

International education after Covid-19

Yes, no, maybe...we don't know

Probable and possible implications for the IHE
landscape

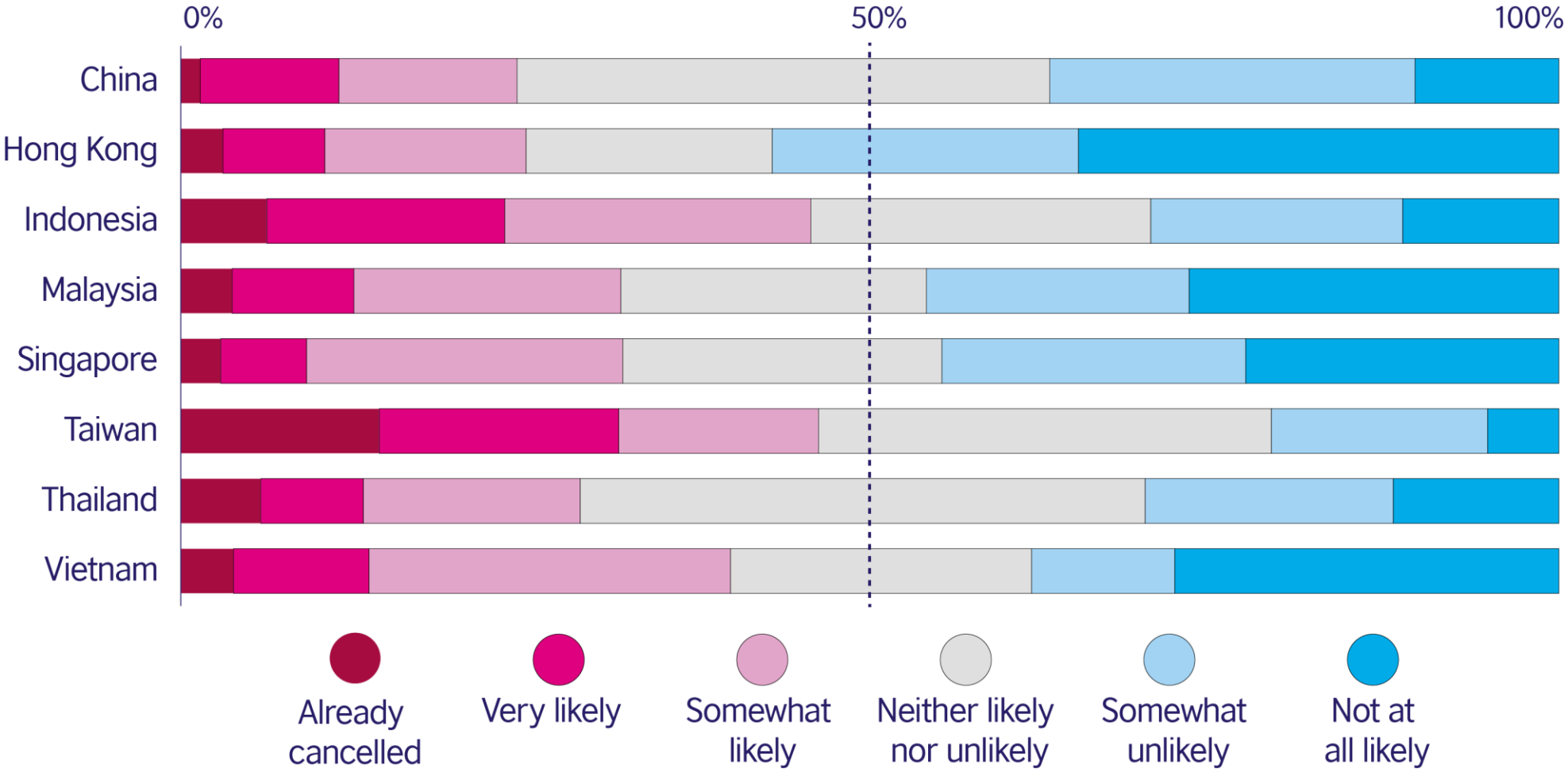
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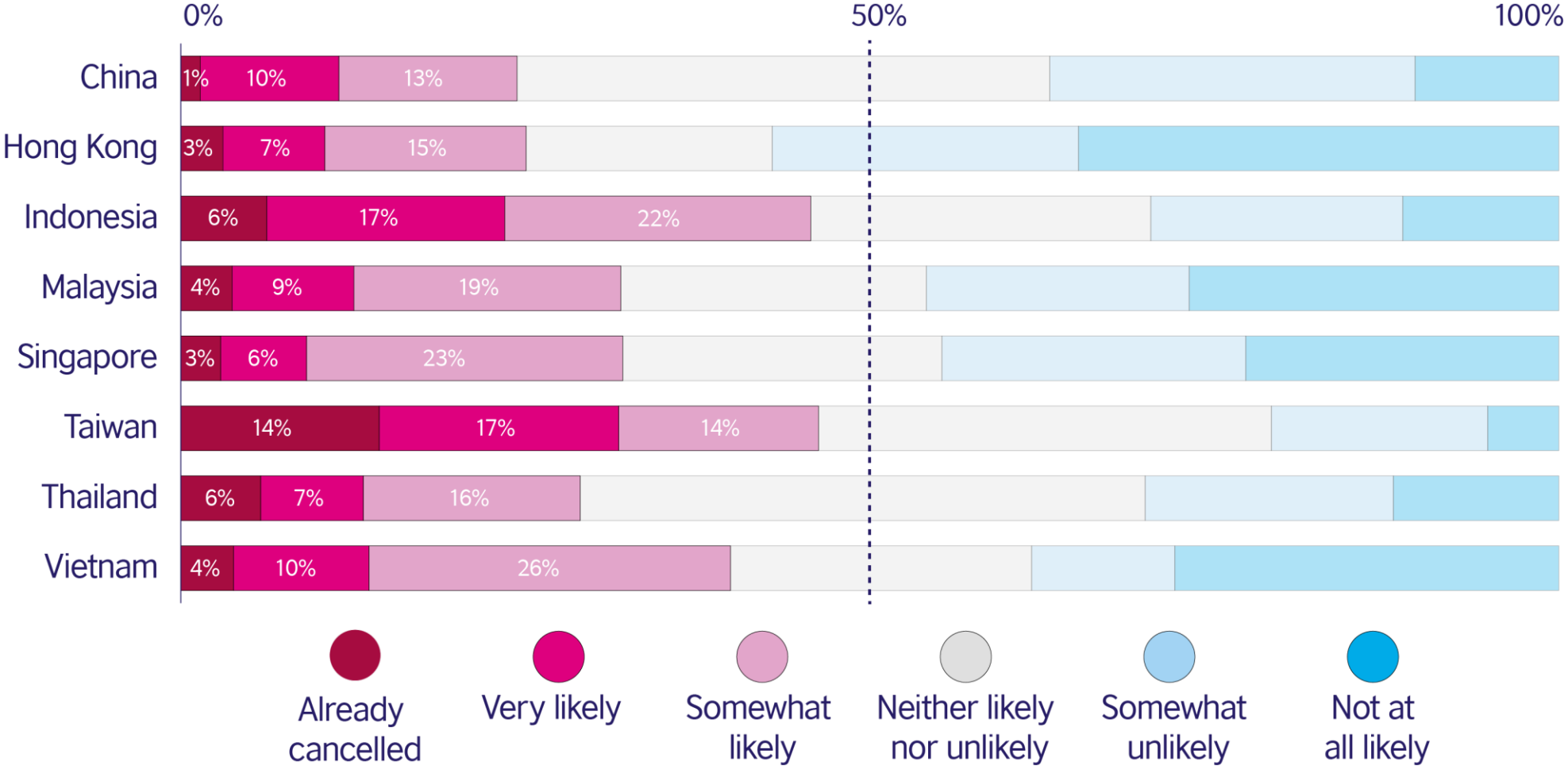
Near-term impact

How steep is the hill that we have to climb?

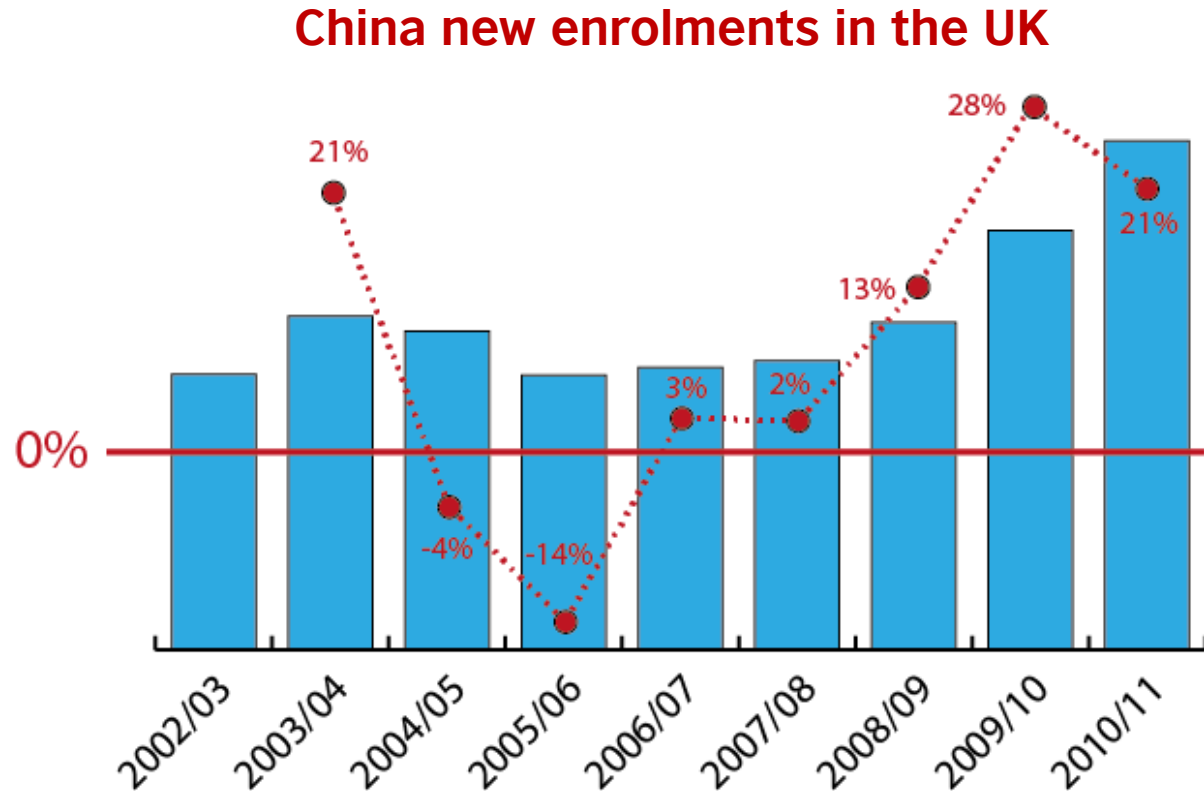
Q: How likely are you to cancel or delay your plans to study overseas?



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China recovery took 5 years for UK sector after SARS

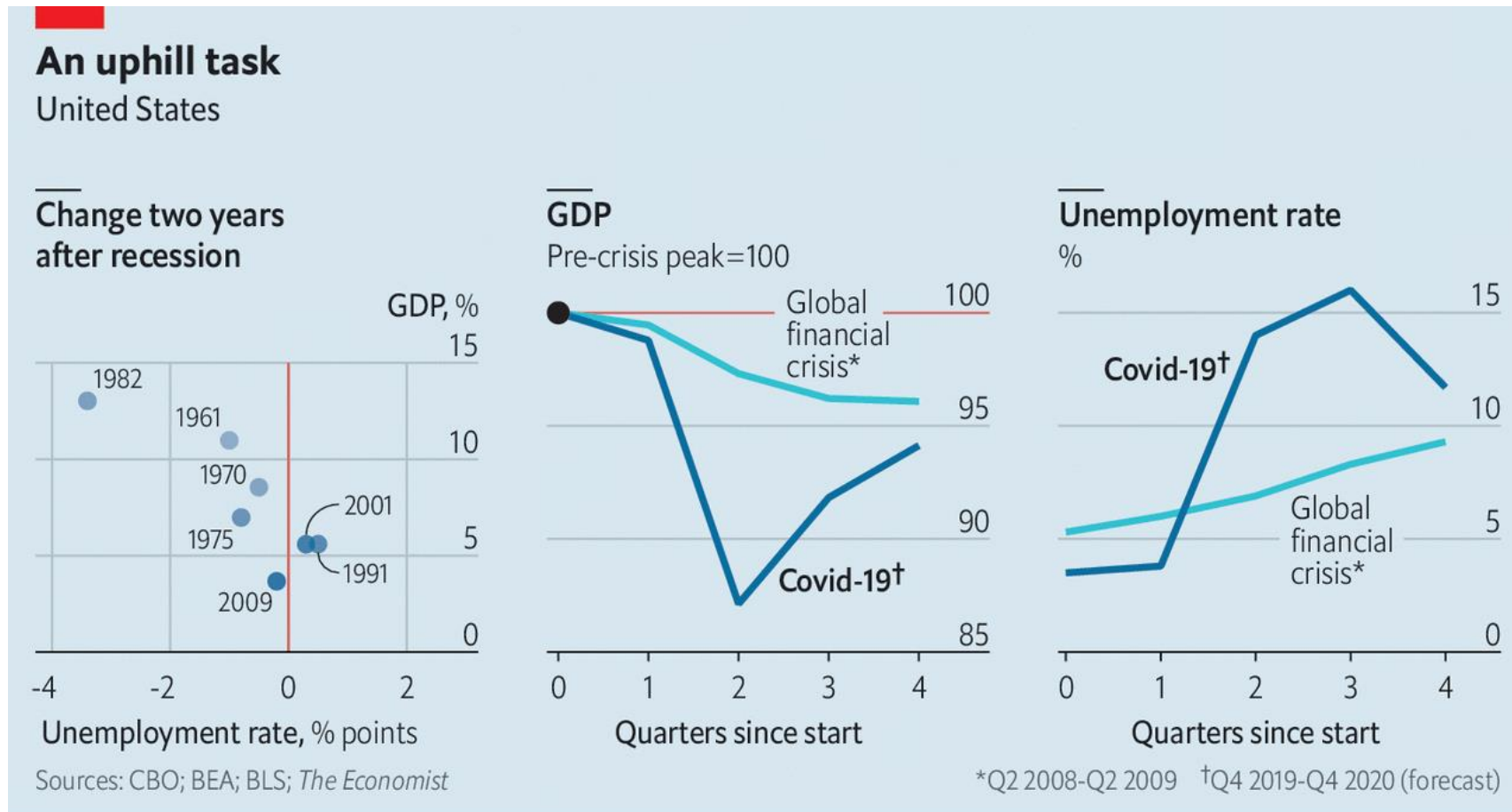


- SARS was a small and highly localized crisis by comparison.
- China was at a much lower state of economic development.
- But extent to which SARS disrupted the rise of outbound study is nonetheless notable.

Jobs, jobs, jobs

Expect a much greater focus on employability for the next 5-10 years

Previous experience suggests that it will take at least 5 to 10 years for employment rates to recover



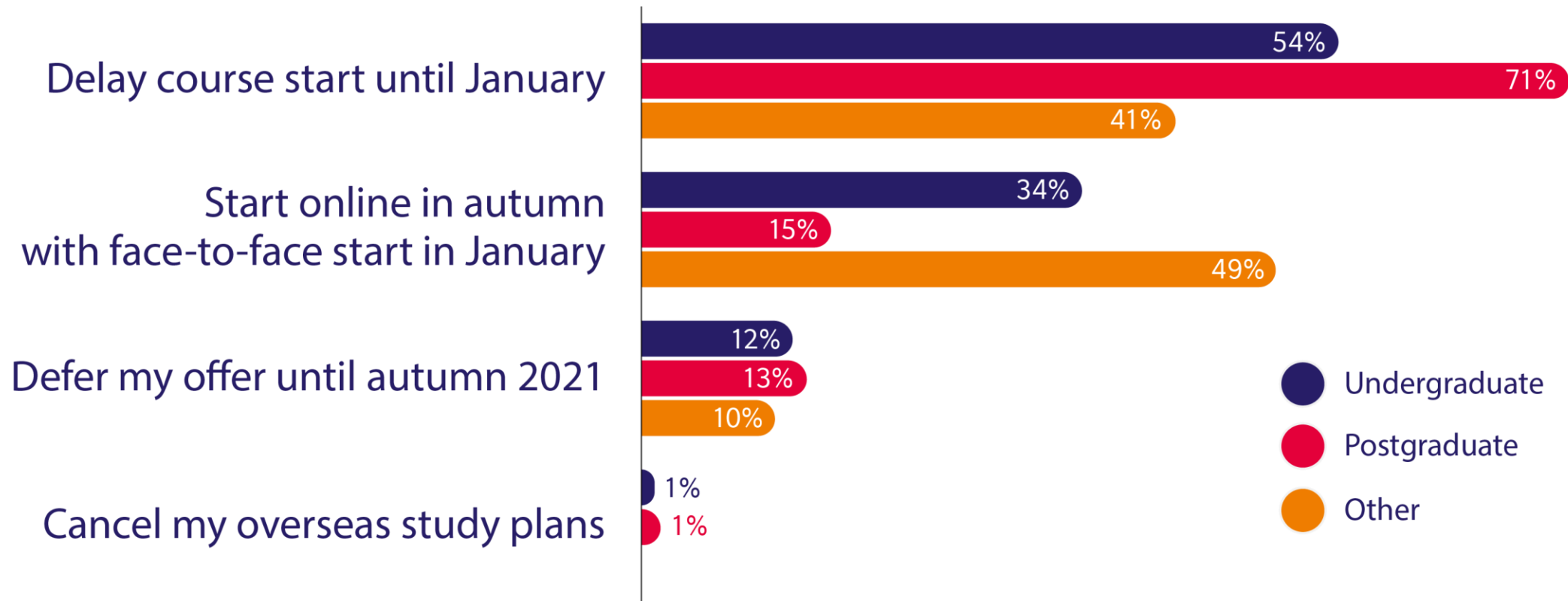
The Economist

Online and transnational education

Is this their big moment?

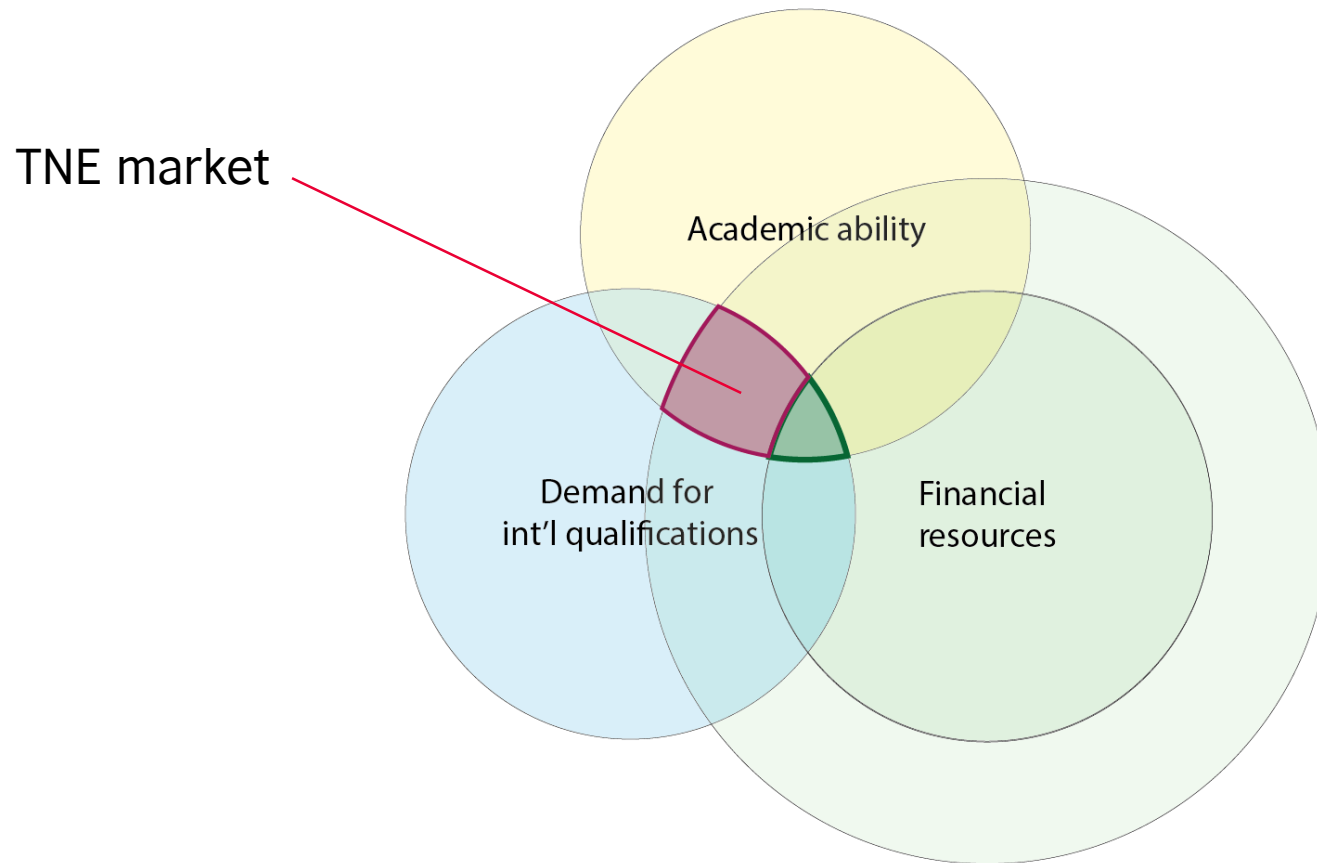
China Survey

Q: If you are unable to start your overseas course on campus in autumn, which of the following options would be most attractive to you? (UK offer holders)



Transnational education

The Venn diagram of international education



Transnational education

- **Near-term is complicated by limited ability to accommodate a short-term surge in demand.**
- **Underlying problems of TNE sustainability remain unresolved.**
- **Hybrid TNE/online models could be the way forward, but only if regulators concede.**

Consolidation

The core of international ed will re-emerge, but peripheral services will never be the same.

Consolidation of peripheral IHE industries



- The peripheral industries around IHE will see massive consolidation.
- There will be a ‘missing middle’ between small firms and the last giants standing.
- Post-Covid universities will outsource more market-facing work

Air travel

Complicated in the short term, more expensive in the medium term

Air travel: The backbone of mobility

- Two-thirds of the world's 26,000 passenger aircraft are grounded.
- Near-term travel will be complicated by pre-flight health checks, lack of available routes/seats and travel restrictions put in place by governments.



Air travel: The backbone of mobility



- 25 million air industry jobs at risk.
- Carriers face a US\$314 billion shortfall in ticket sales this year.
- Half face bankruptcy in two to three months without government help.
- Passenger air travel is a high-volume, low-margin business. Consolidation and reduction in volume will inevitably lead to higher prices.
- Minimum 2-3 years for industry recovery

Conclusions

The road back to 'normal'

Conclusions

- **Impacts on 2020/2021 enrolments could still range from moderate to severe. Either way, the recovery will be slower than the decline.**
- **Employability will gain even greater importance over the coming years.**
- **Online will boom as a stop-gap, but longer-term potential remains limited. Unresolved sustainability issues mean that TNE is poised for a shakeup.**
- **IHE's peripheral industries will emerge in a very different form.**
- **Rising air travel costs create medium-term risks for international mobility.**

Thank you

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