

EDUCATION UK PARTNERSHIP

HONG KONG PARTNERSHIP

**Competitor analysis:
where the UK stands
in the Hong Kong market
for internationalising education**

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INTRODUCTION

This competitor report analyses where UK education stands in the Hong Kong market for student recruitment and partnership activity compared with the other major study destinations of Australia, the US and Canada, as well as with emerging challengers in Europe and Asia. The latter includes Hong Kong, Mainland China, Taiwan and Singapore.

The report provides an overview of the increasingly diverse locations that are contending for Hong Kong students at a time of major change in the Hong Kong market. These changes include:

- Hong Kong's New Academic Structure, which replaces its seven-year secondary education, Hong Kong Certificate of Education Examination (HKCEE), Hong Kong A-levels (HKALE) and three-year undergraduate degree with six years at secondary level, the Hong Kong Diploma of Secondary Education (HKDSE), and a four-year degree.
- The uncertainties of the 2012 double cohort, which sees the final batch of HKALE graduates and first year of HKDSE graduates both seeking admission to higher education.
- Hong Kong's bid to become a regional education hub and develop its education services.
- The shift in the global economy towards Asia and its future prospects.
- The worldwide trend of internationalisation in education.

The report is based on desk research conducted in Hong Kong in early 2012, as well as interviews with a number of representatives from the UK and competing countries, agents and school guidance counsellors in Hong Kong. The British Council is grateful for the information that has been shared.

The use of non-local refers to students or institutions outside Hong Kong, including Mainland China.

The UK's market position

The UK has played a leading role in onshore and transnational education for the Hong Kong market for more than three decades, with continued strong market growth in the last five years. Factors accounting for the strong connection include:

- historical administrative ties before the 1997 handover of sovereignty to China and similarities in educational systems
- shortage of higher education places locally
- 250,000 British passport holders, most of whom are ethnic Chinese residents of Hong Kong
- continuing significance of an English-medium non-local education among Hong Kong parents
- rising needs of employers for graduate employees with global perspectives
- legacy of the civil service overseas education allowance
- changes in Hong Kong's post-secondary education landscape in the past decade

Hong Kong is a key market for UK providers. It is the single largest market for international students in UK independent schools, the sixth largest for non-EU international undergraduates and one of the largest markets for UK transnational programmes (TNE). In 2009/10 (latest figures available), the total number of Hong Kong students studying in higher education in the UK was 11,280, with 24,135 enrolled on UK higher education programmes taught in Hong Kong (HESA). The UK accounted for 66 per cent of TNE programmes in Hong Kong in February 2012, according to the Non-local Courses Registry.

Challenges to UK student recruitment and academic alliances in Hong Kong have traditionally come from Australia, the United States and Canada. More recently, European countries appear to be raising their education profile in Hong Kong, with an emphasis on the growing number of programmes taught in English. In Asia, destinations such as Singapore and Taiwan have adopted regional education hub strategies while Mainland China has seen Hong Kong numbers rising since the 1997 handover. Local developments are also of critical importance to future market demand, with self-financed degree-awarding institutions being encouraged by the Hong Kong government to provide higher education alternatives, and government-funded institutions' drive to capture top local students and internationalise their campuses.

The UK and HKDSE

The new pathways that are being established between UK education and Hong Kong's new academic structure will be key for maintaining and extending the UK's competitive advantage. With the HKDSE included in the UCAS Tariff, UK universities have shown they are ready to welcome students with the new qualification who achieve the equivalent of three good GCE A-levels. Others may be catered for in pathway and vocational programmes. The UK has the added advantage that undergraduate courses can be completed in three years, rather than the standard four in Hong Kong and the US, and four at honour's level in Australia.

By early 2012, large numbers of conditional offers from a range of universities, including the most competitive, had been made to HKDSE students. Applications from these students appeared to account for a significant proportion of the 37 per cent increase in UCAS applications by 15 January. This bodes well for the articulation between the UK and the new Hong Kong education system.

In general, these offers are in line with those published, though discrepancies between offers for similar courses at similar institutions are confusing to Hong Kong schools and students, as is some of the wording of offers. This is particularly the case for the core subject of mathematics, which involves compulsory and extended parts and requires separate grade requirements for each. Care and clarity in how conditional offers are presented will be needed to maintain confidence in the UK option.

Meanwhile, public nervousness surrounding the HKDSE, along with a shortage of international school places in Hong Kong, has fuelled increasing demand for boarding school alternatives in the UK and elsewhere, including in the junior secondary years. At

school and post-16 levels, flexible pathway options for students moving from Hong Kong to the UK have been established. The demand for alternative secondary qualifications to the HKDSE – overseas and in Hong Kong – is expected to continue for some time, until confidence is established in the new qualification.

SECTION 1: KEY FINDINGS

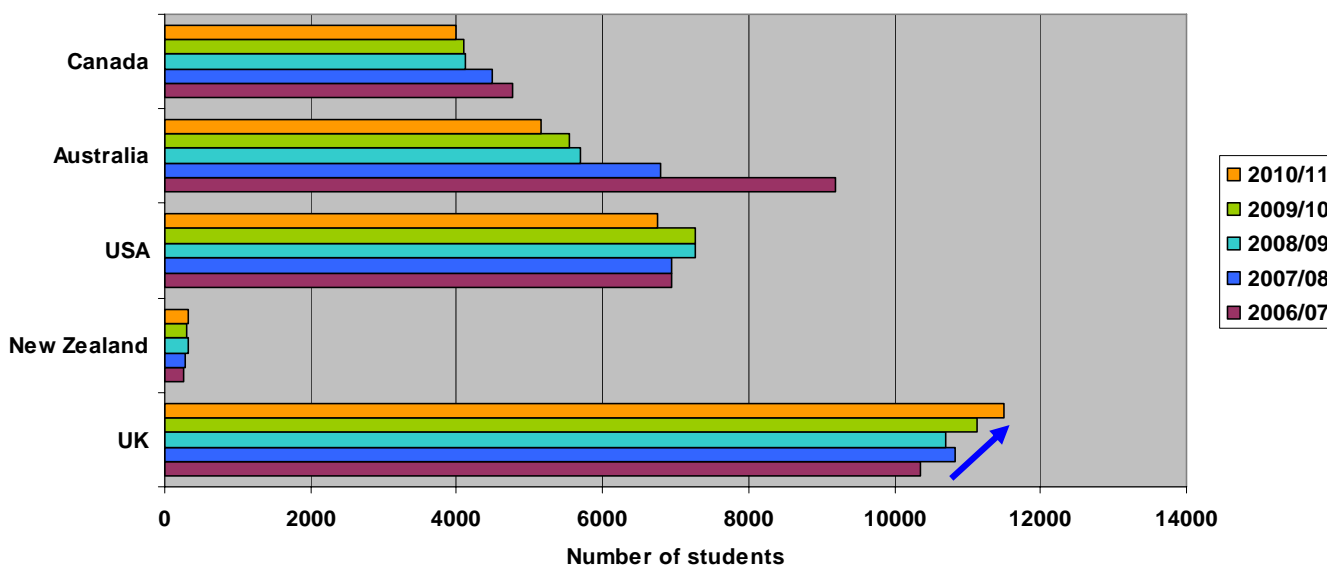
- 1.1 The UK is still in a leading position in Hong Kong as an onshore and transnational education provider. At the moment, the UK appears to be benefiting from a “flight to certainty”, with parents choosing familiarity over the unknown outcomes of the HKDSE to secure a route to higher education for their children. The old Hong Kong secondary school and degree system was based on the UK structure. There has also been strong market growth for higher education over the last five years, with UK now accounting for more than 40 per cent of the market shared by the major English-speaking destinations. But UK providers cannot afford to stand still given the rising challenges from other study destinations that may impact the market in the longer term.
- 1.2 Changes are occurring in the order of traditional competitors. As the US gears up for its “Pacific century”, it appears to be taking over from Australia as the UK’s key challenger both as a study destination and academic partner for the Hong Kong market. Locally, Hong Kong’s education reforms, moving its system to a holistic approach and four-year undergraduate degree, are increasing US ties through greater alignment in approach. Thus the US may eventually replace the UK as the overseas system that is most familiar to Hong Kong families.
- 1.3 When confidence in the HKDSE as a viable route to higher education develops, there may be new pressure on Hong Kong student numbers in the overseas schools market. Plans to expand education opportunities at the undergraduate level in Hong Kong will also provide a strong challenge to the UK if these new providers establish good standing in the eyes of Hong Kong families as studying locally is the preferred choice for many Hong Kong families.
- 1.4 The UK remains competitive in the cost of acquiring an undergraduate degree in comparison with other traditional overseas study destinations. It is less attractive compared with some European countries and with Hong Kong, which is emerging as a major competitor for its own students.
- 1.5 Hong Kong universities are starting to recruit more widely, targeting international school students in Hong Kong and Hong Kong students studying at overseas secondary schools, both of which are key sources of recruitment for UK providers.
- 1.6 Numbers of Hong Kong students studying in Mainland China are growing as economic integration continues to expand. However, English proficiency remains of paramount importance to Hong Kong families in their choices for studying outside Hong Kong. Thus, Mainland China may currently be seen as part of a student’s study path but not a complete alternative to studying overseas.
- 1.7 English-medium programmes delivered in countries that do not use English as a first language and more destinations overall are being promoted in the Hong Kong market, bringing greater diversity of choice for Hong Kong families.

SECTION 2: MAJOR DESTINATIONS FOR HONG KONG STUDENTS

2.1 National statistics provide the following picture of market share for traditional overseas destinations for Hong Kong students in higher education over the past five years:

Figure 2a

Hong Kong students in some major host countries (2006/07 - 2010/11)



Country	Market share (%)				
	2006/07	2007/08	2008/09	2009/10	2010/11
UK*	33%	37%	38%	39%	41%
New Zealand	1%	1%	1%	1%	1%
USA	22%	24%	26%	26%	24%
Australia	29%	23%	20%	20%	19%
Canada	15%	15%	15%	14%	14%
Total no. of students	31,513	29,329	28,104	28,341	27,725

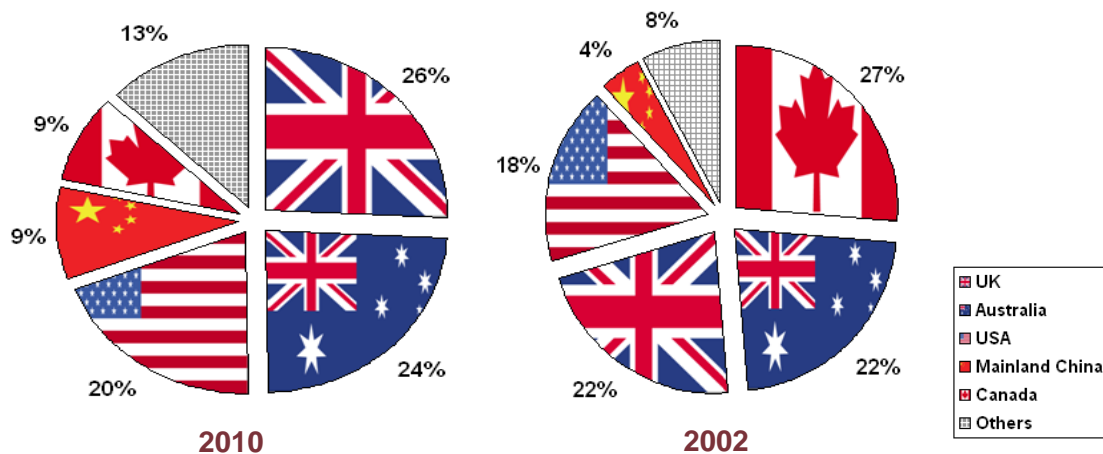
*Provisional figure for 2010/11, based on an increase of 353 UCAS acceptances from 2009/10.

HESA Student Record, Australian Education International, Citizenship and Immigration Canada (total number of foreign students), Education New Zealand (first-time student visa applicants)

These figures appear to give the UK a large lead over major English-medium destinations. However, statistical agencies use different methods for collection. For example, Australia (Australia Education International) and Canada (Citizenship and Immigration Canada) both have tens of thousands of Hong Kong residents who are passport holders but do not include such students in their international statistics. Thus, national statistics may underplay actual numbers. Others such as the UK (Higher Education Statistics Agency) are based on residency.

2.2 The Hong Kong government's Thematic Household Survey on "Hong Kong Students Studying Outside Hong Kong" conducted in 2010 offers a useful alternative. This is based on members of households studying outside Hong Kong rather than passports. Findings show the total number of students (aged 25 or under) studying outside Hong Kong in 2010 was 75,000. This broke down into the following destination countries:

Figure 2b



2010 & 2002 Thematic Household Survey, Hong Kong Census and Statistics Department
 Figures subject to rounding

2.3 There was an increase of 1.2 per cent in total numbers of students studying outside Hong Kong in comparison with a similar survey conducted in 2002. The 2010 findings indicate the market overall has remained stable and the UK has remained in a strong position, attracting 16,100 (2002) and 19,400 students (2010), a rise of 20.5 per cent. Overall, 95 per cent were aged 16-25 with the remainder aged 15 or below. In 2010, English proficiency was the most popular reason for studying outside Hong Kong (graphs in Appendix).

Fees

2.4 Figure 2c shows the considerable cost advantage that the UK currently has over its three major overseas rivals, though US institutions often provide financial support. Previous research has shown that most Hong Kong students fund themselves for their studies outside Hong Kong. Thus it is likely that scholarships can make a difference as to where students choose to go.

2.5 In 2010, the Household Survey showed the median monthly household income of those intending to send a family member away to study was HK\$35,000 (£2,850). In 2010, the median monthly household income in Hong Kong was HK\$18,000.

Figure 2c

Tuition fees and living expenses for non-local undergraduate students in different study destinations

Study destination	Exchange rate (£1 =)	Av tuition fee (home currency)	Av tuition fee (£)	Living expenses (home currency)	Living expenses (£)	Years of UG study	Annual cost of UG study (£)	Total cost (£)
Hong Kong	12.27	80,000	6,520	50,000	4,075	4	10,595	42,380
US (private)	1.58	30,400	19,240	11,700	7,405	4	26,645	106,580
US (public)	1.58	21,400	13,545	13,800	8,735	4	22,280	89,120
UK		11,500	11,500	7,300	7,300	3 or 4	18,800	65,800 (3.5 years)
Australia	1.47	19,500	13,265	19,800	13,470	3 or 4	26,735	93,570 (3.5 years)
Canada	1.57	15,500	9,870	16,100	10,255	4	20,125	80,500
Mainland China	9.96	12,500	1,255	40,000	4,015	4	5,270	21,080
Singapore	1.99	21,800	10,955	11,400	5,730	4	16,685	66,740
France	1.2	450	375	10,200	8,500	3 to 5	8,875	35,500 (4 years)
Germany	1.2	0	0	10,500	8,750	4	8,750	35,000

Original home currency tuition fees and living expenses quoted in the Report on the Development of Education Services in Hong Kong, September 2011 Conversion to sterling carried out on 18 February 2012 Figures subject to rounding

SECTION 3: TRADITIONAL OVERSEAS PROVIDERS

Australia

- 3.1 To date, Australia has been seen as the main English language competitor to the UK in the Hong Kong market, given its strong onshore recruitment and transnational education presence.
- 3.2 The onshore market is primarily an undergraduate one, as in the UK. Hong Kong students also undertake vocational education, school, English language and other non-award courses in Australia. The decline apparent in Figure 2a may be related to a reduction in the number of Hong Kong students interested in migrating to Australia, and the expansion of the post-secondary sub-degree sector in Hong Kong that was the major pathway for Hong Kong students into Australian education. The recent strength of the Australian dollar is another factor.
- 3.3 However, as previously noted, student numbers need to be treated with caution. Some 60,000 Australians are resident in Hong Kong, many of whom are originally from Hong Kong, migrated to Australia amid pre-1997 concerns, and subsequently returned. Students using Australian passports are not counted in Australia's international student figures. The 2010 Thematic Household Survey results indicate Australia is still a popular Hong Kong student destination.

Hong Kong-Australia links

3.4

- 88,500 people of Hong Kong origin in Australia (2009 Census, Australia) and extensive family ties
- more than 550 Australian companies based in Hong Kong
- highly regarded Australian International School Hong Kong, which operates on the Australian school year (end January to mid-December) and offers the New South Wales Higher Certificate or the IB Diploma
- The Federation of Australian Alumni Associations Hong Kong, set up in 1995 to foster networking, encompasses 23 Australian university alumni associations

Keeping competitive

- 3.5 Education services remained Australia's largest services export industry in 2010, with international education activity contributing A\$18 billion to the economy, similar to 2009. The importance of the sector is highlighted by recent changes to sustain numbers. These included a strategic review of student visas, which resulted in 40 recommendations. Among them were:
 - a two-to four-year post-study work visa for university graduates, depending on the level of study completed
 - all English language students can apply for a visa without first meeting minimum English skills requirements

- 3.6 Other high-level changes include an International Education Advisory Council to advise the Australian government on a long-term strategy for the international education sector and an Overseas Students Ombudsman for private colleges and complaints about them. A major focus for change is improving the student experience in Australia for those from overseas.
- 3.7 The Prime Minister's Australia Asia Endeavour Awards commenced in 2010. Part of the scheme sees ten scholarships awarded to top scholars at PhD level from priority Asian locations each year to study in Australia. Priority areas include Hong Kong.

Recruitment and admissions

- 3.8 The different school year is a significant factor, with Australia using the calendar year and Hong Kong education operating from September to July. With Hong Kong examination results out in the summer, Hong Kong students can be recruited for Australian language/foundation bridging programmes in advance of the new academic year. However, the wait of several months may also be a negative factor for some potential recruits.
- 3.9 To assist its students with this, English Schools Foundation (ESF) schools recently went through a moderation process with a leading Australian university. As a result, the university will start to make unconditional offers based on predicted grades to allow students to begin in July rather than wait for results and take up their place in January. The ESF, a major international school provider, hopes to expand this to other Australian universities.
- 3.10 The main subject areas for Hong Kong students in Australian higher education in 2010 were management and commerce, society and culture, health, and creative arts (Austrade). Leading universities in New South Wales and Victoria are regarded as top destinations for Hong Kong students.
- 3.11 Austrade notes that secondary school students are looking for foundation studies for international students to prepare for university and private schools that have articulated courses with universities. It also expects increasing demand due to the double cohort of HKDSE graduates and Hong Kong A-level graduates this summer. Study tours that include English language training are popular during the summer. Here the school year works in Australia's favour, enabling visiting students to join in classroom settings.

Recognition of HKDSE

- 3.12 In 2009, Australian universities accepted the HKDSE as being equivalent to Australian school leaving certificates for direct entry to Australian universities. There will be access routes for students with lower grades for January undergraduate entry. The Hong Kong Examinations and Assessment Authority lists the admission requirements of 22 Australian universities and colleges (January 2012). The general requirements for HKDSE graduates to enter the University of

New South Wales, regarded as a guidance point for other institutions according to Australian education representatives, are shown in Figure 3a.

- 3.13 Greater awareness of the new diploma among Australian institutions is being encouraged. Austrade notes that early decisions on HKDSE and its acceptability will be significant for market share, given Hong Kong parents' concerns about HKDSE. This is also the case for UK providers. Hong Kong families are concerned whether the grades their children achieve will enable them to secure a place in higher education. Thus, clear guidance and the setting-out of requirements are important part of an institution's approach to the Hong Kong market, as is the communication of any adjustments that are made as familiarity with HKDSE results evolves.

Figure 3a

University of New South Wales HKDSE general entrance requirements

Undergraduate	<ul style="list-style-type: none"> ■ assessment based on best five subjects from Category A and C ■ entry requirements range from 16-23 points depending on the programme (1= subject level 1, up to 5 points for level 5, 5* or 5**) ■ additional selection criteria for some programmes ■ Level 4 in English to pass proficiency requirements ■ IELTS of 6.5 or equivalent
Foundation	<ul style="list-style-type: none"> ■ assessment based on best five subjects from Category A and C ■ entry requirements range from 10-15 points depending on the programme (1= subject level 1, up to 5 points for 5, 5* or 5**) ■ bonus points may apply to relevant subjects and additional selection criteria may also apply to some programmes ■ Level 2 in English to enter Standard Programmes (also IELTS of 5.5 or equivalent) ■ Level 3 in English required to enter Transition Programme (also IELTS of 6.0 or equivalent) <p>The Student Learning Profile is not considered as an entry criterion or requirement for UNSW Foundation Studies. However we encourage applicants to provide this information.</p> <p>School-based Assessment from Year 11 will be considered on a case-by-case basis.</p>

Hong Kong Examinations and Assessment Authority

Transnational education

- 3.14 Australia is likely to remain the UK's major competitor in terms of transnational education in the short to medium term. Australian providers have a long-established and reputable presence in the Hong Kong market and good relationships with university-linked continuing education partners. In February 2012, out of around 1,100 programmes listed on Hong Kong's Non-Local Courses Registry, the UK was the leading provider with around 66 per cent (730), followed by Australia with 19 per cent (213). The most popular subject areas for Australian TNE are business and administration, followed by science and technology, and art and social science.
- 3.15 The highest number of Australian programmes relate to the postgraduate sector. As such, it may be less affected by moves to increase degree-awarding institutions and undergraduate opportunities in Hong Kong than the UK, which is the major provider of TNE "top-up" degrees for Hong Kong sub-degree graduates. However, Australian institutions, like UK providers, face pressure from local universities that have offered an increasing number of self-financed taught master's programmes in recent years.
- 3.16 In 2010, there were around 12,000 Hong Kong students enrolled on Australian transnational programmes (Source: Hong Kong Education Bureau, published by Austrade).

Education relationships and academic alliances

- 3.17 Influential links have been established at government level through the appointment of experts from Australia to some key areas in the education sector. These have included:
- Dr Peter Hill, former Secretary General of the Hong Kong Examinations and Assessment Authority (born in the UK, migrated to Australia, worked in Hong Kong 2004-07) and now chief executive, Australian Curriculum, Assessment and Reporting Authority.
 - Chris Wardlaw, Deputy Secretary for Education (Curriculum and Quality Assurance) from 2002-08 and now deputy secretary, Office for Policy Research and Innovation in Victoria's Department of Education and Early Childhood Development.
- 3.18 The Hong Kong government's Native English-speaking Teacher Scheme, which recruits overseas teachers to work in local schools to improve English language standards, has brought additional connections as many of these teachers are from Australia.
- 3.19 Australian institutions may appear less prominent in higher education student exchanges and academic alliances with Hong Kong tertiary institutions as the different education year can make exchange arrangements harder. There are also relatively fewer Australian institutions overall, compared with the US and UK.

However, Hong Kong and Australian universities have forged exchange and academic agreements.

3.20 At school level, the country is a popular destination for short study visits. In a survey conducted in 2006, 49 per cent of principals said they intended to send students to Australia on short visits, compared with 19 per cent to the UK (source: Australian Consulate General).

3.21 Recognition and exemptions for courses by Australian professional bodies in areas such as accountancy are also of significance to Hong Kong students. CPA Australia has an office in the city and its Hong Kong China Division has a membership of over 10,000.

Marketing and promotion

3.22 Australian education has a high profile in Hong Kong. Its re-branding under the slogan “Future Unlimited” focuses on the advantages of Australian qualifications and the opportunities they provide. Austrade and AEI undertake promotion. Further support is provided by IDP Education Limited, an independent international education organisation. Australian education is promoted through exhibitions, enrolment interviews, and careers fairs. Key messages include:

- a multicultural population
- strong encouragement of sport and other extra-curricular activities
- a diverse and flexible education system
- employability
- rigorous consumer protection
- international recognition

There will be no single major Australian exhibition in summer 2012 but several medium-scale events. In 2011, a Study in Australia Month was held in June-July.

3.23 Australian Education Assessment Services, an agency, is set to organise a schools event in June, with 30 institutions attending. This large number shows the interest that Australian schools have in the Hong Kong market. Australian state schools also recruit Hong Kong students, who will pay international fees. This differs from the UK, which does not have an overseas orientation in the state school system. The exception is state boarding schools, which actively recruit British passport holders abroad, in particular in Hong Kong.

3.24 IDP activities include pre-departure and general informational seminars on studying in Australia, plus exhibitions. It held an exhibition in July 2011 and is organising an Australian tertiary education interview programme in March 2012.

United States

3.25 Indications are that the United States is set to take over Australia’s position as the UK’s main competitor for recruitment, academic alliances and market appeal in the

medium to long term. Education links between the US and Hong Kong are increasing, boosted by the changing education system which aligns secondary and tertiary education more closely with the US than the UK, and internationalisation in both US and Hong Kong higher education.

- 3.26 The US saw a peak for onshore Hong Kong student enrolments in 1992/93, with just over 14,000. At this time, many in Hong Kong felt uncertain about the future after the 1997 handover in the wake of the Tiananmen Square crackdown. Numbers have since decreased as confidence increased, levelling off in 1999/2000 to around 7,500 when the city was suffering from the effects of the Asian financial crisis. Hong Kong students attending institutions in the US have remained at similar levels since then, though the overall trend in the past five years appears to be upwards, rising from 7,722 in 2006/07 to 8,136 in 2010/11. The figures for 2010/11 break down to the following:

Figure 3b

Undergraduate (includes two-year and four-year institution)	70.3%
Graduate (graduate and professional degree programmes)	15.2%
Other (non-degree students, including those enrolled in intensive English programmes)	6.1%
Optional Practical Training (temporary employment directly related to an F-1 visa student's major area of study)	8.4%

Open Doors Fact Sheet: Hong Kong 2011

- 3.27 The United States was likened to a “sleeping giant” by one education institution head interviewed in Hong Kong in 2009 for earlier British Council research. Talking about the performing arts, he noted the US’s immense resources in terms of scholarships, facilities, and reputation as a global leader in the quality of its education institutions; and its potential for drawing students if it became more proactive. It would have a similar impact in other areas, given its position as a leading global educator and powerhouse in science, technology and business. And the US now appears to be moving towards a higher level of educational engagement with Hong Kong and Asia.

Hong Kong-US links

- 3.28
- the US is Hong Kong’s second largest trading partner after Mainland China
 - 60,000 US passport holders and 1,200 US companies are based in Hong Kong
 - greater presence of US-trained academics in Hong Kong higher education, opening up access to US academic networks
 - several international schools with US systems
 - numerous scholarships to ease the cost of a US education, with the amount of financial aid available from individual institutions mentioned in promotional work

- no uncertainties related to exchange rate fluctuations as the US dollar is tied to the Hong Kong dollar

Strategic developments

- 3.29 With Hawaii-raised US President Barack Obama's striving to position himself as the US's first "Pacific president" and Secretary of State Hillary Clinton's key East-West Center speech in Honolulu in November 2011 on "America's Pacific century", a strategic foreign policy shift was clearly signalled, boosting the US's political, economic and social relations with the region. The rapid rise of China has made it a key focus for US attention, including education.
- 3.30 In line with this, President Obama's 100,000 Strong Initiative, announced in 2009, is seeking to increase the number and diversity of US students studying in China, including minority students and those at community colleges. There are now more than 150,000 Chinese students studying in the US, a figure that has doubled in the past five years and China is the top source country for the US. The initiative includes Hong Kong and Macau.
- 3.31 Cuts in funding for US state universities are also spurring international recruitment, according to a *New York Times* report ("Chinese students in US fill cash gap", *South China Morning Post*, 6 February 2012). The University of Washington has seen its first-year intake rise from two per cent in 2006 to 18 per cent this school year.
- 3.32 There are noticeably more US university enquiries seeking to visit Hong Kong, according to a US education advisory centre representative. The institutions come as part of wider Asian tours, which include attendance at international education conferences, networking, academic relation-building, and recruitment.

Recruitment and admissions

- 3.33 Like Australia and the UK, the market for Hong Kong students studying in the US is primarily at the undergraduate level. Hong Kong young people have a good reputation as overseas students in the US and there is a high visa acceptance rate. Hong Kong secondary students move on to four-year university degree programmes and to 2+2 programmes. Those on 2+2 programmes start at one of the US's 1,200 community colleges. After two years, they usually transfer to a university to complete their degree.
- 3.34 Students are recruited from both local and international schools in Hong Kong. In general, the latter are looking to go directly to a university, the US education advisor said. The community college route gives students of differing abilities the opportunity to continue their studies. These colleges provide open access and do not require the SAT, the standardised test generally needed for college entrance in the US. The 2+2 route is usually a cheaper option given lower fees at community colleges.

- 3.35 The flexibility in the US system is a major selling point. Students can enrol throughout the year, with academic calendars divided into main semesters or quarters, and additional terms offered over vacations. Being credit-based, the US system enables students to complete their degrees early if they choose to accumulate credits faster, eliminating the advantage of a three-year programme in the UK. It also reduces the cost of living expenses required.
- 3.36 In addition, Hong Kong students attend boarding schools in the US. However, feedback from one elite English-medium school in Hong Kong reported that applying to US private schools is highly demanding. Multiple reference letters from individual teachers are required, including maths, English, and science. This is viewed as a barrier compared with the UK. The school saw many students leave in Secondary Three to go to the UK but very few to the US. Local agents are active in recruitment for boarding schools and community colleges.
- 3.37 Under the old seven-year secondary system in Hong Kong, high-flying students with top Hong Kong Certificate of Education Examination (HKCEE) results often used to join US universities after completing one year in the sixth form in Hong Kong (i.e. six years of secondary as in the US). This was possible as university offers in the US are based on external tests, such as the SAT, and individual references. The advantage no longer exists with the adoption of a six-year secondary system in Hong Kong. However, the US recruitment calendar still gives US institutions an edge as they do not need to wait for students' examination results in Hong Kong to confirm offers.
- 3.38 According to an elite Hong Kong school counsellor, students who had applied to both the UK and the US and had offers confirmed by Ivy League universities were likely to accept them. However, if the student was applying overseas as a back-up to a first-choice Hong Kong university, then the UK is in a more advantageous position as those with confirmed US offers would have to pay a deposit for their place before their results are known. They would then lose this money if they secure a Hong Kong university place. That said, many Hong Kong parents are willing to accept this cost as part of the investment in their children's education.
- 3.39 The school had seen 50 students apply for the UK in 2012 and 25 to the US, with the greatest growth in applications to the UK which were up from 12 in 2011. Despite the increase, it should be noted the applications were largely for back-up purposes. (Recently reported UCAS figures of around 5,000 applications from Hong Kong students by mid-January 2012, a rise of 37 per cent for the same period in the previous year, should be seen in this light too.)
- 3.40 Each US application must be made to individual institutions, whose requirements vary. This makes the process much more time-consuming in comparison with the unified UCAS approach. However, technology and human resources can make a difference. At the ESF, the employment of full-time school counsellors specialising in different destination countries and the forthcoming arrival of Naviance software

should help to streamline the US application process. International schools in Hong Kong offering US curricula usually offer Advanced Placement and SAT preparation to assist students.

- 3.41 One negative problem for the US is the ongoing controversy over the “Asian factor” in elite university admissions. A recent Associated Press report noted studies have shown that Asians have a much higher average SAT score than other groups. If assessed as a group rather than on individual merit in the admissions process, they may need higher scores to gain admission (“US college strategy; don’t tick ‘Asian’”, *South China Morning Post*, 5 December 2011). Leading colleges that do not ask for ethnicity in the admissions process have doubled the Asian percentage of Ivy League schools. For example, UC Berkeley is over 40 per cent Asian, up from 20 per cent before state law forbade the consideration of race. Experts interviewed for another article (“Complaint alleges bias in elite admissions”, *Yale Daily News*, 7 February 2012) pointed to the “holistic” approach to elite college admissions in which perfect test scores were only part of the equation in assessing candidates, along with leadership skills, sports prowess and others. The US Department of Education is currently looking into complaints about admissions at Harvard and Princeton.

Impact of HKDSE and education reform

- 3.42 The introduction of the new diploma and four-year degree is seen as a way to foster links between the US and Hong Kong system. As US higher education institutions use external assessment methods, school testimonials, and their own placement tests to admit students, they do not appear to be concerned about the move to the HKDSE in making and confirming offers. However, US education representatives in Hong Kong are continuing to raise awareness of the new system among institutions.
- 3.43 US institutions are also being informed that numbers of students heading for the US, particularly at the undergraduate level, are expected to increase under the new system, given Hong Kong parents’ favourable view of the US as home to leading universities globally and the new alignment between the holistic Hong Kong education system and US higher education (“New academic system brings more students to the US”, January 2012, e-newsletter for higher education institutions put out by the US government-supported EducationUSA). The news brief notes a 70 per cent rise in enquiries with most questions related to how Hong Kong’s new academic system fits with education options in the US, and more interest in community colleges.
- 3.44 Although the US system offers flexibility in terms of when students begin their undergraduate programmes, the time required to get visas and the fact that the summer months are busy times for the US consulate may impact on last-minute recruitment of those looking for an alternative programme starting in September following the release of Hong Kong examination results.

Transnational education

- 3.45 US transnational education in Hong Kong remains much smaller than either UK or Australia. Interviewees in previous British Council research have noted that, traditionally, these institutions prefer to recruit for home campuses, and that many also have requirements where students have to be in residence most of the time.
- 3.46 Universities may also face difficulties registering in Hong Kong due to a mismatch in requirements in the US and Hong Kong. Citing the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, earlier British Council research pointed out that some state agencies require programmes to operate for a few months, followed by a report and site visit, before they can be accredited. However, such conditions are not permitted under Hong Kong's Non-local Courses Registry or the Qualifications Framework.
- 3.47 The arrival of Savannah College of Art and Design, from Georgia, US, marked a change in the US TNE presence and in Hong Kong's TNE landscape, when it became the first non-local institution to acquire a Hong Kong campus via a Hong Kong government scheme. The university was awarded use of the North Kowloon Magistracy building in 2009 as part of a Development Bureau partnership scheme to revitalise historic buildings. The college converted the magistracy building without subsidy and opened in 2010, offering 14 bachelor and master's degrees in the creative arts. Undergraduate programmes run over four years. Students were reported to have been recruited from 40 countries. The initial target was to reach its capacity of 1,500 in three years.
- 3.48 The Queen's Hill site in Fanling, which the Hong Kong Education Bureau has opened to expressions of interest from non-profit accredited overseas institutions as well as local providers, is also mentioned in the January 2012 EducationUSA e-newsletter ("Rare opportunity: Hong Kong government supports internationalisation with overseas campus"). US universities are already active elsewhere in the region, with several establishing programme and campus links in Singapore. One of the most recent is Massachusetts Institute of Technology. MIT is co-partnering Singapore's fourth publicly funded university, the University of Technology and Design, along with Zhejiang University, a leading mainland university located in Hangzhou.

Academic alliances

- 3.49 The Hong Kong-America Center at the Chinese University of Hong Kong is a facilitator of joint research projects, symposia, and conferences. It offers annual programmes for academic and student exchanges and administers the Fulbright programme in Hong Kong.
- 3.50 One significant programme administered by the Center is the Hong Kong General Education Initiative (www.hkgei.org/), which set out to offer over 20 lectureships in Hong Kong universities from 2008-12 for US academic experts in the field of general education for undergraduates. The Fulbright programme is supported by a

US\$1 million donation from Po Chung, CEO Emeritus of DHL (Asia), with matching funds from Hong Kong's University Grants Committee.

- 3.51 The initiative's objective is to assist local universities in developing their curricula for the change to the four-year system. It is also likely to tie the system much more closely to the US as a result. The General Education Initiative website states: "While the current three-year undergraduate degree programs (sic) might have met British Colonial (sic) needs by providing students with top-notch education in an academic specialty or profession, or prepared them for places in the colonial civil service, today's graduates need much, much more." It goes on to promote the liberal arts concept. The scheme is administered together with the US Consulate General and Hong Kong government-funded higher education institutions.
- 3.52 Greater connections are also being established between Hong Kong universities and the US, as more US-trained academics join local institutions. The Hong Kong University of Science and Technology is particularly active. The university was set up in the early 1990s with a more US-oriented system and employs a large contingent of ethnic Chinese faculty who have been educated and/or worked as academics or researchers in the US.
- 3.53 Even traditionally UK-centric universities such as the University of Hong Kong are gaining more US links. One key area is the push for student and faculty international exchanges and the strong appeal of the US and its prestigious education institutions as a destination to those in Hong Kong. The trend of joint programmes is also driving closer relationships with the high standing of many US universities making them highly suitable partners in the eyes of local institutions. Partnerships and tripartite agreements are being developed. Examples include:
- the well-established Kellogg-HKUST Executive MBA, organised by HKUST and Northwestern University, ranked No.1 in the world (*Financial Times* 2011)
 - Princeton University and HKUST School of Engineering joint research-based undergraduate exchange programme
 - setting up of the University of Hong Kong's Juris Doctor programme with advice from legal experts from Harvard University, as well as the University of Melbourne

Marketing and promotion of US education

- 3.54 The key advantages of US education as listed at a promotional talk by the US Commercial Service in February 2012 are: quality, value, career choice, flexibility and diversity. The presentation highlighted the US's position as the top destination for international students, its long-term value, global recognition factor and the versatility of its credit-based system. A promotional YouTube video of student experiences included several comparisons aimed at UK provision, including the availability of double majors in the US and the US secondary system's open style of learning.

- 3.55 US government-supported education advisory network EducationUSA is active in Hong Kong. Its representatives provide advice and counselling services and outreach to schools on US education to encourage students to become interested in studying in the US.
- 3.56 In addition, the International Institute of Education (IIE) has had a local presence for over 40 years. The organisation, supported by a mix of private and government funds, coordinates annual fairs targeting students interested in the higher education sector and boarding schools in the US in the autumn in Hong Kong. It provides scholarships, fellowships and leadership programme opportunities, advises on US academic entrance tests, and offers English assessment and academic/professional tests. It also organises seminars providing information to parents and students on studying in the US.

Canada

- 3.57 There are an estimated 295,000 Canadian citizens in Hong Kong, and even this high figure is regarded as conservative by the Consulate General of Canada in Hong Kong. These numbers are the result of large waves of immigration in the 1980s and 1990s when Hong Kong people sought to secure an alternative place to live due to uncertainties over the 1997 handover and the 1989 Tiananmen Square crackdown. Many have since returned to Hong Kong.
- 3.58 This helps to explain the large decline in student numbers posted by Citizenship and Immigration Canada which recorded 3,999 students from Hong Kong in Canada in 2010, down from 4,090 in 2009 and from a peak of almost 7,000 from 1997-1999. Canadian citizens and permanent residents are not regarded as international students and do not need to apply for a study permit. The 6,700 recorded for Canada in the 2010 Household Thematic Survey remains much closer to the figures in the late 1990s. However, this still marks a large drop on the 2002 household survey when Canada ranked first as a study choice for Hong Kong students, with around 19,600 (26.5 per cent of all students studying outside Hong Kong).
- 3.59 Greater confidence in the future of Hong Kong, the rising status of Hong Kong universities, higher awareness of alternative destinations as a result of the internet, more opportunities to study in diverse school systems in Hong Kong, and smaller families allowing more flexibility on financing different education options, may help to account for this. The Canadian dollar has been strong in recent years. Life in Canada is also regarded as boring by many young people in Hong Kong. It is not uncommon for Hong Kong students of Canadian background to choose other study destinations, including the UK.
- 3.60 Study permits issued to Hong Kong students dropped from 1,432 in 2005 to 1,058 in 2010, with a low of 1,007 in 2009 (Citizenship and Immigration Canada). There

is no breakdown of how many applied for school or higher education, and the figures do not include those studying programmes for less than six months.

Hong Kong-Canada links

- 3.61 Despite the apparent decline in student numbers, Canada's potential should not be underestimated. Solid ties exist between Hong Kong and Canada:
- around 500,000 people of Hong Kong descent in Canada
 - the most favoured destination in Asia for Canadian foreign direct investment
 - the Canadian Chamber of Commerce in Hong Kong is one of the largest outside Canada, with 1,100 members
 - more than 100,000 Canadian university alumni and many active alumni associations
 - several international schools that offer Canadian curriculum, though not all graduates go on to Canada for further study

Strategic outlook

- 3.62 Canadian universities are largely publicly funded and international recruitment has not been a strategic priority. There are now indications of movement on the international education front at Canadian government level. In October 2011, an advisory panel was set up to make recommendations to the Canadian government on maximising economic opportunities in international education, including strengthening engagement with emerging key markets, attracting top students, expanding delivery of Canadian education services abroad and building greater partnerships between Canadian and foreign institutions.
- 3.63 Many research projects are carried out between institutions in Canada and Hong Kong's higher education sector. International students can work while they are studying and after graduation through a number of different work permit schemes.
- 3.64 Canada is striving not to become embroiled in the Asian student admissions controversy that has hit the US. Canadian consulate representatives in Hong Kong said Canadian universities admit students on an individual basis.

Recruitment and admissions

- 3.65 As with the UK, many Hong Kong students who study in Canada enrol during their secondary school years to become acclimatised and to develop their English skills, then move on to a Canadian university. This means many university applications will be made from Canadian high schools rather than Hong Kong schools. International schools in Hong Kong are an important source of higher education recruits locally.
- 3.66 Canada has both publicly funded and private schools, administered by school boards and individual provinces. Students usually study for four years at high school before entering university for a four-year degree, though the system in Quebec differs. Many Canadian state schools accept international students,

though policies on fees vary from district to district. Almost all state schools are co-educational and offer day programmes only. However, Hong Kong-Canada family links may help to solve any accommodation difficulties.

- 3.67 Hong Kong students attending public schools have to pay fees if their parents are not Canadian citizens or permanent residents, or if their parents are citizens or permanent residents but do not go to live in Canada while their child is attending school. Private school fees are the same for local and international students.
- 3.68 Recruitment in Hong Kong is through education agents, who are major drivers, and personal recommendations of family and friends. While most Hong Kong students studying in Canadian high schools are likely to apply to a Canadian university, some may also look to the US. Counselling in elite private schools might have support for US applications, such as SAT preparation, whereas public schools in Canada are less likely to do this.
- 3.69 The application process for Canadian universities is more straightforward than the US. The provinces of Ontario, Alberta and British Columbia operate an online centralised system for international students to apply through. Admissions offers, based on examination grades and transcripts, go out around March to May. There are different fees for international and domestic students at Canadian universities.

HKDSE recognition

- 3.70 There are over 170 universities in Canada offering undergraduate and graduate education. Canadian universities are generally aware of and have responded favourably to the HKDSE, according to Canadian consulate representatives. There are 15 Canadian universities and colleges and their requirements listed on the Hong Kong Examinations and Assessment Authority website. Others, such as the University of Toronto, list requirements for HKDSE graduates on their own websites.

TNE and academic alliances

- 3.71 Only a handful of Canadian institutions offer transnational education in Hong Kong, all in the business and accountancy areas and most at the postgraduate level. One prominent presence is the Richard Ivey School of Business, University of Western Ontario, which has its own premises in a commercial building and promotes its programmes heavily.
- 3.72 To date, relationships with Hong Kong universities have focused largely on student and faculty exchanges. Canadian consulate representatives said there has been little demand for joint programmes with Canadian universities. However, one notable move is the joint LLB-Juris Doctor education programme set up between the University of Hong Kong and the University of British Columbia. The five-year undergraduate programme paves the way for students to advance to professional qualification studies in both Canada and Hong Kong. The programme recognises

the growing trend towards internationalisation in the legal profession and also the strong links between Hong Kong and Canada.

Marketing and promotion

3.73 Key messages used to promote Canada as a desirable study destination for Hong Kong students include:

- rated as one of the best places to live in the world, according to United Nations surveys
- beautiful natural environment
- welcoming society
- low crime rate – a safe place to live

A national brand campaign, “Imagine Education in Canada”, was launched in 2008 by the Canadian International Education Bureau (www.educationau-incanada.ca). The independent, non-profit Canadian Education Centre that provided information and counselling in Hong Kong, and hosted education fairs and seminars with visiting institutions, was disbanded in 2009.

3.74 The Consulate General of Canada organised its first education fair in November 2011 together with a private partner. The fair attracted 25 institutions, including school boards and universities, and 1,400 visitors. Representatives say they will be holding another at a similar time this year. The 2011 fair sought to capture interest arising from uncertainties related to the HKDSE. A separate agent-arranged fair was held in February 2012, with 40 institutions represented.

SECTION 4: EMERGING COMPETITION

Asia

4.1 With internationalisation becoming a major focus for higher education in Asia and increasingly high rankings for institutions and programmes in the region, fresh competition for students at different levels of higher education has emerged in recent years. The impact is set to rise as Asia grows in importance economically in the global context making ties, language-learning, and understanding of the region significant for future prospects.

Hong Kong

4.2 Although some local students have always chosen to go overseas to attend prestigious universities, Hong Kong has traditionally been the first-choice study destination for its students due to the shortfall in places for school leavers, the top job prospects in Hong Kong that awaited local graduates, and cost factors. The undergraduate intake has been limited to around 18 per cent of the relevant cohort for the past 20 years, and was around two per cent in the early 1980s. This fuelled the market in overseas education.

4.3 More recently, rapid and large-scale expansion of the sub-degree sector in the form of associate degrees and a wider variety of higher diplomas has created a new transnational market for “top-up” degrees. The market arose to meet sub-degree graduates’ desire to complete a full degree as little accommodation was initially made for them to articulate to government-funded universities. Top-up degrees have been largely supplied by UK transnational education providers (“The TNE Market”, 2010, research report by the British Council and The Federation of Continuing Education Providers in Tertiary Institutions).

Strategic development and recruitment

4.4 The Hong Kong government has now started to adjust the local post-secondary landscape by:

- encouraging the establishment of local self-financed degree-awarding colleges to expand undergraduate opportunities in Hong Kong
- setting up a HK\$2.5 billion Self-financing Post-secondary Education Fund for development of the sector, with a further HK\$1 billion injection proposed in the 2012 budget
- expanding the number of places available for sub-degree graduates at government-funded institutions

These moves are likely to impact on the Hong Kong market for both UK TNE and onshore undergraduate programmes.

4.5 In line with its plans to become a regional education hub, the Hong Kong government has also raised the quota for non-local undergraduates at government-funded institutions to 20 per cent. While internationalisation is adding

to Hong Kong-UK links through exchanges and academic collaboration, it has encouraged Hong Kong universities to recruit more widely.

- 4.6 Hong Kong universities are now targeting international schools in Hong Kong, traditionally a major source of recruitment for overseas providers. Three of the top five individual university destinations for ESF graduates in 2011 were Hong Kong universities.
- 4.7 Local institutions are also actively trying to bring back Hong Kong students who have studied at secondary schools and colleges overseas for undergraduate studies in Hong Kong. However, the four-year degree duration may be a competitive disadvantage. Some universities are countering this by offering fast-track entry to students studying for other qualifications, including those who have strong results in the IGCSE.
- 4.8 Hong Kong universities have a market advantage for education for certain professions, where challenging licensing requirements for those trained elsewhere act as a barrier for their return. Medicine and law are particularly affected.
- 4.9 Hong Kong institutions are raising their profile internationally, with added support of their high global rankings. In the *Times Higher Education World University Rankings* in 2011, two Hong Kong universities were ranked in the top 75 and four in the top 200. In the *QS World Universities Rankings*, there were three in the top 50 and five in the top 200. In the *QS Asian University Rankings 2011-12*, Hong Kong had three institutions in the top five, including the top two places.
- 4.10 The Hong Kong government funds financial assistance for local students studying in the publicly funded and self-financed sectors. Universities offer generous scholarships to international students. Institutions are being assisted by the Hong Kong government's HK\$1 billion HKSAR Government Scholarship Fund for outstanding local and non-local students. The 2012 budget proposes a HK\$1 billion injection to the fund. Fees for publicly funded undergraduate places are capped at HK\$42,500 for local students. Fees and accommodation costs for international students are highly competitive.
- 4.11 While the government is expanding Hong Kong students' education options, it is still encouraging international providers locally. It has opened up local accreditation to TNE providers and is negotiating with Mainland China over allowing mainland students to enrol on non-local programmes delivered in Hong Kong.
- 4.12 The Education Commission Working Group on the Development of Education Services in Hong Kong issued a report in September 2011 with 17 recommendations on the framework and strategy for developing Hong Kong's education services. These included:
 - setting up a task force for branding and promotion of Hong Kong as an education hub

- exploring niche area potential, such as vocational English, and examination and testing services
- considering ways to refine tuition fee policy on non-local students, including a differential fee model for different disciplines and different institutions
- diversifying the source of non-local students, particularly focusing on Asia outside Mainland China and ethnic Chinese in the region and other overseas countries
- exploring more high-level collaboration between the government and counterparts in Asia and formulating target measures for attracting students from these economies

Research

- 4.13 The Hong Kong government has boosted its commitment to research funding by setting up an HK\$18 billion research endowment fund in 2009. An extra HK\$5 billion has been proposed in the 2012 budget. In addition, universities have been promoting their research achievements to attract leading global scholars and to keep their own top academics. In 2009, the Research Grants Council, a non-statutory advisory body to the Hong Kong government, established the Hong Kong PhD Fellowship Scheme to attract leading doctoral candidates worldwide to study in Hong Kong. In 2011, the Scheme drew over 4,000 applications from 103 countries. Offers were made to 167 and 125 accepted. Twelve awardees came from Hong Kong.

Academic alliances

- 4.14 While local institutions are keen to build international alliances for student and academic exchange, there are a limited number of institutions in Hong Kong and many suitors. They can therefore be selective about partners, with an emphasis on leading names. While the UK has established a strong network of contacts over the years, there are growing links between Hong Kong academics and the US, where many have now been trained, and Mainland China, where many originally come from.

Marketing and promotion

- 4.15 Hong Kong's East-West heritage and unique position under the "one country, two systems" concept is heavily leveraged when promoting the city as a study destination. Hong Kong has freedom of information, freedom of the press, academic autonomy, and adheres to international academic norms. Its role as a global business hub, career opportunities, and its lively social environment are often highlighted.
- 4.16 Hong Kong education is promoted by the Hong Kong Education Bureau and the Hong Kong Trade Development Council through delegations and roadshows, particularly in Asia. The Education Commission Working Group report highlighted the need for greater coordination.

Mainland China

- 4.17 According to the Hong Kong government's Thematic Household Surveys, Hong Kong students in Mainland China more than doubled from 3,000 in 2002 to around 7,000 in 2010. However, statistics vary considerably, and estimates can be much higher. A government response in the Legislative Council in 2011 gave a total of 18,700 permanent residents studying there (based on the Hong Kong government's 2006 by-census). Of these students, around half were aged above 16 and mostly studying post-secondary courses. The others were aged 16 and below and mostly studying at secondary level or below. A 2010 media report quoted Ministry of Education figures of around 11,000 for Hong Kong students in tertiary education ("Mainland scraps university exam for HK students", *South China Morning Post*, 23 November 2010).
- 4.18 What all the figures indicate is that more Hong Kong students are deciding to study in Mainland China. Cost, the drive to improve Putonghua skills, and the establishment of networks for future prospects are important motivations. At the same time, the household surveys show the importance still placed on English proficiency, and a strong concern for students to learn to become independent, both factors that favour traditional English-medium study destinations. At the moment, Mainland China may represent a destination to be considered as part of a Hong Kong student's study path, but not a complete alternative to overseas education.
- 4.19 However, education connections between Hong Kong and Mainland China have strengthened rapidly in recent years. Hong Kong universities and other organisations have been active in setting up schools, research and teaching centres across the border, particularly in the neighbouring Pearl River Delta area. There are also favourable arrangements to encourage Hong Kong students to study in Mainland China. Meanwhile, thousands of mainland students study in Hong Kong higher education institutions. More details are available in the British Council report "Mainland-Hong Kong Education Links" (2011).
- 4.20 One example of encouragement to study in Mainland China is the pilot scheme unveiled during a visit to Hong Kong by State Council Vice-Premier Li Keqiang in August 2011. Under this initiative, some mainland higher education institutions will exempt Hong Kong students from taking the national Joint Entrance Examination. In November, it was announced that 63 mainland higher education institutions would consider admitting Hong Kong students on the basis of their results in the HKDSE and HKALE. A Mainland Higher Education Expo, organised by the Hong Kong Education Bureau and Ministry of Education, was held in December 2011 in Hong Kong to promote the scheme.
- 4.21 Vice-Premier Li also announced on a visit to the University of Hong Kong during his 2011 trip that the Chinese government would subsidise study, exchange and scientific research activities for 1,000 University of Hong Kong students and academics in Mainland China annually from 2012.

4.22 Some programmes that combine exposure to Mainland China and other international systems answer both sets of motivations propelling Hong Kong families' decision-making. Representatives from the University of Nottingham Ningbo China Campus reported tremendous interest in its programmes at the Hong Kong Trade Development Council's Education & Careers Expo 2012 in February. Among them is a 2+2 undergraduate programme where students study at Ningbo and Nottingham. Hong Kong students are offered lower fees than other international students at Ningbo and scholarships help with fees at the UK campus.

Taiwan

4.23 Taiwan has been a route to higher education for some Hong Kong students for many years, providing a less expensive option that is closer to home and taught in Chinese. There are around 2,400 Hong Kong undergraduates in the island's 140-plus universities, according to a recent media report ("Taiwan has much to offer HK students, envoy says", *South China Morning Post*, 10 February 2012). In the report, the director of the Taipei Economic and Cultural Office pinpointed education as a new area of cooperation between Taiwan and Hong Kong. Taiwanese universities may hold an education exhibition in Hong Kong in the second half of 2012.

4.24 In addition, Hong Kong's new six-year secondary school system aligns the city better with the Taiwanese education system. According to the *South China Morning Post* report, Hong Kong students will be able to use HKDSE results for admission to Taiwanese universities rather than sit a separate entrance examination. Students can also now apply online. There had been more than 2,000 applications from Hong Kong students by the end of January 2012, the representative said. He also hoped to start Hong Kong teacher visits to Taiwan to foster student exchange opportunities. Another article ("Taiwan makes it easier for HK students", *South China Morning Post*, 21 February 2012) reported that Taiwan universities were prepared to remove the requirement for liberal studies so that students failing or with a low result in this subject would not be penalised if they otherwise did well. Taiwanese universities will offer 15,000 places for Hong Kong and other countries/regions this year.

4.25 While Taiwan may appear to appeal to a different segment of Hong Kong students from that of the UK, it is worth noting the government's overall education strategy, which looks set to extend the scope of its provision and promotion. At the start of 2011, Taiwan's President Ma Ying-Jeou announced Taiwan wanted to become a higher education hub. He also stated some universities could start to teach in English ("Taiwan: Bid to attract more overseas students", *University World News*, 16 January 2011). Ma won another four-year term as President in elections in January 2012.

Singapore

- 4.26 Over the past decade, Singapore has established itself as a leading education destination, especially for students from emerging economies in the Asian region. There are around 90,000 overseas students now studying in Singapore. Its target is 150,000 by 2015.
- 4.27 As noted in previous British Council research, the government-coordinated vision behind Singapore's regional education hub strategy is to provide a comprehensive range of English-medium programmes to address the needs of emerging Asian economies. To do so, it is attracting top global institutions to set up in Singapore. While Singapore's approach to freedom of expression has proved a sticking point in some cases, it has successfully drawn institutions such as MIT, INSEAD, Technische Universiteit Eindhoven, and New York University's Tisch School of the Arts.
- 4.28 The Singapore Education brand was launched in 2003 and is marketed overseas by the Singapore Tourism Board. The main message is that Singapore is a safe, developed, cosmopolitan society with a comprehensive range of institutions and programmes that deliver quality education.
- 4.29 While Singapore offers a convenient location for Hong Kong students and its top-name overseas institutions carry a prestige factor, the perception of the student experience and a tendency to regard Singapore as similar but less interesting than Hong Kong helps traditional English-medium study destinations to retain their appeal for Hong Kong students. However, Singapore has been transforming itself in terms of lifestyle, promotion of creativity, and education facilities and, over the longer term, as the global economy pivots to Asia, the situation may change.

Europe

- 4.30 European nationals (ex UK) have been building a greater presence in Hong Kong in recent years, helping to develop trade and cultural awareness. Media reports put the number of Hong Kong students studying in Europe at 1,450 in 2010, up 14 per cent on the previous year. Promotional efforts are also being made to highlight Europe as a study option.

Promotion and recruitment

- 4.31 Key promotional messages are the growing number of courses taught in English, reducing the language hurdle for Hong Kong students; low tuition fees as many universities are state funded (see Figure 2c); and the availability of European Union and individual country scholarships.
- 4.32 The major collective education promotion in Hong Kong is the annual European Higher Education Fair, which is usually held in March. European admissions take place between April and June. The fair, first established in 2001, attracted around 4,770 people in 2011, with most student visitors over the age of 21. There were 49 exhibitors from 13 European countries (Austria, Belgium, Cyprus, Denmark,

France, Germany, Ireland, Italy, Latvia, Spain, Sweden, Switzerland and the UK), according to the Fair's official report (www.ehef-hk.org/pdf/fairreport2011.pdf).

- 4.33 Growth in Hong Kong students going to Europe for their studies was expected to continue, the Head of Office to the European Union in Hong Kong and Macao said in media reports on the Fair. The 2011 Fair report showed the subject of most interest for visitors was art/culture, followed by business/economics/management and language/literature/translation. The order contrasts with more traditional study destinations for Hong Kong students, where business-related studies are most popular and provides an insight into Hong Kong perceptions about Europe. Again, in contrast to other study destinations, most students were interested in postgraduate studies (over 30 per cent seeking master's programmes and seven per cent for PhD programmes). Around 22 per cent wanted to explore bachelor programme opportunities.
- 4.34 The largest number of exhibitors came from Germany, then Sweden, with France and Italy in joint third. Switzerland attracts those in Hong Kong interested in hotel and tourism management. The British Council was the only exhibitor from the UK. Europe now has around 6,000 institutions that offer English medium-of-instruction programmes, according to media reports about the Fair. Visitors' most popular motivation for choosing to study abroad was cultural environment. Some two-thirds of visitors were female.

Academic links

- 4.35 Locally, Hong Kong Baptist University and the University of Hong Kong offer bachelor degree programmes in European studies. As both European countries and Hong Kong are keen to internationalise, student and academic exchange agreements are flourishing.
- 4.36 Hong Kong Baptist University also hosts the European Documentation Centre, which is open to the public and provides information on EU-related official documents and papers. The inventory is funded by the European Union. The university library has established its own European Union materials and together with the Documentation Centre hosts the largest EU database and library collection in China and the region.

French and German profile-building

- 4.37 Cultural relations are assisted by the long-established Alliance Francaise and Goethe-Institut, which offer language training and organise events to promote their respective countries. There are currently over 6,600 Hong Kong students studying French at the Alliance Francaise and around 4,000 learning German at the Goethe-Institut ("Can you say polyglot in 6 tongues?", *South China Morning Post*, 12 February 2012).
- 4.38 The French Consulate General in Hong Kong now has a CampusFrance section with a dedicated education officer to promote the country as a higher education

destination and a website in Chinese and English (www.hongkongcampusfrance.org/en). DAAD (German Academic Exchange Service), jointly organised by higher education institutions to promote academic international relations and advise the German government, has an information centre based at Hong Kong Baptist University. Both countries have set up leading international schools in Hong Kong, which enrol national passport holders and local students.

SECTION 5: IMPLICATIONS FOR UK PROVIDERS

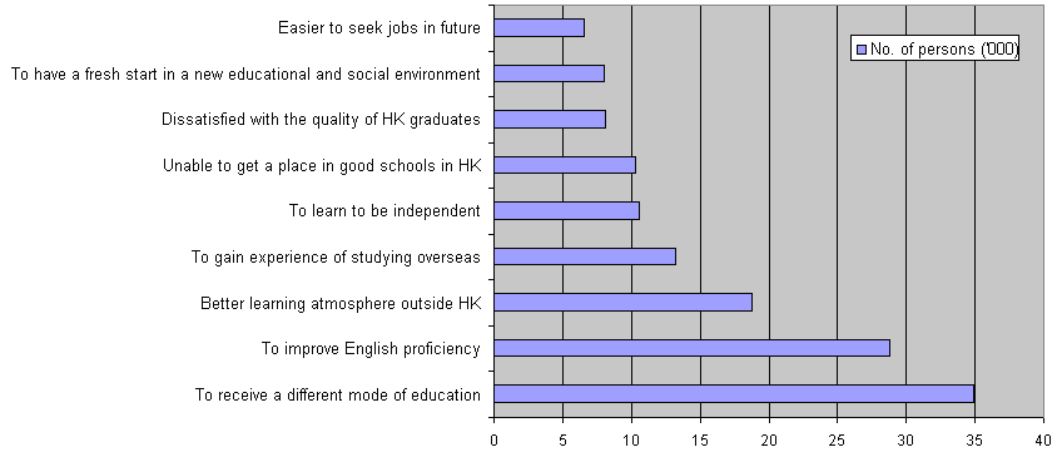
- 5.1 The UK has extended its leading position as a provider of overseas education for the Hong Kong market over the past decade. However, its traditional links are also under pressure, requiring UK institutions to remain flexible and alert to the key market changes.
- 5.2 Perhaps the greatest medium to long-term challenge shown by this report is the changing alignment of the Hong Kong education system, taking it further away from the system of England, Wales and Northern Ireland, and closer to systems such as the United States and Mainland China. The growing diversity of choice in study destinations for Hong Kong students is another major consideration, with the rise of English-medium programmes in non-traditional locations such as Europe, regional hub strategies in Asia, and the national pull of Mainland China. However, much has been achieved to establish new pathways between UK education and Hong Kong's new academic structure, including for direct entry to undergraduate study. This bodes well for the UK's market position and has supported strong growth this year.
- 5.3 For the double cohort year, among the English-speaking destinations, the UK is best positioned to take advantage of recruitment opportunities in the peak summer recruitment period, after HKDSE results are announced in mid-July and local university places confirmed in mid-August. It is difficult for US and Australian institutions – particularly universities – to make offers at this late stage in their recruitment cycles, with their term starts in July and early August and time needed to apply for US visas. However, many Hong Kong students will have secured their places in US universities and community colleges before the HKDSE results are known – the point when UK universities can confirm offers. For Australia, the option of a six-month bridging course before the start of the academic year in January may be a market advantage for students not achieving results for direct undergraduate entry in September.
- 5.4 Hong Kong is an obvious strong contender for its own students. In the 2010 household survey, the UK was the top overseas destination (25 per cent) for those intending to study outside Hong Kong in the next five years, followed by Australia (22 per cent) and the United States (18 per cent). However, fewer overall in 2010 were intending to leave Hong Kong to study (66,700 compared with 73,400 in 2002) and fewer to study in the UK (16,675 down from 19,800 in 2002).
- 5.5 Demographic changes and expansion of secondary and post-secondary opportunities locally are likely to be factors. And while immediate uncertainties surround the HKDSE and double cohort, Hong Kong universities have responded strongly to the challenge posed by the UK's three-year degree when Hong Kong moves to a four-year degree. The introduction of the four-year system has enabled Hong Kong universities to revitalise their curricula and student experience. With their high rankings worldwide, and moves towards partnerships and exchanges

with leading international institutions, they are positioning themselves as world-class universities that can provide international exposure AND insight into Asia/China to attract top local and international school students and make the extra year a positive factor.

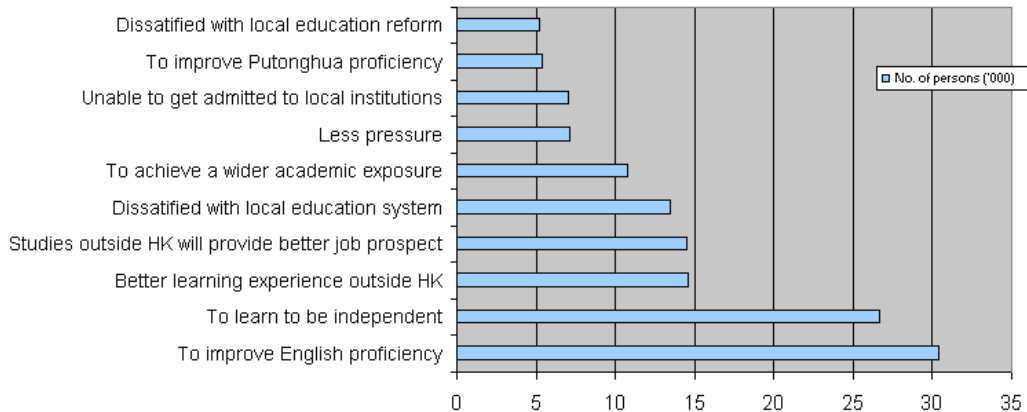
- 5.6 Hong Kong universities' active recruitment of local students who are studying in secondary schools overseas is of particular note as it undercuts the main source of Hong Kong recruitment into higher education in the UK. Support in the form of scholarships and student loans are further encouragements, as are stronger career prospects and continued capacity-building in education and research at a time of funding cuts and economic downturns in many traditional study destinations.
- 5.7 In the TNE market, the expansion of local providers offering self-financed undergraduate degrees needs to be watched. Earlier British Council research shows potential students' preference for local provision. However, new providers may need to establish a track record.
- 5.8 The most significant overseas competitor in the medium to long term appears to be the United States. Hong Kong education reforms are already strengthening links with the US at the curriculum and structural level, and in terms of student interest in studying there. Coinciding with a strategic move by the US to engage with Asia, the critical nature of US-China relations in global relations, and an increasing number of US-trained faculty members in Hong Kong higher education institutions, such connections look set to deepen.

APPENDIX

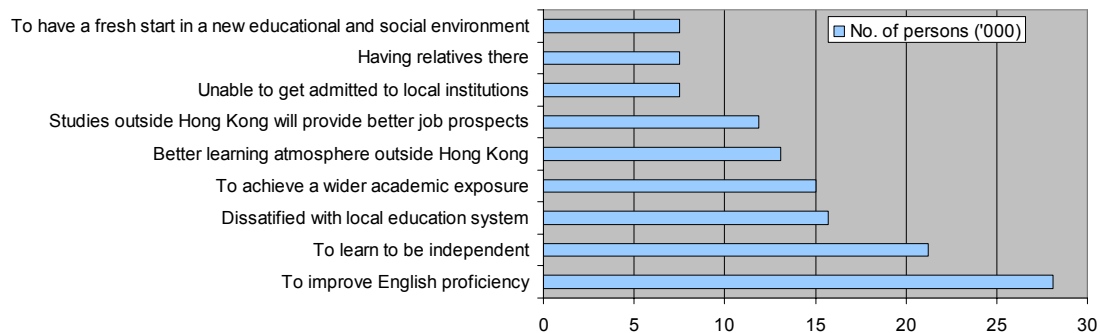
Top 10 reasons for studying outside Hong Kong (2002)



Top 10 reasons for studying outside Hong Kong (2010)



Top 10 reasons for intending to study overseas (2010)



2002 & 2010 Thematic Household Survey, the Hong Kong Census and Statistics Department

MAIN REFERENCES

- Australia Education International
- Austrade
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