with the original Tier 1 cities being the most frequently cited sources. In addition to this, there was frequent mention of the key Eastern Seaboard provinces of Zhejiang, Jiangsu and Shandong, as well as Guangdong. New Tier 1 cities mentioned as significant by survey respondents included Chengdu, Hangzhou, Suzhou, Xi'an, Nanjing, Tianjin, Zhengzhou, Qingdao, Kunming, Ningbo and Hefei.

Whilst the most commonly visited and prominent cities are indeed home to a high proportion of students looking for UG studies overseas, some interview respondents noted an increase in students coming from Tier 2 and lower cities as well as recruitment from a very wide geography.

It is difficult to quantify the extent to which students are coming from regions outside of the key aforementioned cities and provinces; however, there are clear indicators of demand from other regions. Hence, it would be prudent for institutions to have a clear view of their presence across the country as well as the origins of the students they have successfully recruited.

INDICATORS OF WIDER GEOGRAPHIC OPPORTUNITY

IELTS Tests

The top 5 cities by IELTS registrations are China's four Tier 1 cities (Beijing, Shanghai, Shenzhen, and Guangzhou) and Chengdu. These five cities accounted for almost a third of registrations (33%) in 2022, virtually the same as their share of the total in 2019. While the top few cities make up a relatively large proportion of all candidates, there is also a long tail of potential international students from smaller cities, as more than a third of candidates (36%) come from cities outside the top 20.

Online engagement

In the report 'Chinese students, uncoded' by Sinorbis, analysis of BOSSA data on student online engagement showed that significant interest in overseas study exists in regions such as Liaoning, Heilongjiang, and Fujian. Moreover, the smaller provinces of Ningxia, Hainan, and Inner Mongolia have particularly high levels of engagement with the UK when measured by engagement per head of population.

Agent presence

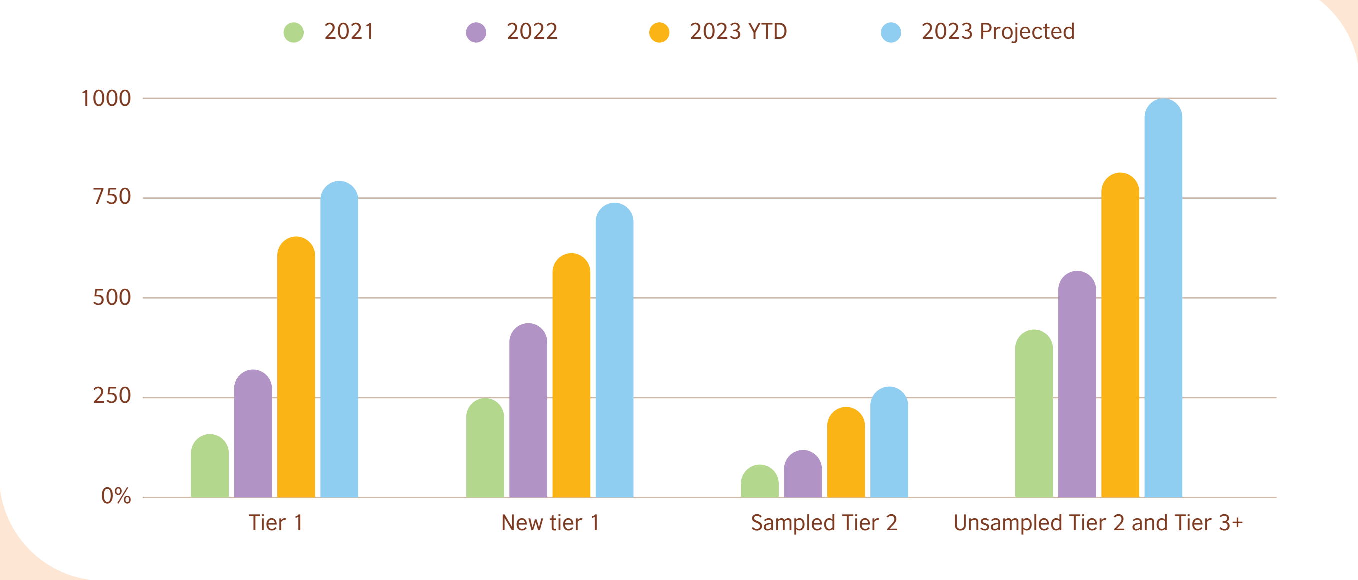
Agents are very close to local market circumstances, and they only exist where there are potential international students. Some of the largest agencies have office networks that cover 30 or more cities, and the spread of coverage and geographies continues to expand.

Recent research from China Higher Ed looked at the locations of new companies that have "Study Overseas" in their names (typically education agents) and found that in 2023, 46% of new companies opened in Tier 2 and Tier 3 cities (see Figure 16).

International Schools

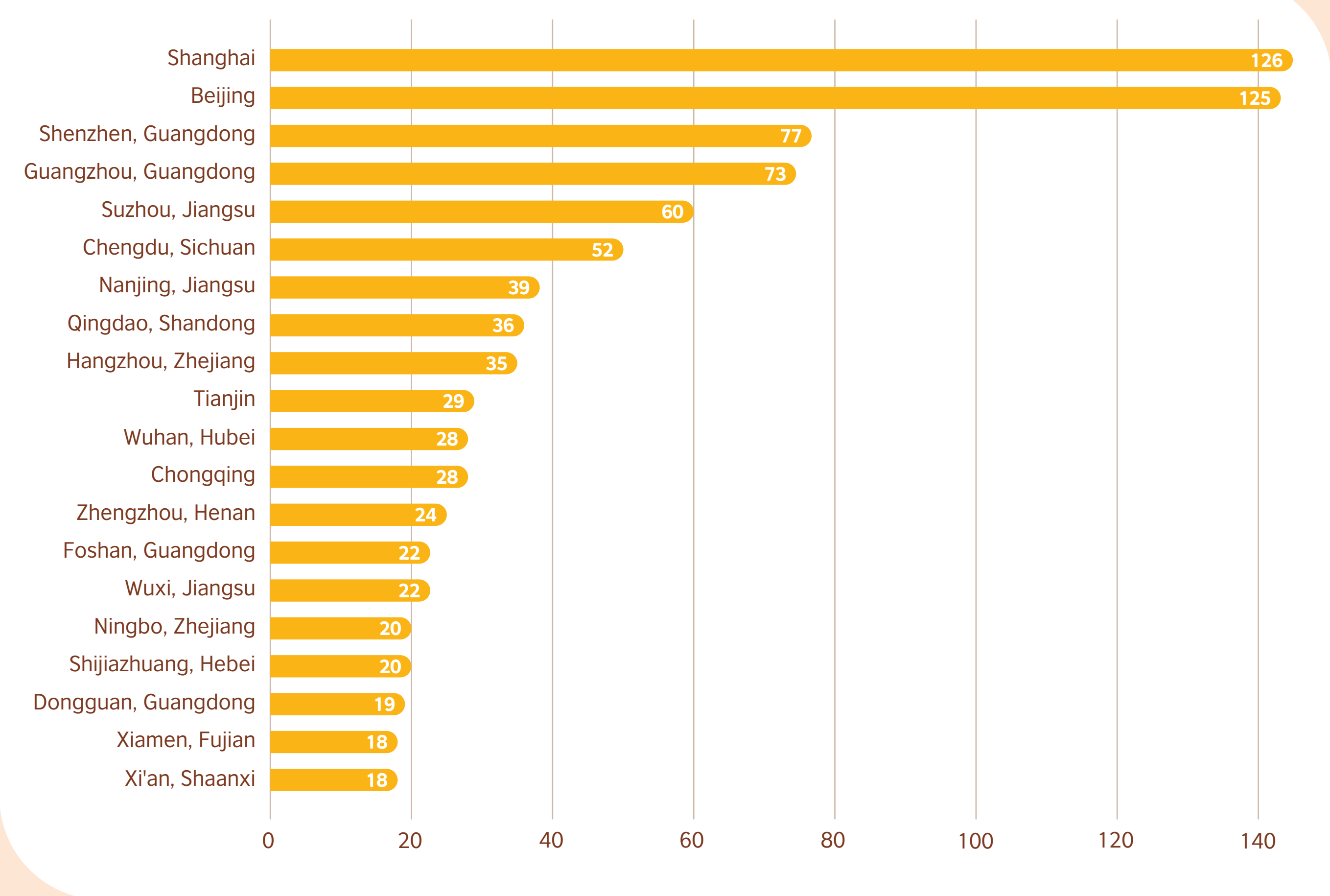
Although the subject has already been covered in some detail, it is important to understand that the geography of international schools is changing significantly over time. Data from New Oriental's white paper shows that although international schools were originally the preserve of Tier 1 cities, they now exist in almost every region of the country. Significant regions that may be outside the travelling schedules of many universities include Henan, Hubei, Fujian, and Liaoning, all of which had at least 30 international schools as of late 2022. In that year, the top five cities - Beijing, Shanghai, Shenzhen, Guangzhou and Suzhou respectively - accounted for a third of all international schools in China, while the rest of the top 20 cities accounted for a further 30% of the total. This means that more than a third of all international schools were outside the top 20 cities, a finding which matches closely with data from IELTS test takers.

Figure 16: **New agency openings (businesses with "study overseas" in their title)**



Source: China Higher Ed, 2023

Figure 17: **International schools by city, 2022**



Source: TopSchools, 2022
http://www.topschools.cn/

Conclusion

The short-term to medium-term outlook for undergraduate recruitment from China is positive. China's position as a key market for undergraduate studies in the UK is irrefutable, and with recent pressures on other key sending markets, UK reliance on Chinese undergraduate students looks set to increase in the immediate future.

Unsurprisingly, as China is a large, highly populous, and diverse country, the range of pathways to undergraduate study and decision drivers combine with individual circumstances to form a highly complex eco-system.

The shift towards an ever higher focus on QS Top 100 ranked institutions seems unlikely to change soon. This picture offers relative comfort to those safely within the top 100, but those outside will experience increased competition for a smaller proportion of those students not attending top 100 institutions.

We have moved into a post-pandemic era of student mobility, and elements of Chinese student mobility have changed for good. A higher proportion of Chinese students will stay in China for longer.

A greater number of Chinese students will seek to study in Asian destinations for their combination of quality, convenience, and cost-effectiveness. These newer pathways and choices will continue to be available and selected, whilst increasing wider global competition for students will continue to create new routes and opportunities for Chinese students.

China is an increasingly mature market, with students choosing a wider range of subjects. The key geographies producing students remain stable, but opportunities are evolving to grow beyond the most frequently targeted locations. Overall, an increasing proportion of Chinese student recruitment will come from China rather than the UK although this shift will be continue to be gradual.

The economic situation in China will continue to impact mobility trends; however, an increasing focus on employability as the ultimate determinant of return on investment will persist after the economic outlook improves.

Agents still play a hugely important role and are involved in supporting applications for an overwhelming majority of students.

Whilst it is impossible to fully predict how the next few years will pan out, key elements affecting the outlook for undergraduate recruitment from China paint a picture where, without intense volatility, the positives appear to outweigh the negatives.

OPPORTUNITIES

Positive demographics in the medium term

The growth in students of university age (18-22) in the next five to ten years provides an increasing pool from which UK universities can recruit.

Increasing tertiary enrolment rate

Combined with the positive demographics, China's rate of tertiary enrolment appears not to have peaked yet, further increasing the potential student pool - although increasing local provision could also have a negative effect by competing with international study options.

Growth in high-income households

The number of families able to afford overseas study - is set to continue to grow steadily and has consistently correlated positively to the number of students choosing to study overseas.

Growth of international high schools

The number of international schools continues to grow, albeit at a slower rate, as does the volume of students attending them. These students have a strong intention to study internationally, and the growth from recent years is flowing through to create increasing numbers of graduates. In addition, the success of A-levels as the most popular curriculum should provide strong opportunities for UK universities as well as being a positive sign for the future.

Student motivations

The motivations of high volumes of Chinese students to seek overseas study remain strong. High domestic competition for top university places means the numbers missing out and looking for alternatives will not diminish soon.

Adaptability of the overseas study market

The study abroad market has consistently adjusted and adapted to respond to changes in policy that might appear to have a downward impact on students going overseas. There is good reason to believe it will continue to work to adapt and support outbound mobility from China.

CHALLENGES

Increased competition from other countries

The increasing competition from a growing number of destinations means the UK's share of the total outbound undergraduate population is likely to decrease.

Increasing number of students staying closer to home

There has been a mindset change for some students, with many now preferring to stay closer to home for their studies. Whilst this development is partly linked to increased competition, particularly the increased ambition and activity of Asian countries in the international student market, there also appears to be a growing preference for Asia as a destination.

Students staying on longer in China

The reported tendency of students to stay on longer in China will reduce the average time Chinese students spend in the UK. For some students, this may mean delaying study to postgraduate level, which will have a downward impact on undergraduate recruitment (less of a concern for very highly ranked universities).

Demographic changes over the longer term

Whilst the demographic change of the early 2030s may seem a long way off, they will almost certainly bring down student volumes from China, with undergraduates affected first. It is definitely not too early to be planning for this decline; indeed, ignoring it would be foolhardy.

VOLATILITY

Geopolitics

Global tensions and changes continue to exert a strong influence on determining which of the key host destinations will thrive and which will struggle. UK universities will benefit from positive Sino-UK relations.

Economic growth

Whilst the desire to study overseas is robust, and forecasts for households able to afford overseas study are positive, China’s ability to settle its economy and return to solid growth will affect the numbers going overseas and the destinations selected by those who do so.

Rankings

UK institutions continue to place very highly in global rankings; nonetheless, their position has been under pressure in recent. In 2019, the average rank of the 17 UK universities in the QS top 100 was 48, by the 2023 ranking this was 54 (improving to 52 in 2024). Since the 2022 ranking only 16 UK institutions have featured in the top 100 as opposed to the 17 featuring from 2019-2021. Further downward shifts in the ranking of UK universities and improvement in Chinese universities' ranking would impact not only at a university level, but also on the overall perception of the UK as a destination.

Employers and employability

The domestic job market, whether employers find overseas returnees attractive, the extent to which returnees find jobs - and jobs that command higher salaries than domestic graduates - will all affect the appeal of international study.

Government policy

Whilst recent changes in both China and the UK appear to have had limited impact on Chinese student mobility to the UK, there continue to be risks and rewards associated with government policy. A further toughening of the UK’s anti-immigration stance and associated media coverage would make the UK a less welcoming and attractive destination for Chinese students, for example.

This research was commissioned by the British Council. It was carried out by BONARD, an independent market research firm specialising in international education.

Questions or Comments?

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