



# Around the world in 60 minutes

Matt Durnin, Global Head of Insights & Consultancy

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- Does market share matter?
- The world through our competitors' eyes
- Highlights by region
- Reality check on partnerships
- So roll with it or revolutionise?

# Does market share matter?

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## THE PIE NEWS

News and business analysis for Professionals in International Education

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### UK "likely" to be overtaken by Australia - CGHE

Posted on Jul 19, 2018 by Claudia Chivini  
Posted in News, under Australasia Europe.  
Tagged with CGHE, Simon Marginson, student recruitment.  
Bookmark the permalink.



Australia took over the UK for the number of non-EU students it was hosting already

<https://www.britishcouncil.org/education-services>

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## NEWS

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Family & Education

### Australia overtaking UK for overseas students

By Sean Coughlan  
BBC News education and family correspondent

19 July 2018

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Students arriving in Melbourne - ranked this year as one of the world's best student cities

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## THE PIE NEWS

News and business analysis for Professionals in International Education

NEWS ANALYSIS CHAT GALLERY JOBS BLOG MOVERS

You are here: [Home](#) » [News](#) » Canada threatens to overtake UK as top study destination - QS

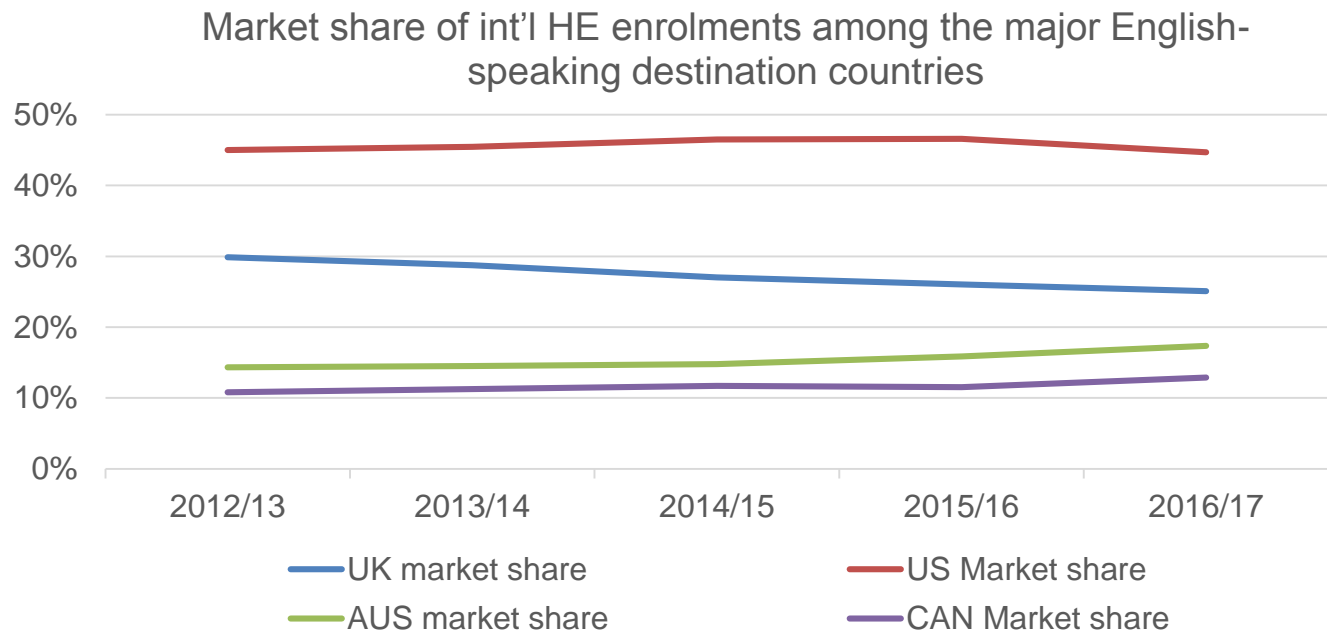
### Canada threatens to overtake UK as top study destination - QS

Posted on Mar 21, 2018 by Claudia Chivini  
Posted in News, Research, under North America.  
Tagged with Canada, QS, UK, US.  
Bookmark the permalink.

International students' destination choices are changing as they react to "recent geopolitical events", which could allow for Canada to overtake the UK as the preferred destination in some regions and in terms of actual student numbers, the latest research by QS has found.



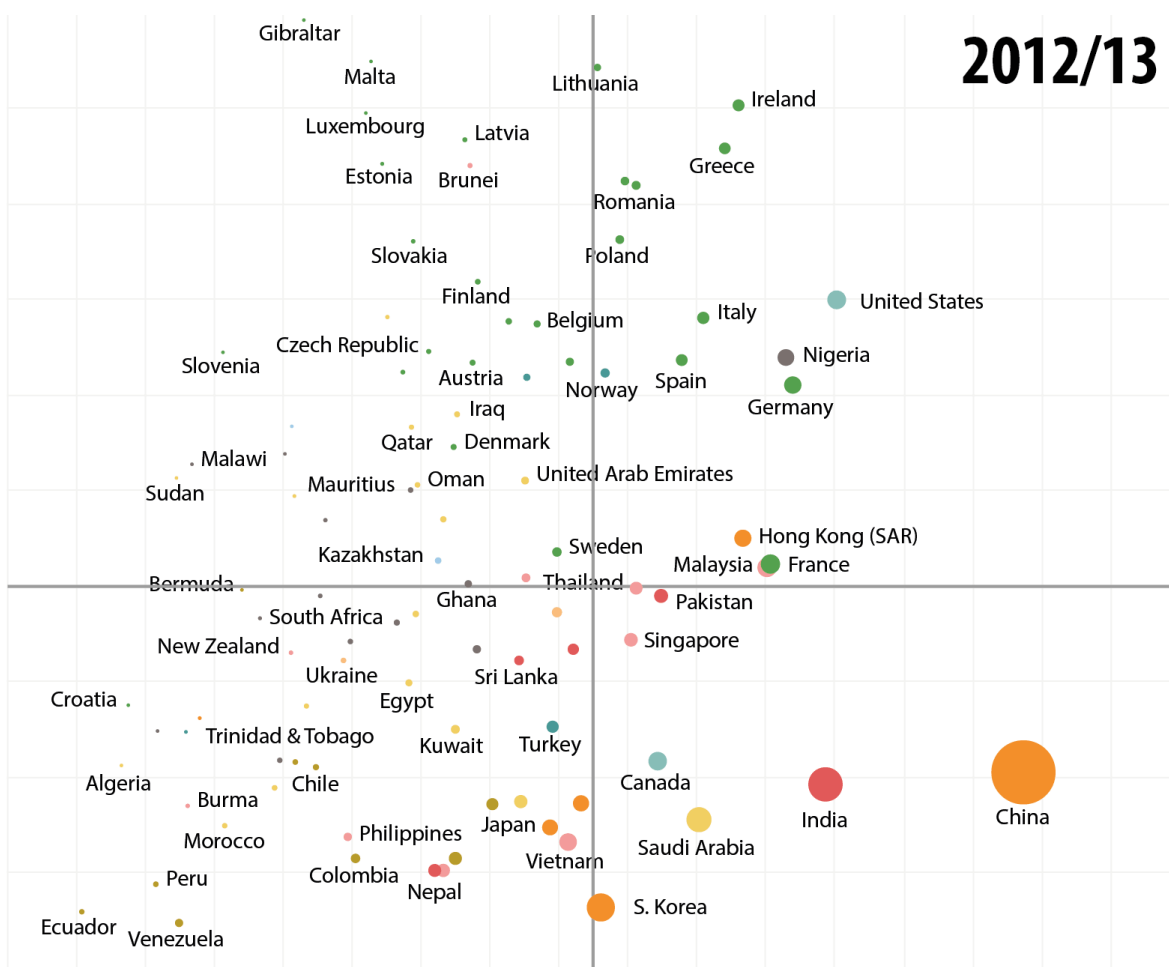
# Does market share matter?



Sources: HESA, IIE, AusTrade, Citizens and Immigration Canada

# 2012/13

High  
↑  
UK Market share  
↓  
Low

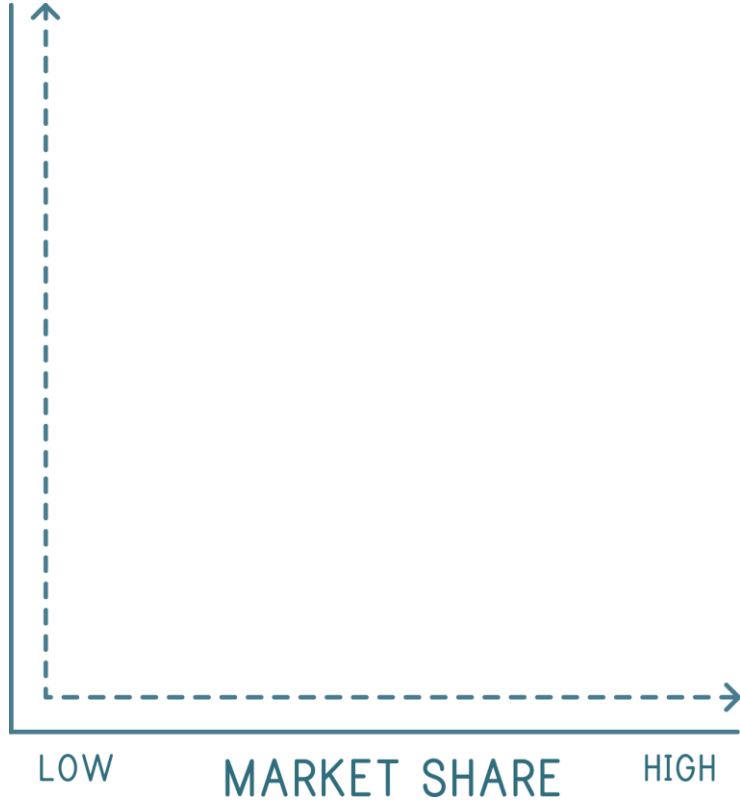


- Central Asia
- East Asia
- Eastern Europe
- EU
- Latin America
- MENA
- Non-EU Europe
- North America
- South Asia
- Southeast Asia
- Sub-Saharan Africa

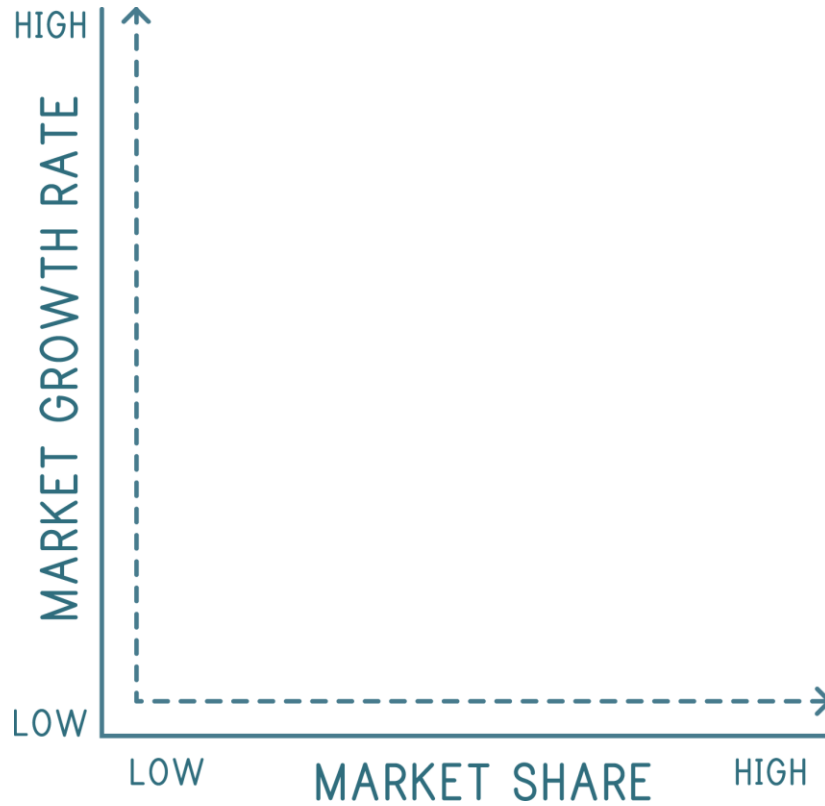
Low ← Number of students in the UK (log) → High

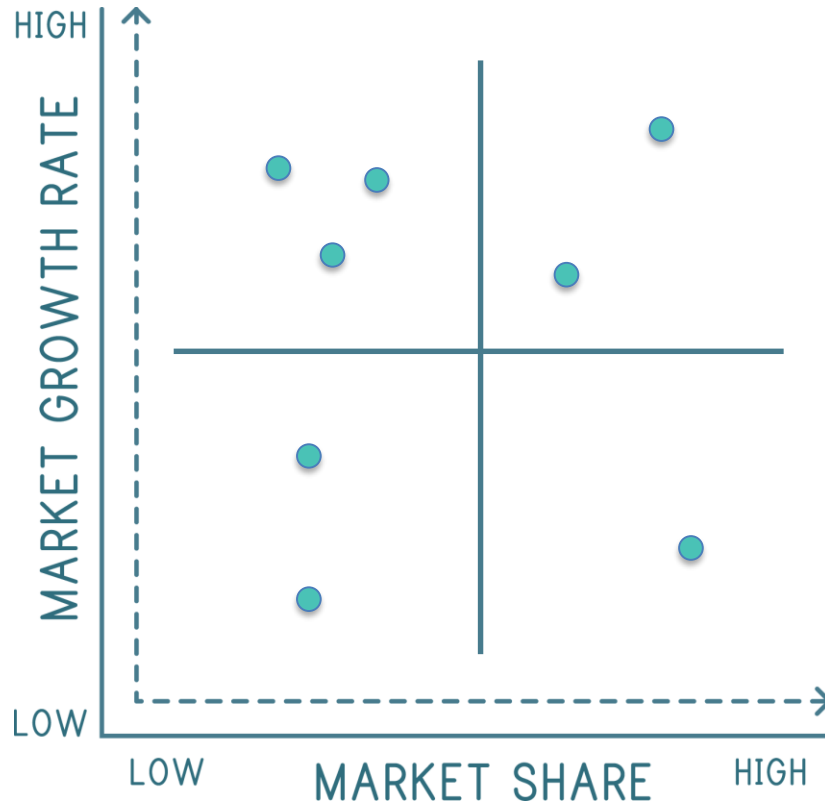
# The world, through our competitors' eyes

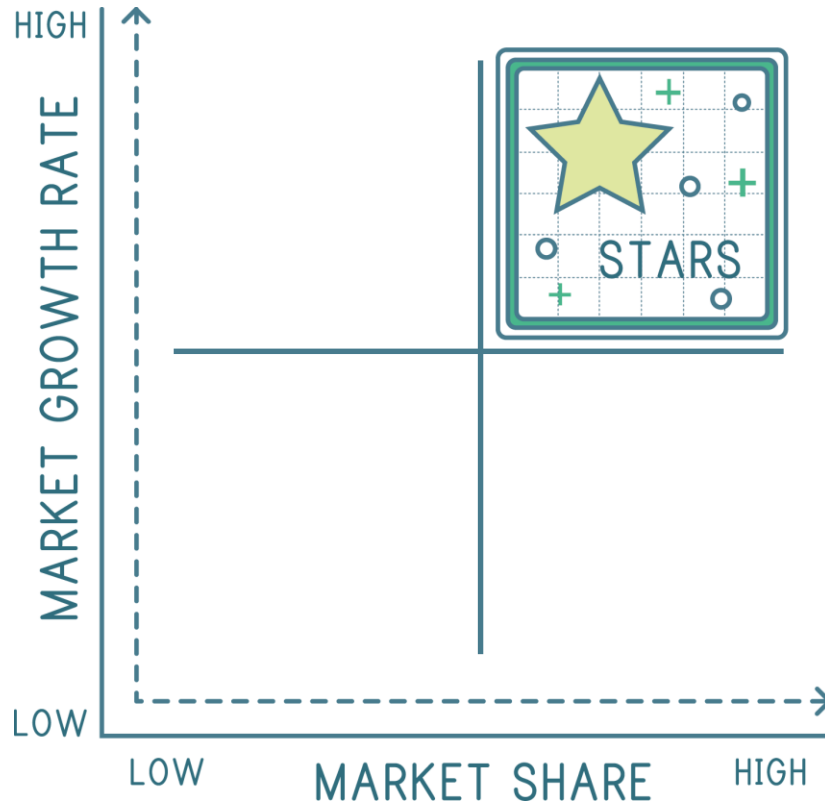


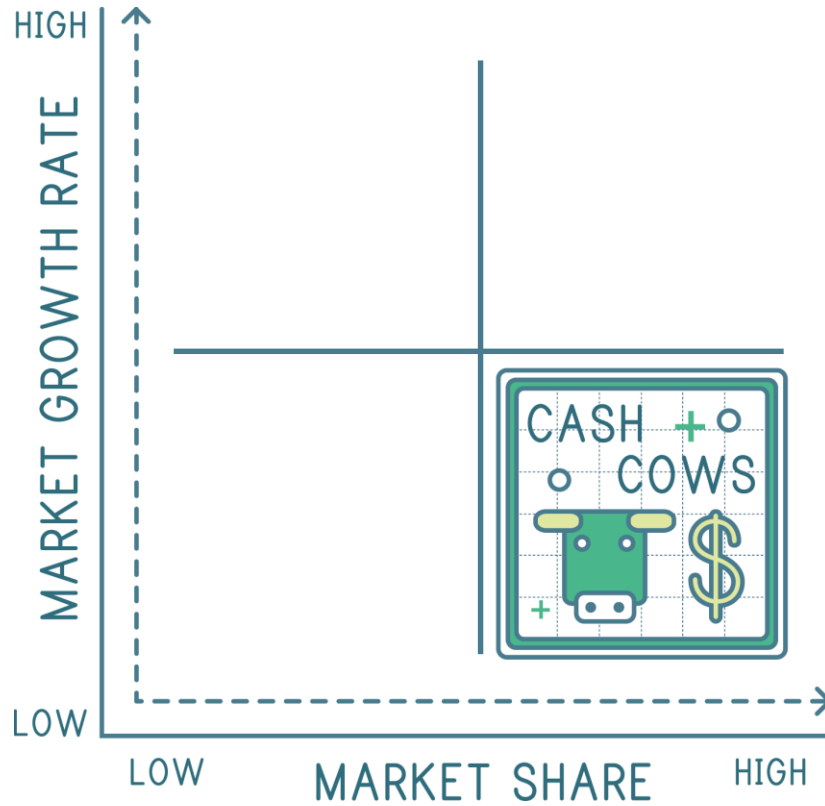


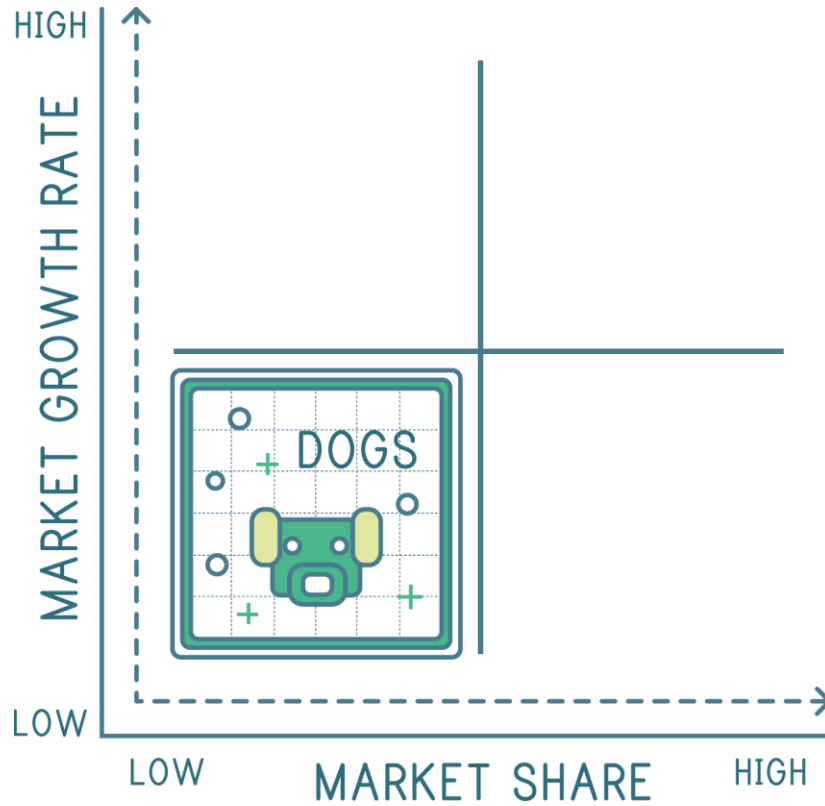


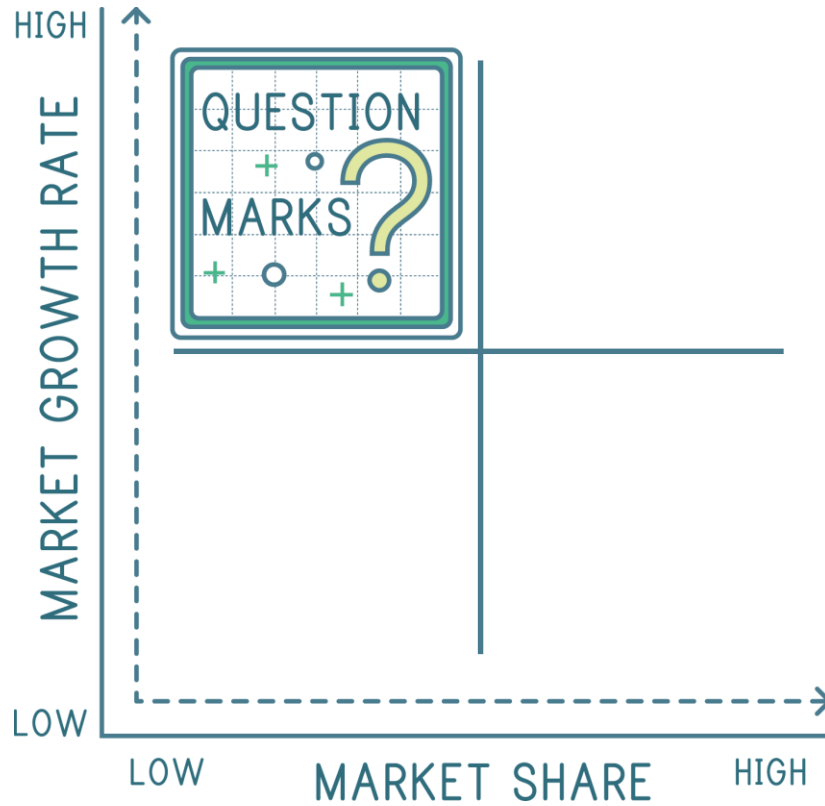


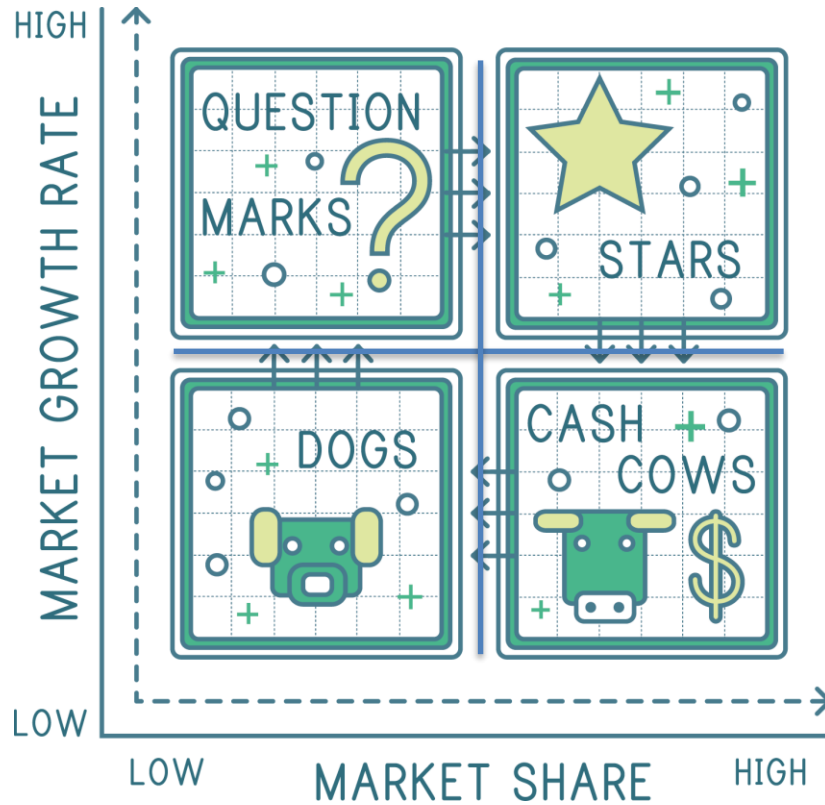


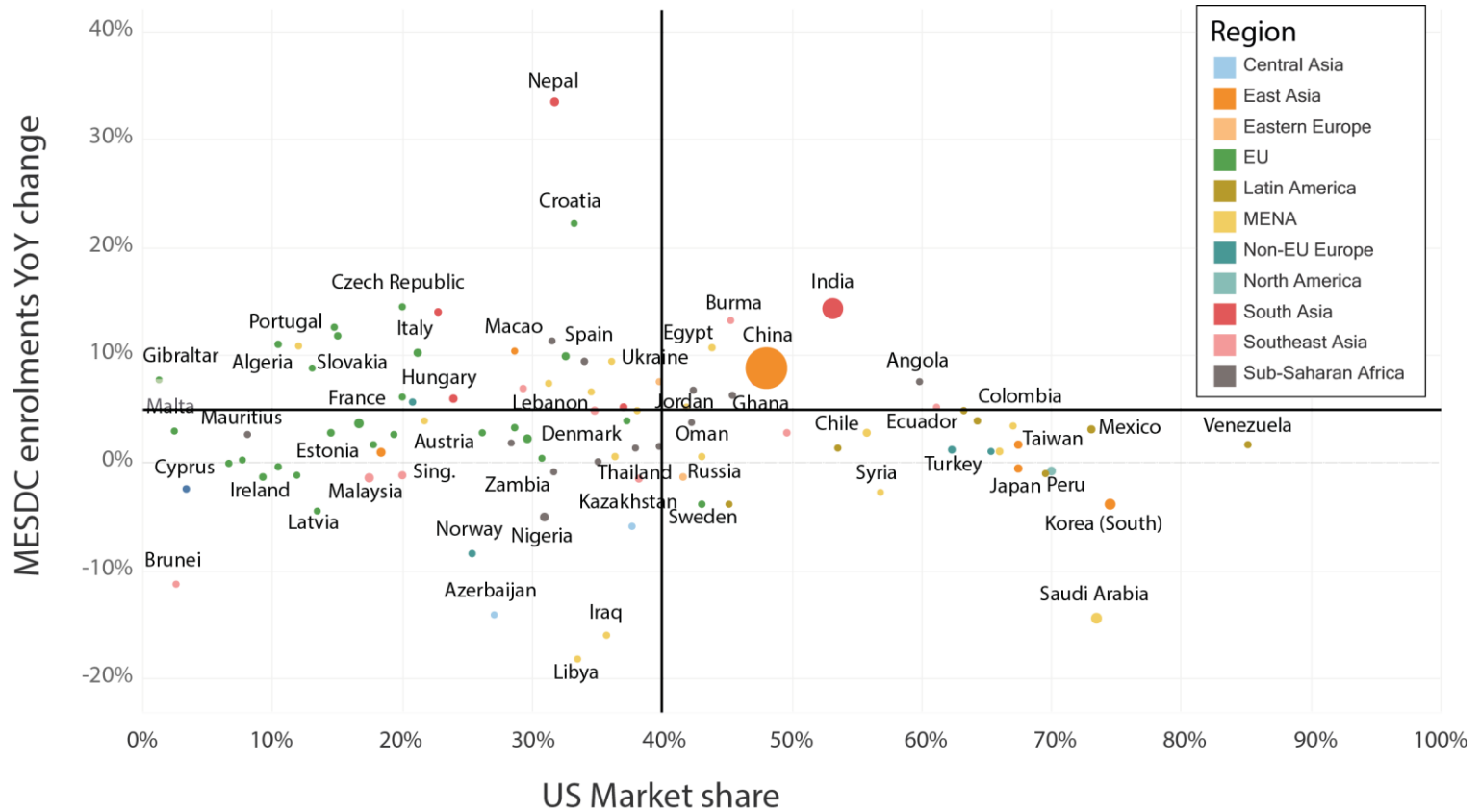








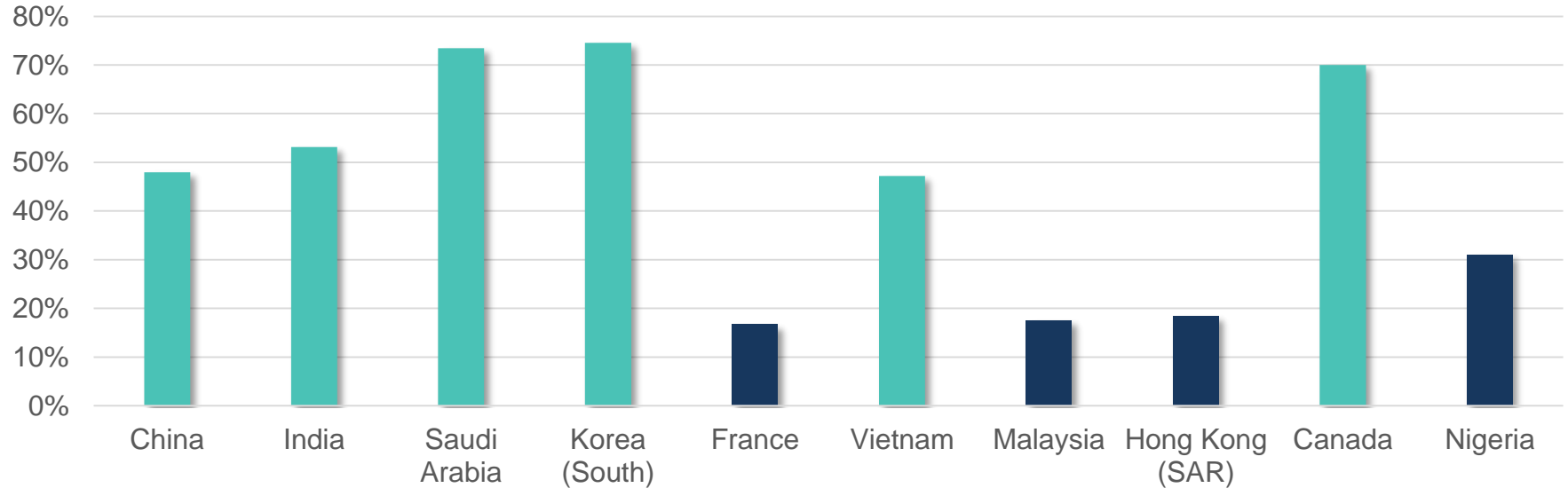






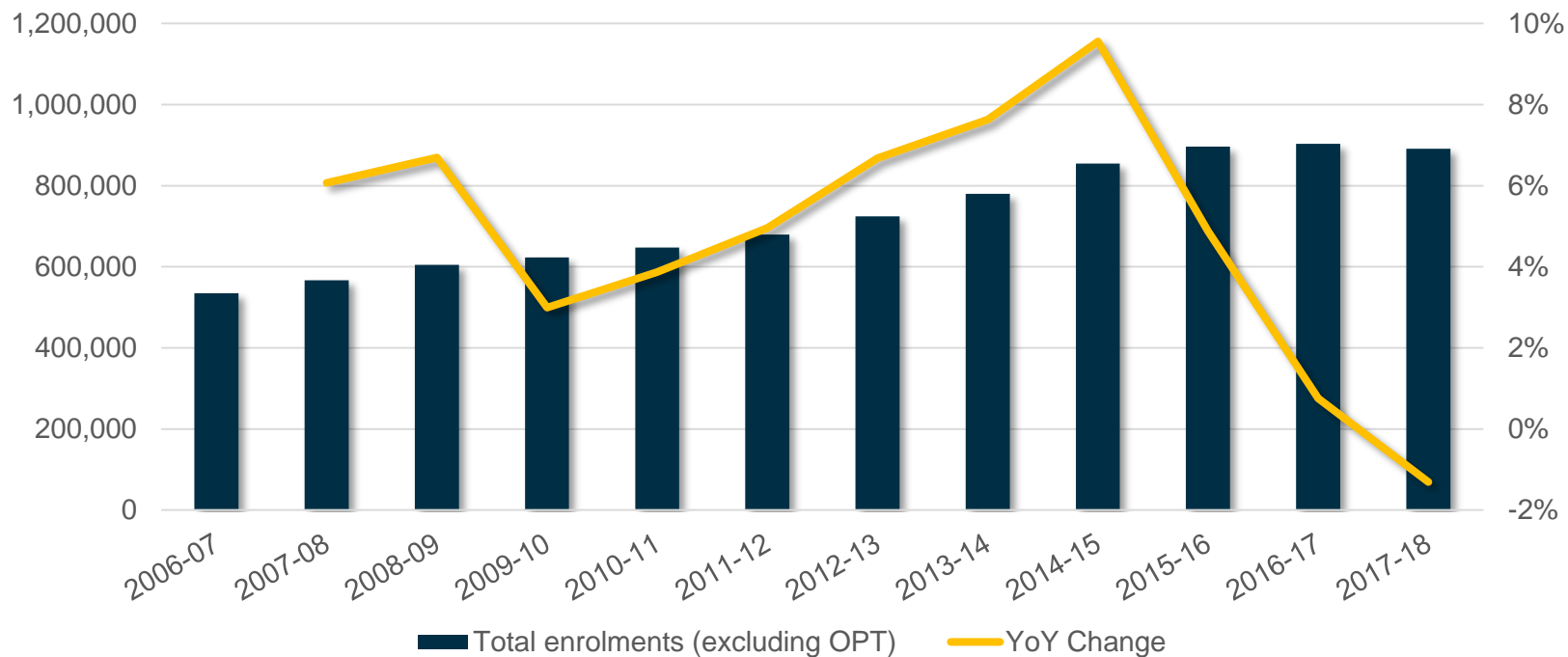
# US: Dominance in largest markets

US market share in top 10 MESDC markets (US excluded)

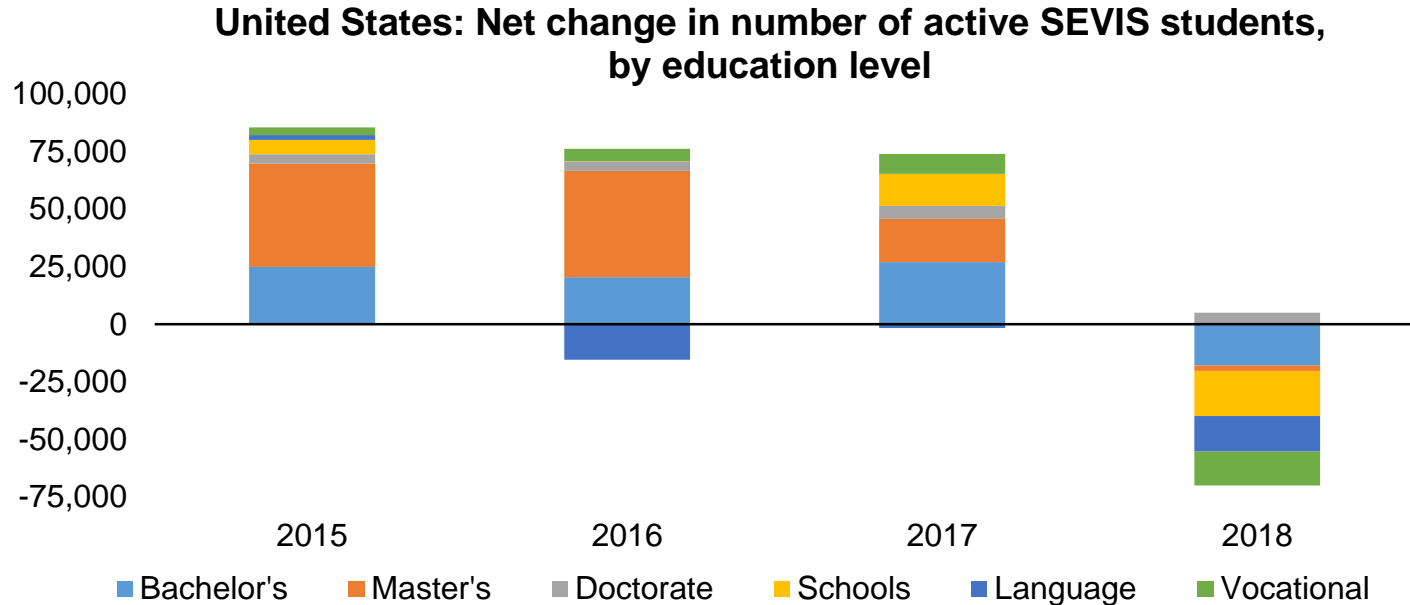


# US: Changing fortunes?

US international enrolments

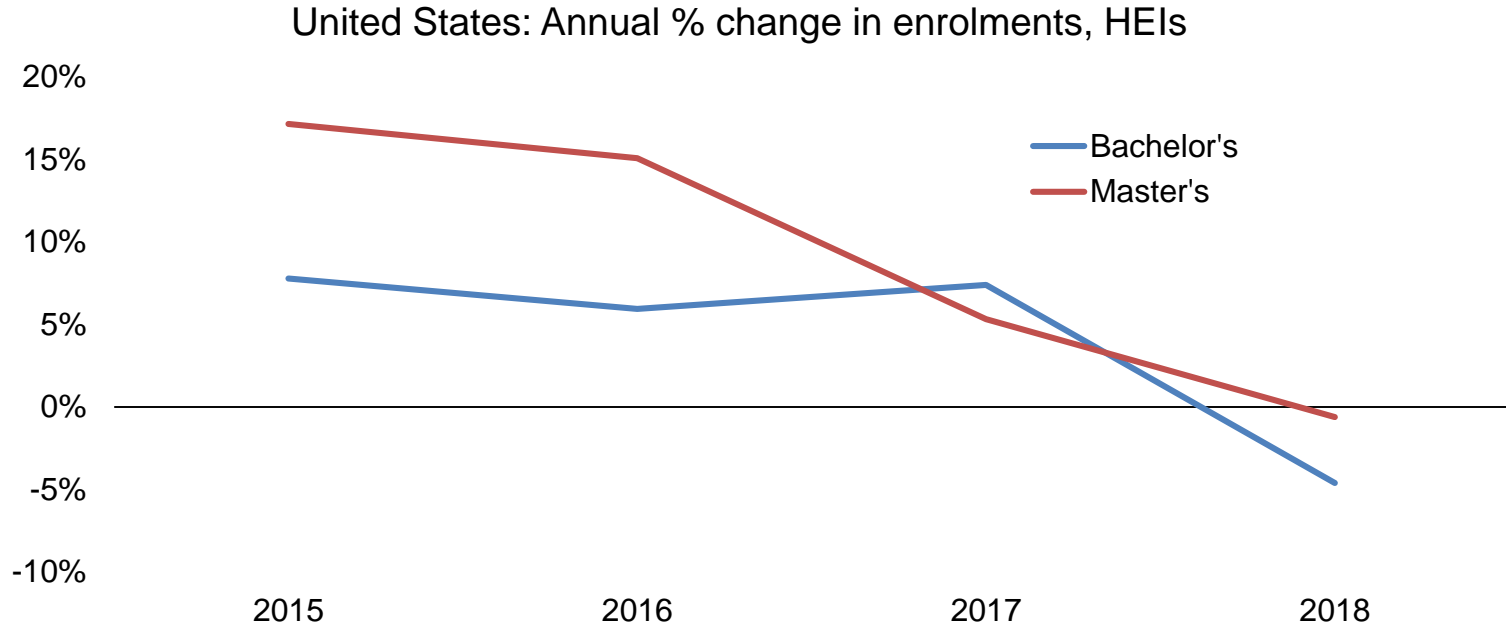


# US: Changing fortunes?



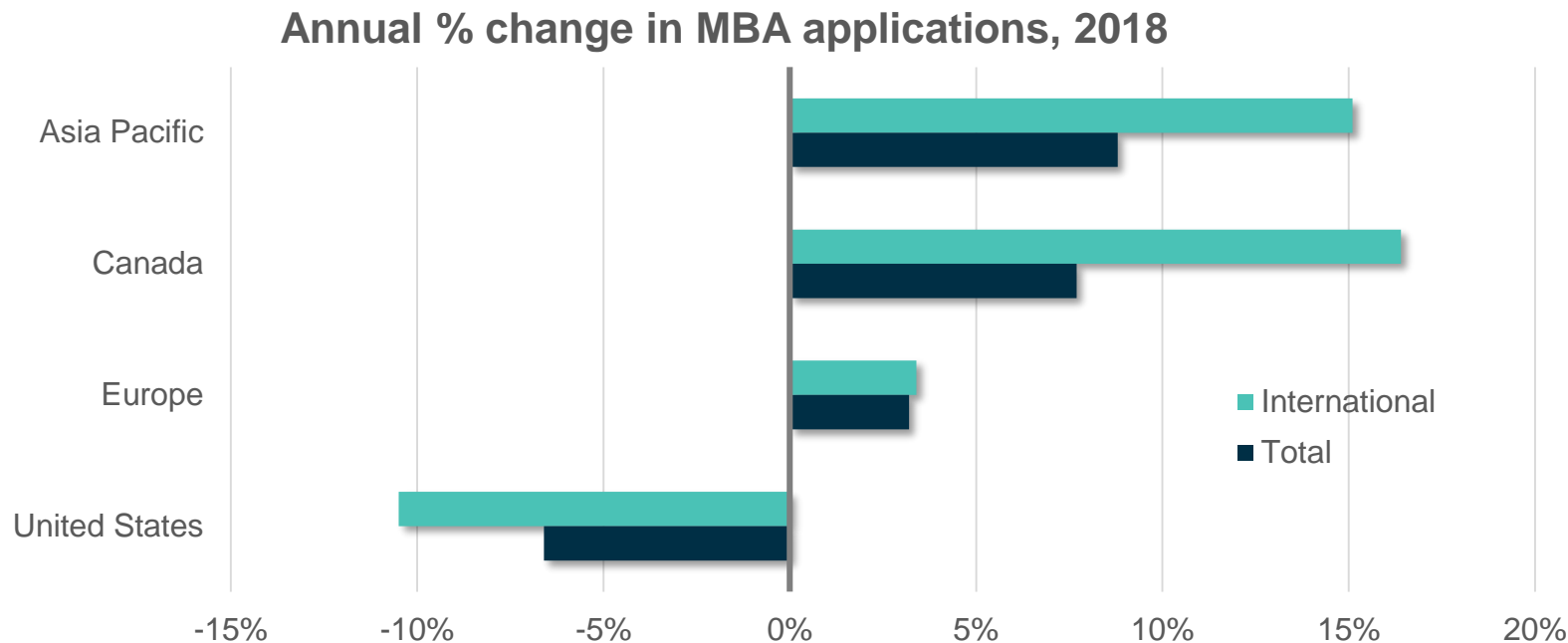
Source: Student and Exchange Visitor Program; note: enrolment data is taken from the summer of each calendar year.

# US: Changing fortunes?



Source: Student and Exchange Visitor Program; note: enrolment data is taken from the summer of each calendar year.

# US: Changing fortunes?

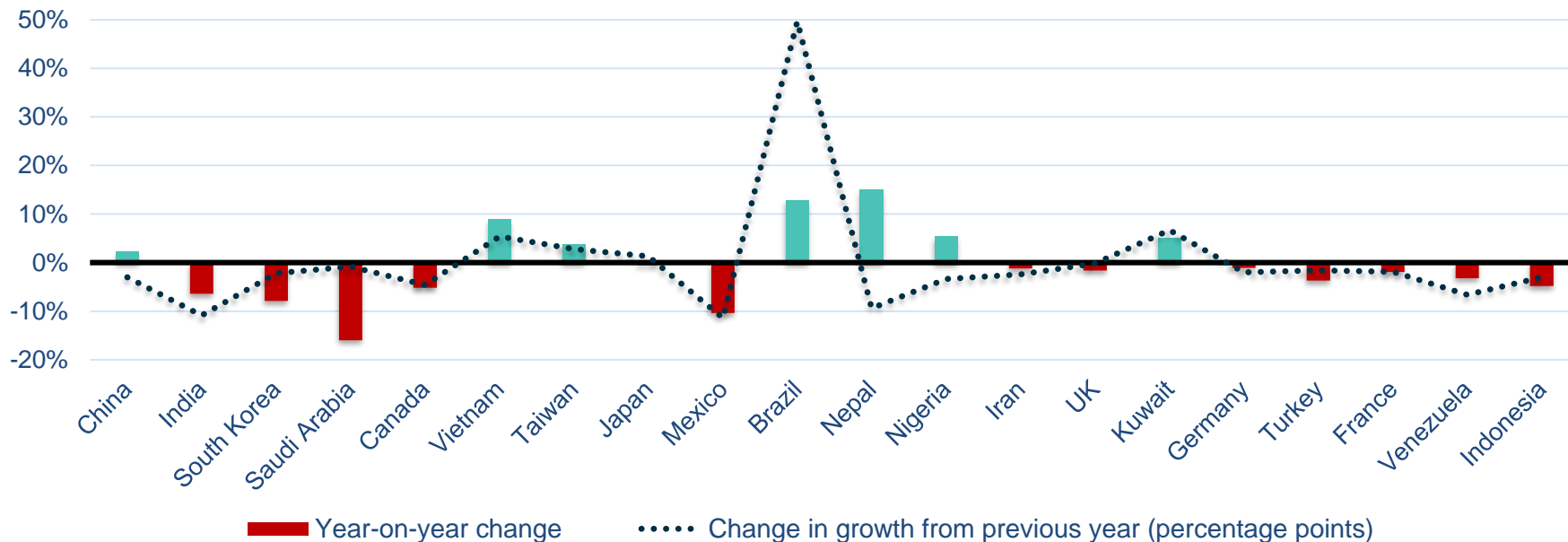


Source: Graduate Management Admission Council

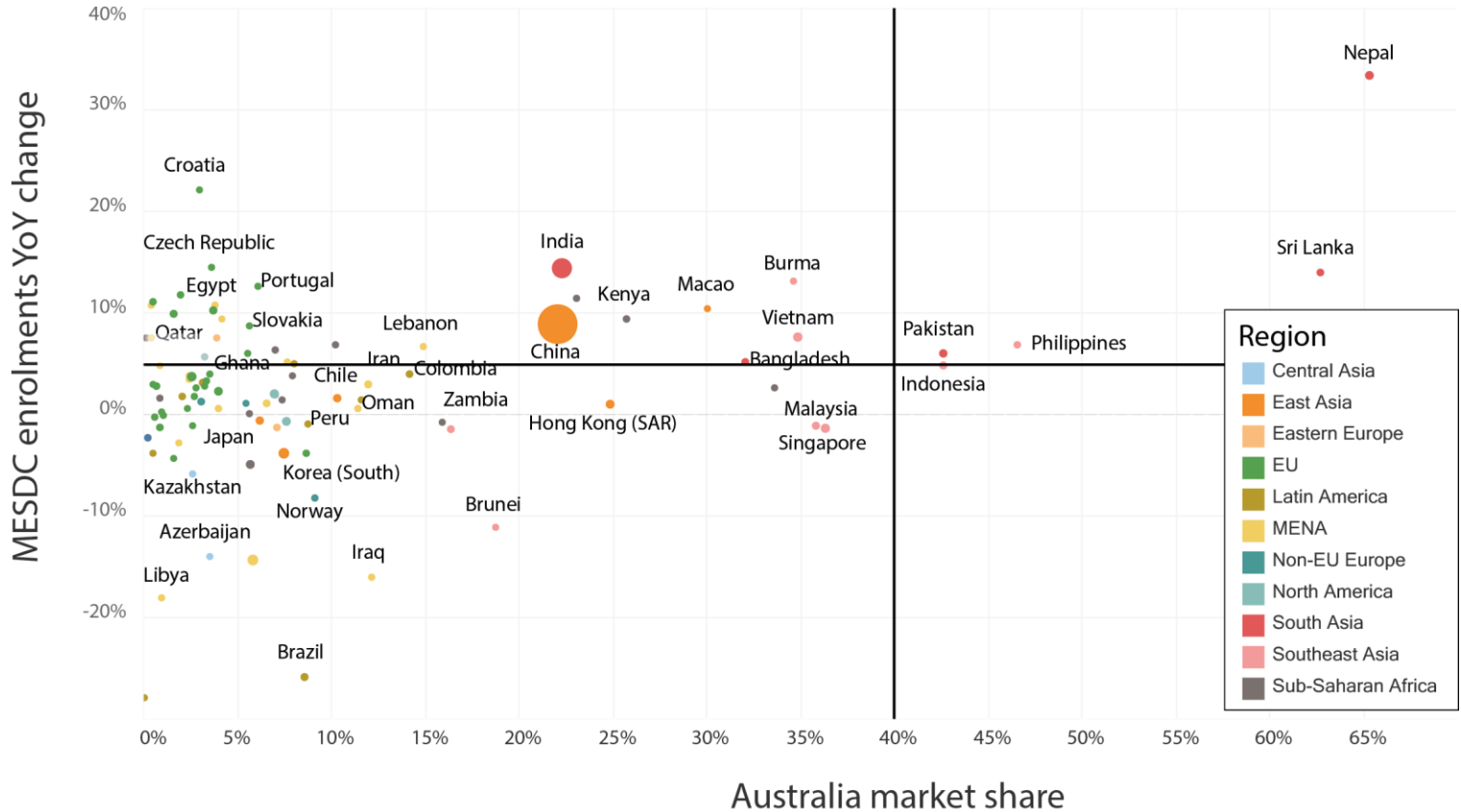
# US: Changing fortunes?

American universities' international enrolments from 13 of the top 20 recruitment markets fell in 2017/18. Even among the seven markets that did grow, the growth rate fell from the previous year in all but four.

Change in US enrolments from top 20 markets in 2017/18

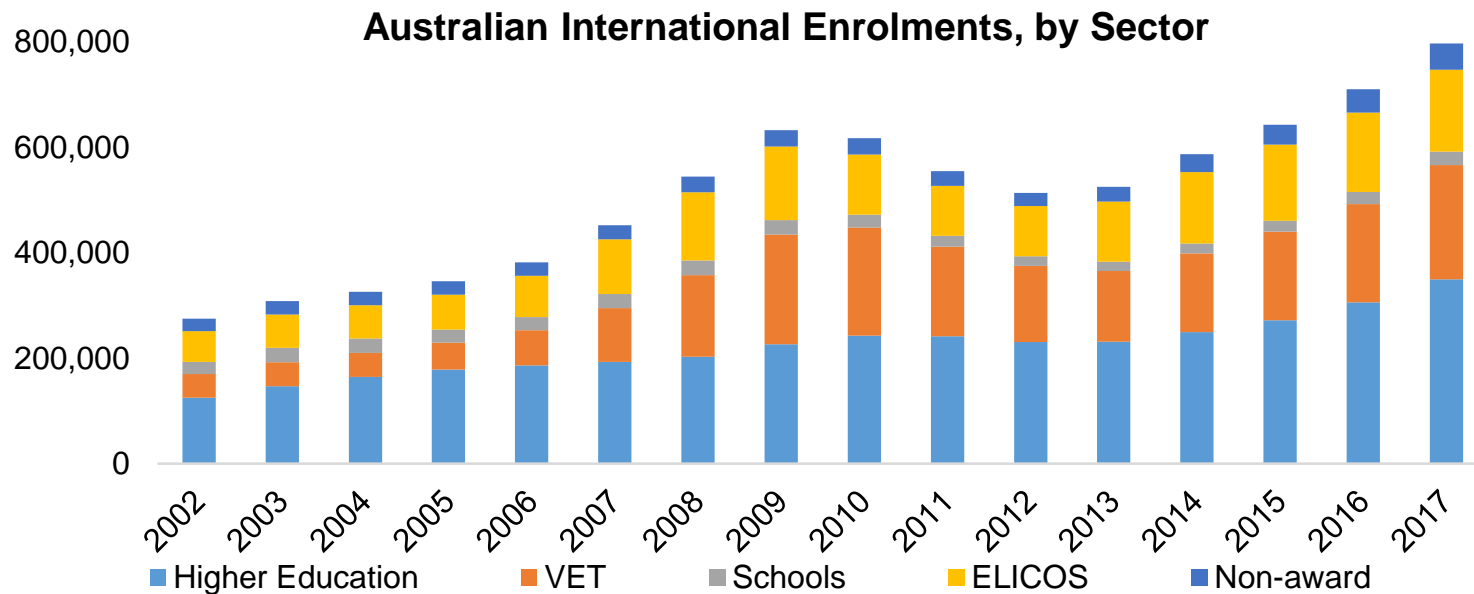






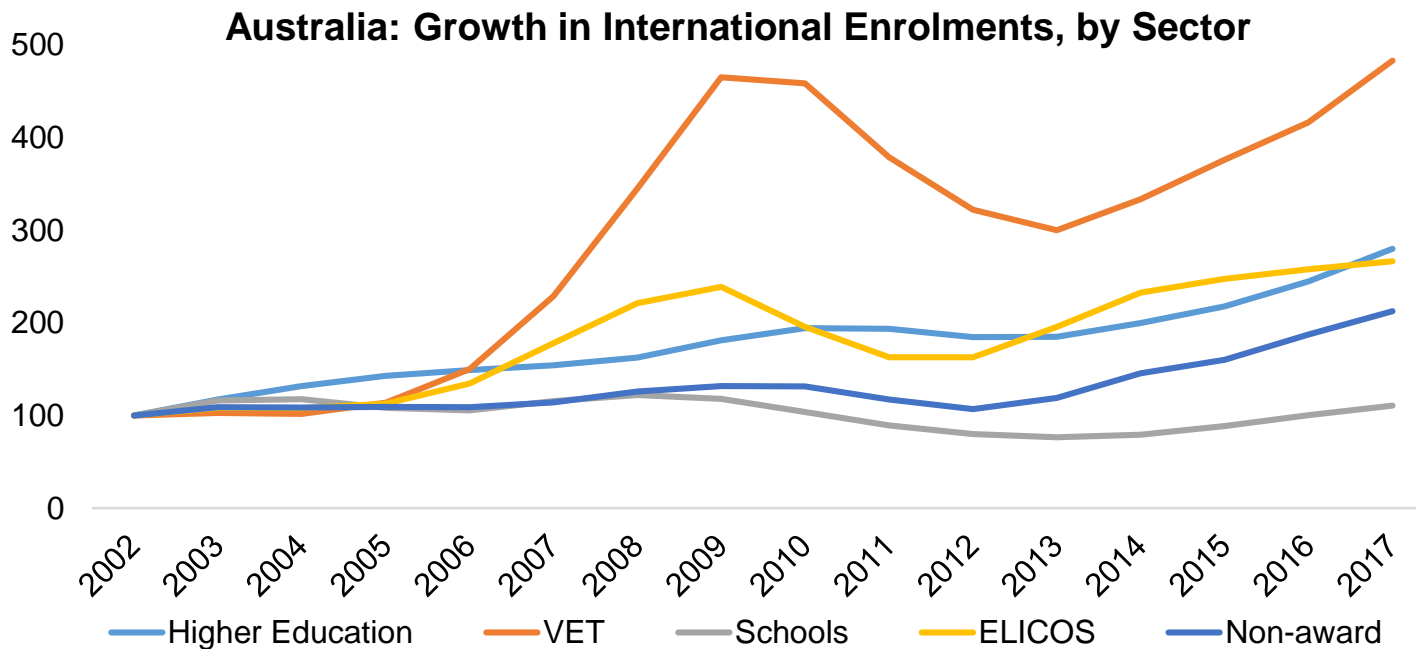


# Australia



Source: AusTrade

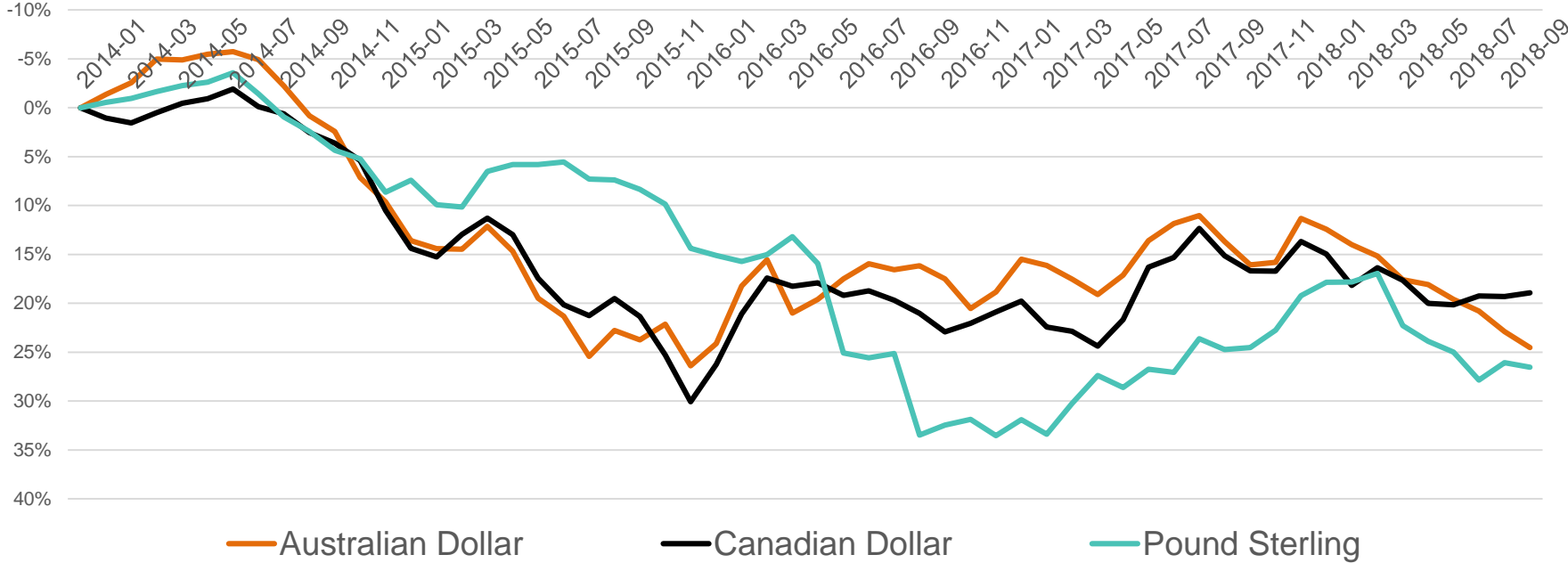
# Australia



Source: AusTrade

# Australia: the currency advantage

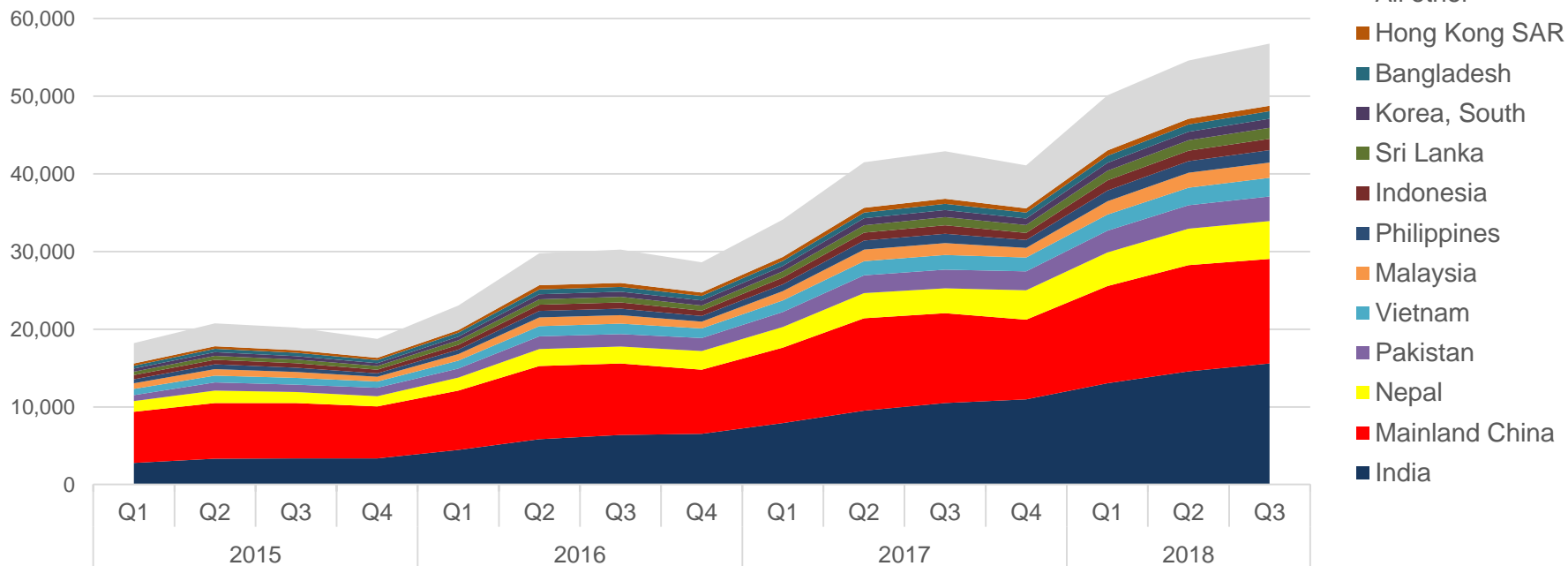
Per cent change in USD exchange rate since January 2014



Source: Bank for International Settlements

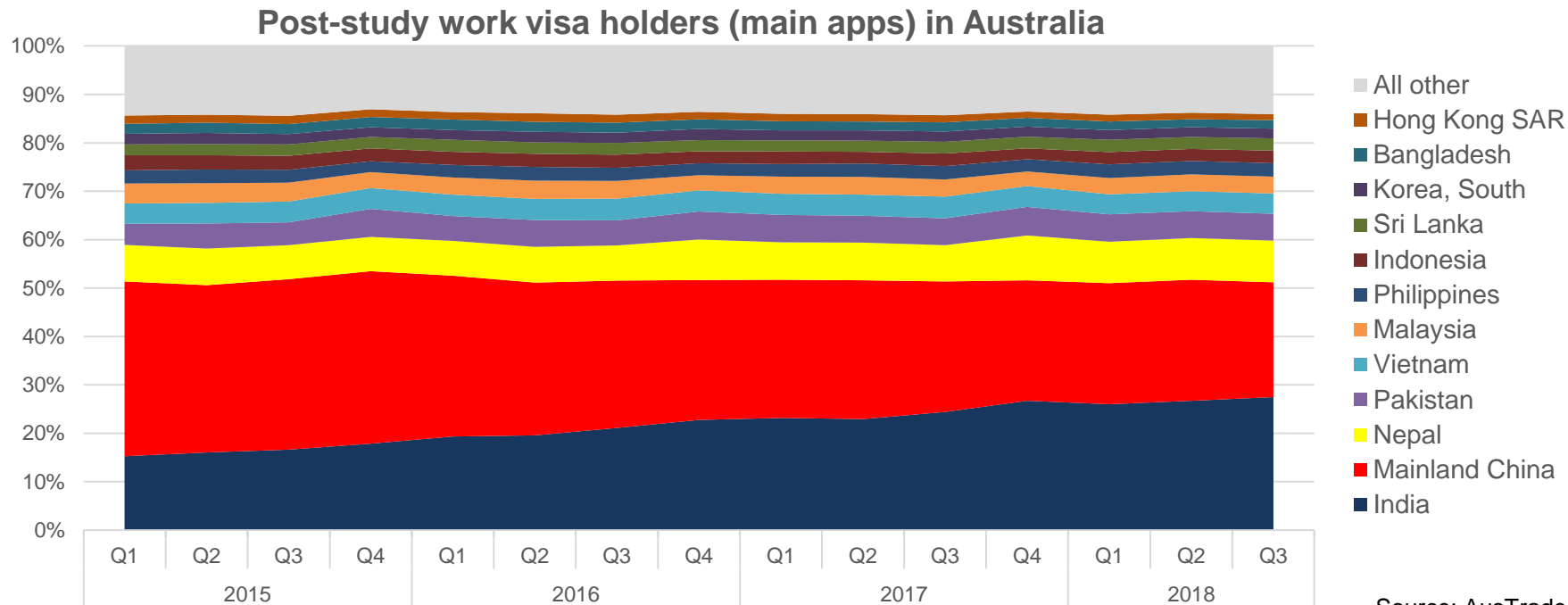
# Australia: the post-study work advantage

## Post-study work visa holders (main apps) in Australia



Source: AusTrade

# Australia: the post-study work advantage



Source: AusTrade

# Australia: Skeletons in the closet

The Australian Population Research Institute, Research Report,  
November 2018



Australia's higher education overseas student industry:  
in a precarious state

Bob Birrell

Katharine Betts

The Australian Population Research Institute <tapri.org.au>  
PO Box 12500  
Mildfield Camberwell  
Victoria 3124  
Australia

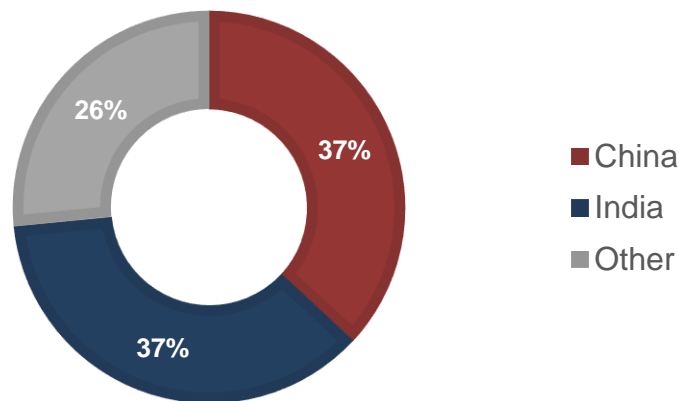


One of Australia's most respected population experts Bob Birrell has called for tighter rules on mail order brides to ensure they speak English, can integrate into Australia and work

# Australia: Skeletons in the closet

From 2012 to 2016, the number of new international students at Australian universities increased from 85,497 to 124,150, **an increase of 45%.**

Sources of growth in international student commencements, 2012 to 2016

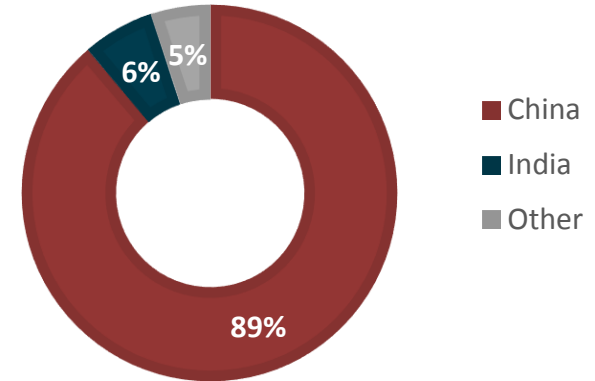


Source: TAPRI, Australian Department of Education

# Australia: Skeletons in the closet

From 2012 to 2016, international commencements at **Group of 8 universities** grew from 24,441 to 38,179, an increase of 56%.

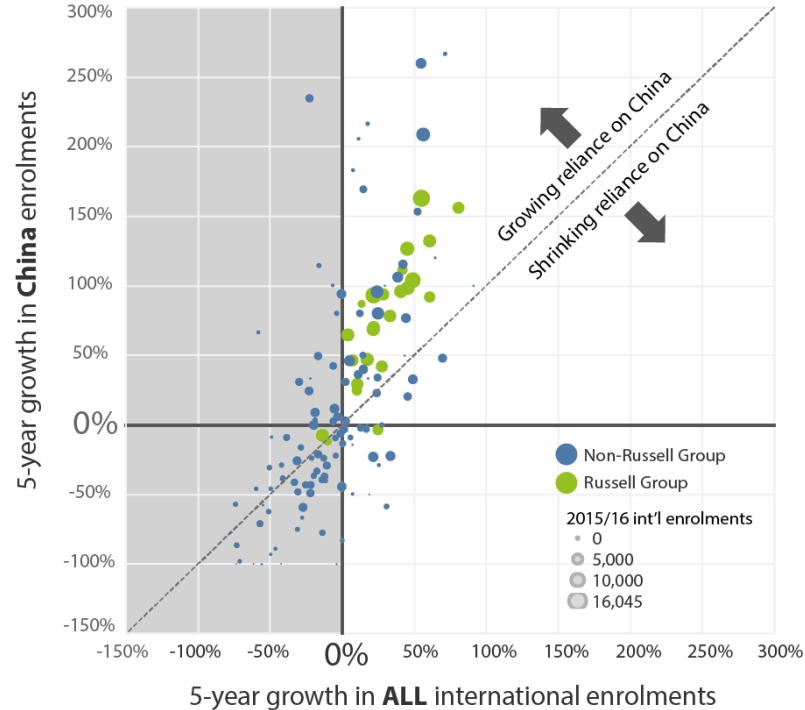
Sources of growth in int'l commencements at Group of 8 unis, 2012 to 2016



Source: TAPRI, Australian Department of Education

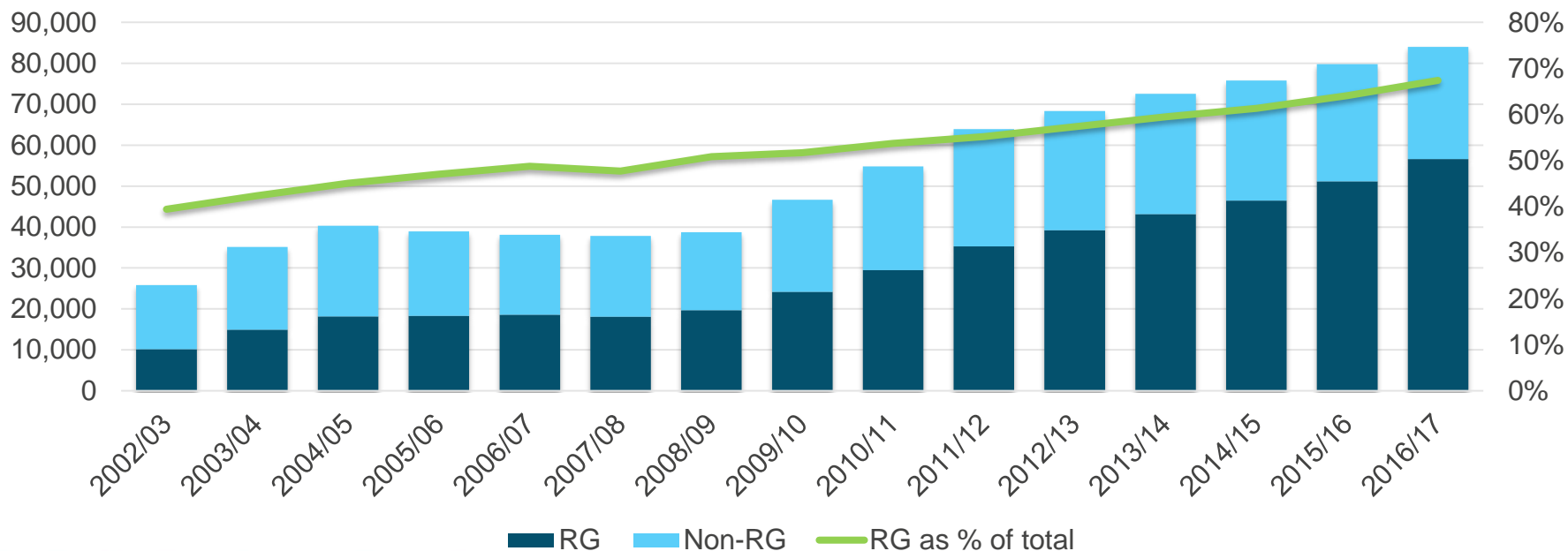


# UK: Same closet, fewer skeletons



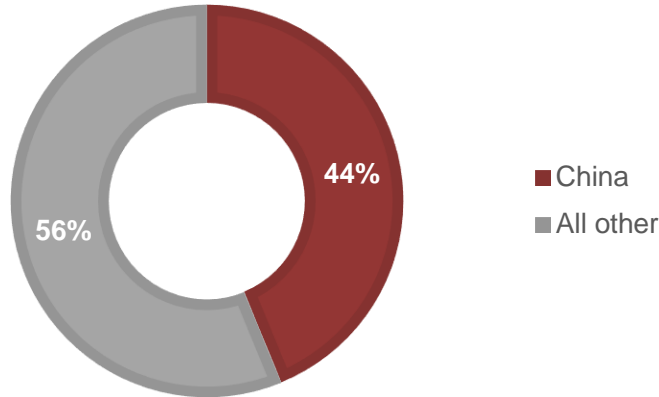
# UK: Same closet, fewer skeletons

## China enrolments in the UK, Russell Group vs. other

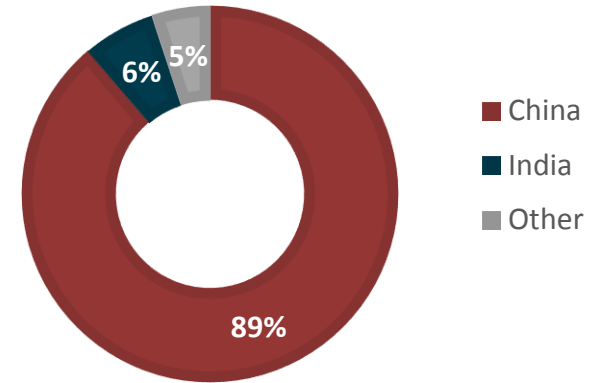


# UK: Same closet, fewer skeletons

Russell Group, sources of growth in new enrolments, 2012 to 2016



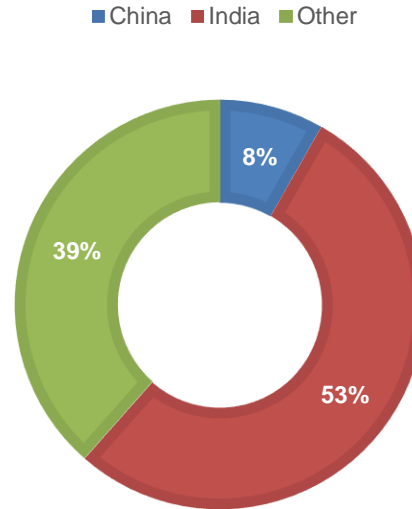
Sources of growth in int'l commencements at Group of 8 unis, 2012 to 2016





# Outside the Group of Eight, heavy reliance on India

Sources of growth in int'l commencements  
at all other Australian unis, 2012 to 2016



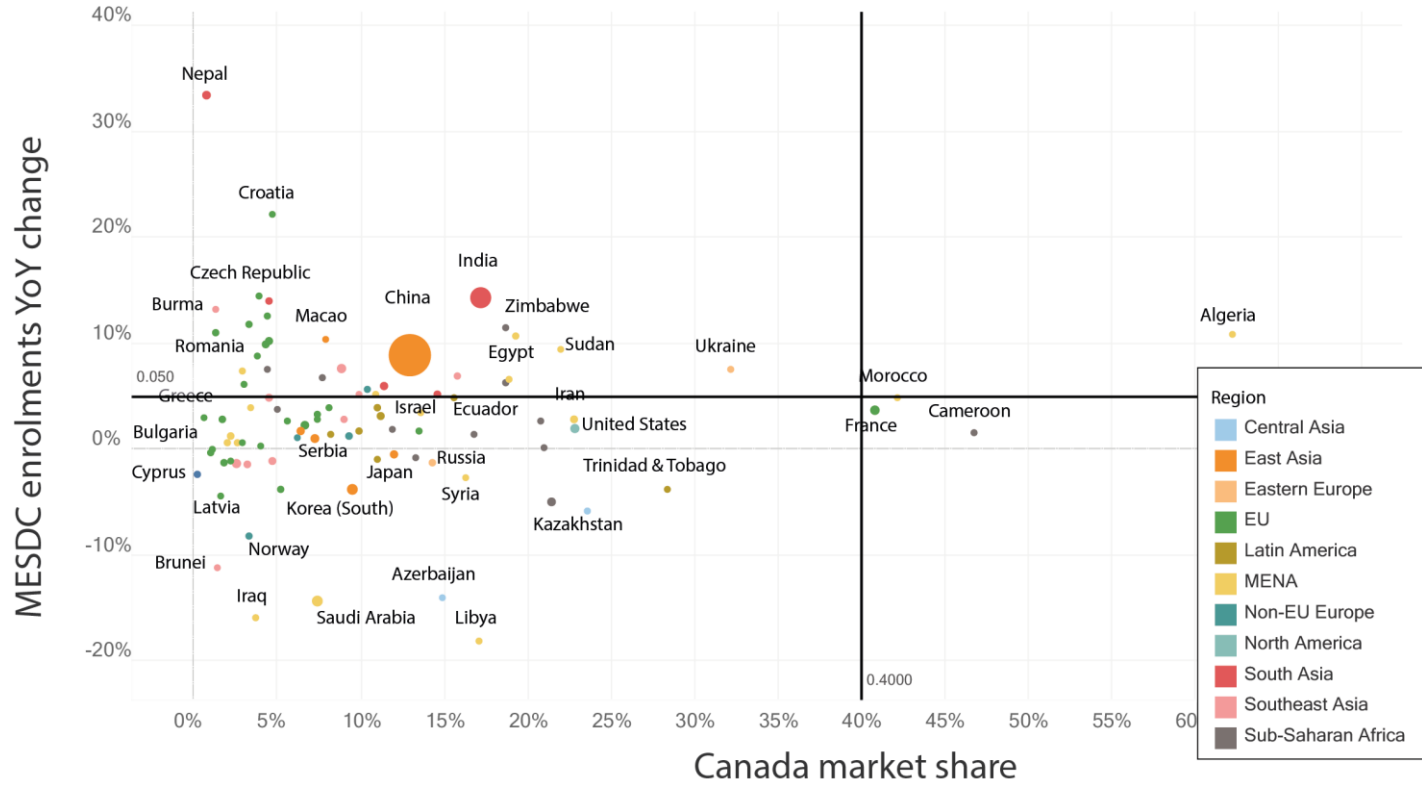
Source: TAPRI, Australian Department of Education

# Australian advantages?

Changes in global rankings of top Australian universities, 2018 to 2019

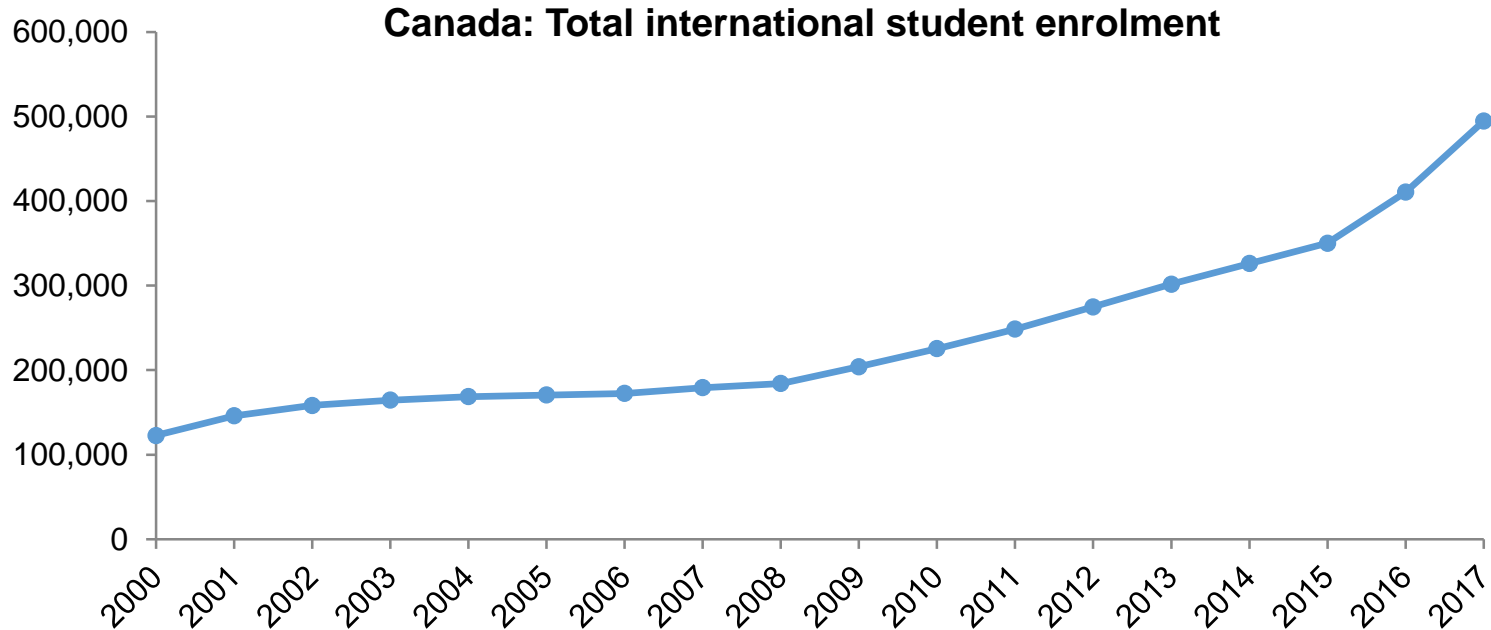






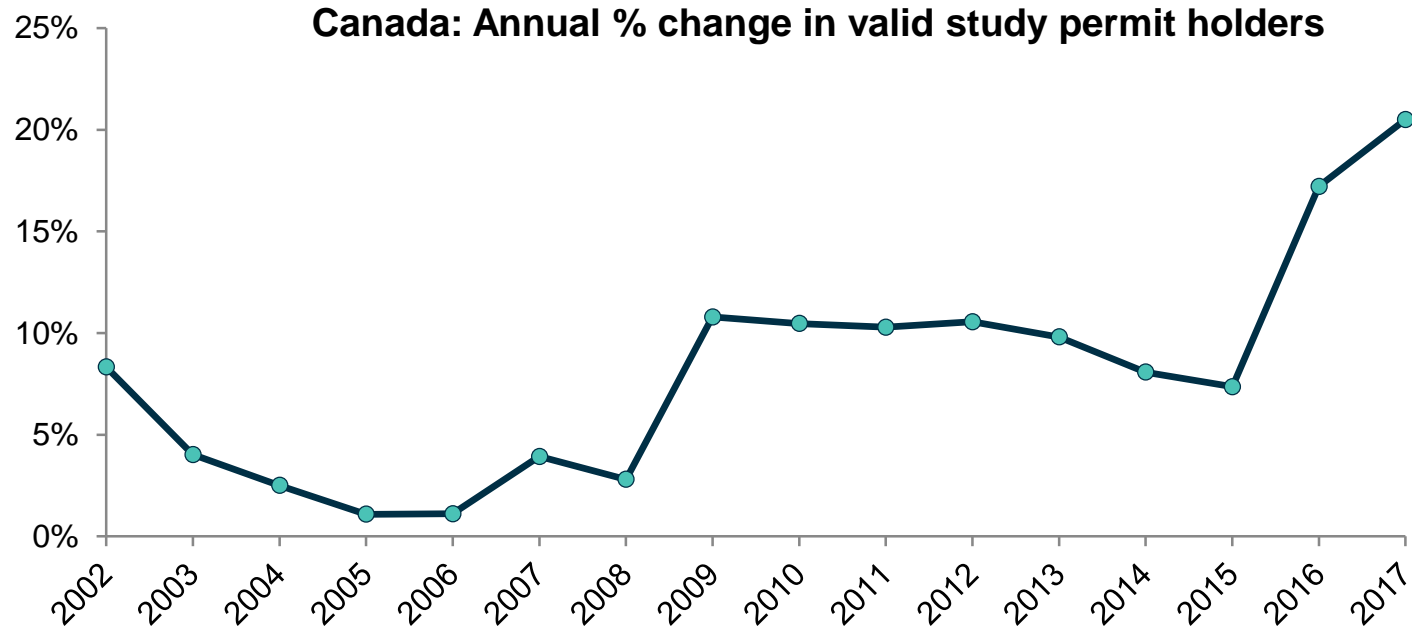


# Canada, the new kid on the block



Source: *Immigration Refugees and Citizenship Canada*

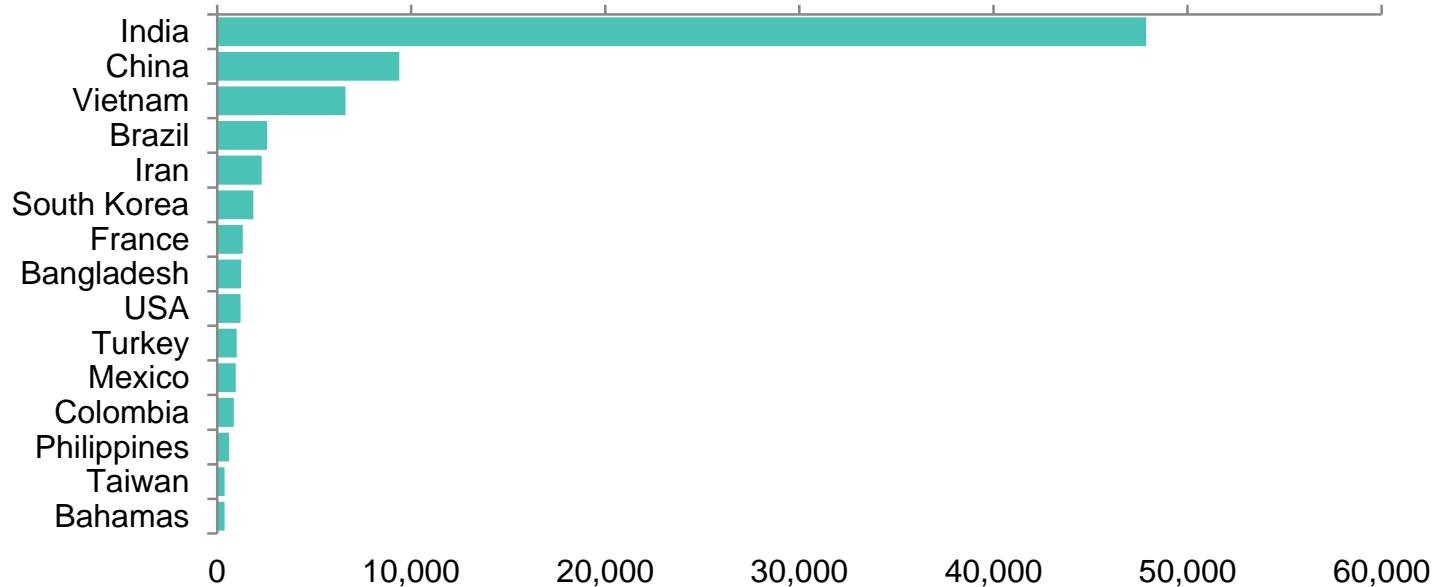
# Canada, the new kid on the block



Source: Immigration Refugees and Citizenship Canada

# Canada, the new kid on the block

Largest net gain in inbound mobility to Canada, 2016-17



Source: *Immigration Refugees and Citizenship Canada*

# Canada, the new kid on the block

“You would not believe the students that Canadian universities are accepting. It’s great business for me but this is not sustainable. There will be a backlash.”

-Anonymous Indian education agent interviewed in June 2018

# Canada, the new kid on the block

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## "Fire fighting": the impact of Canada's international student growth laid bare

Posted on Nov 28, 2018 by Amy Baker

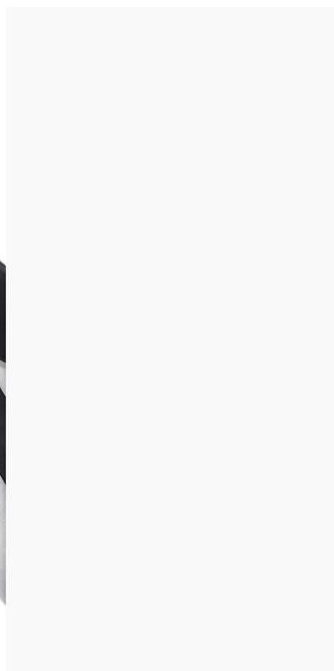
Posted in Immigration, News, Under North America.

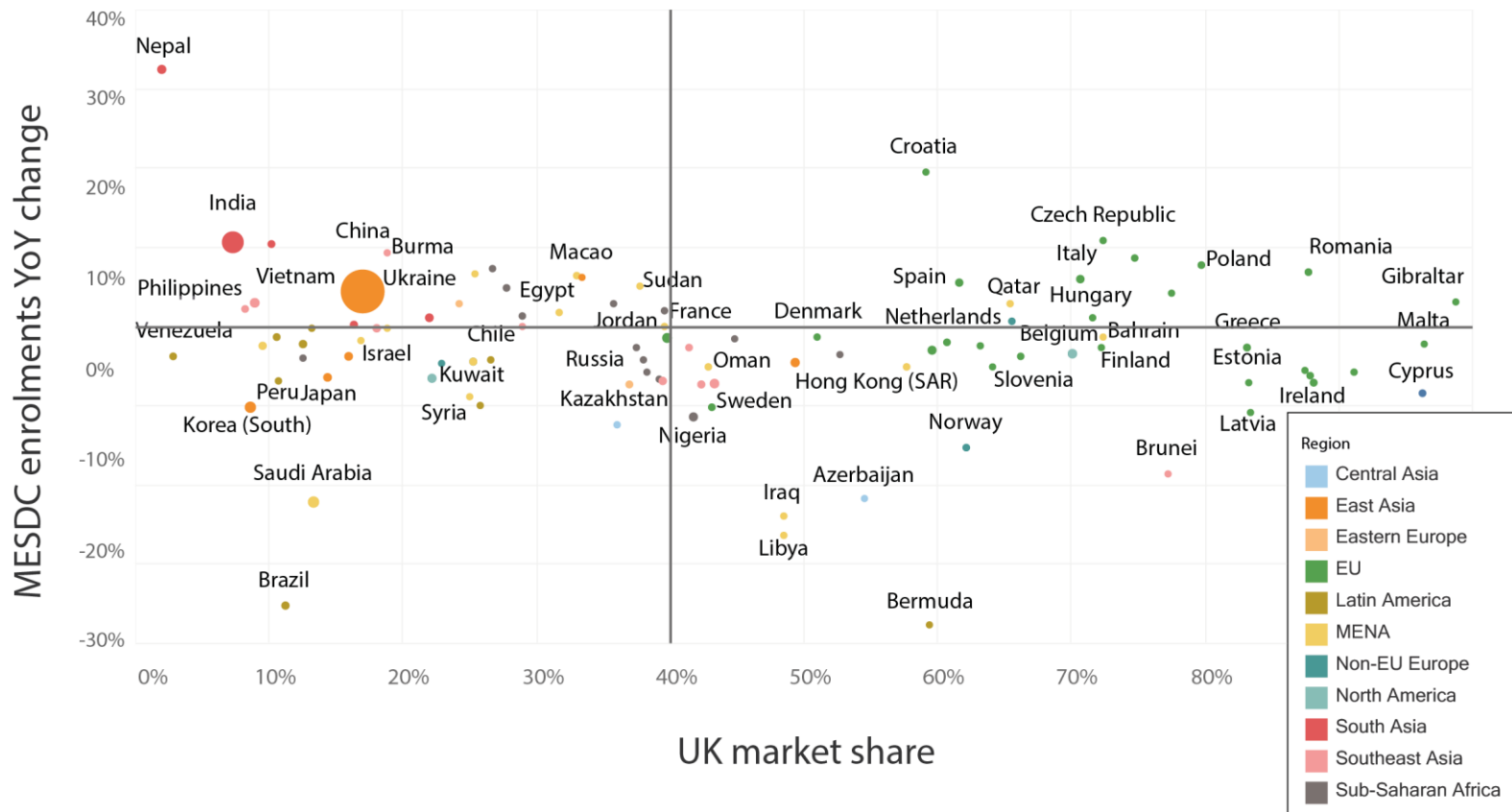
Tagged with: Canada, CRIE.

Bookmark the permalink.

"It has been explosive. It has been explosive for our faculty and our support staff and for the community at large as well," related Jim Whiteway, director of international education at [Loyalist College](#) in Belleville, ONT.







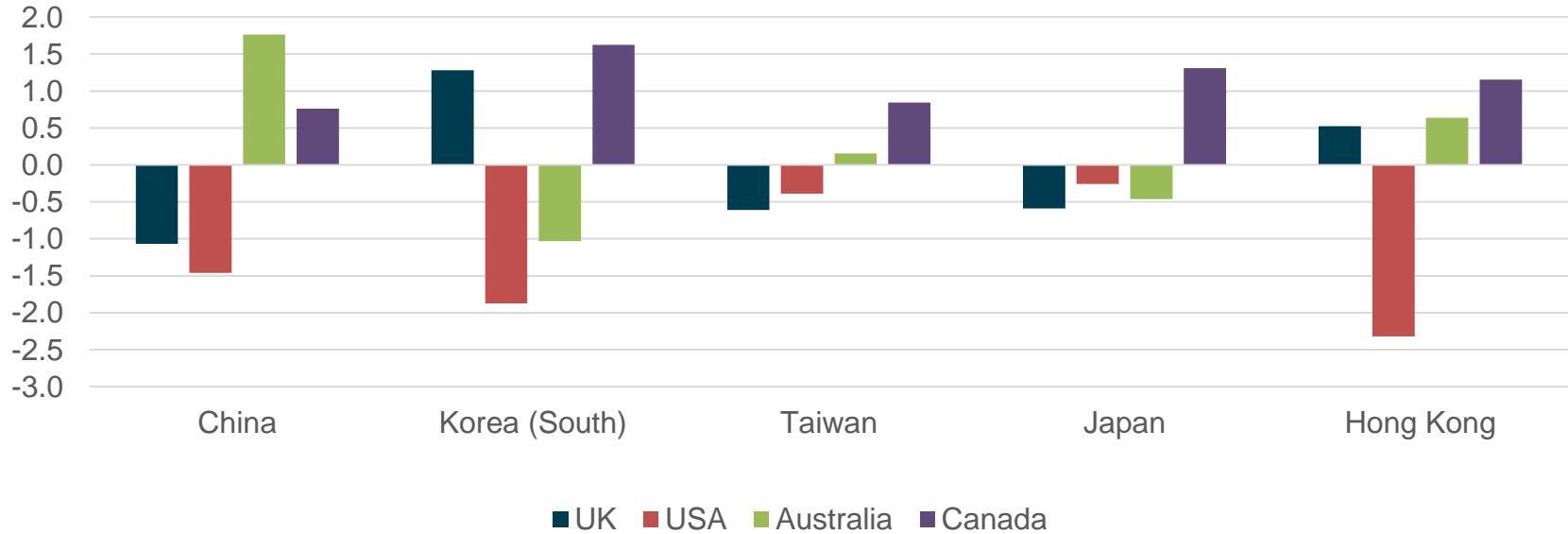
## A quick trip around key regions





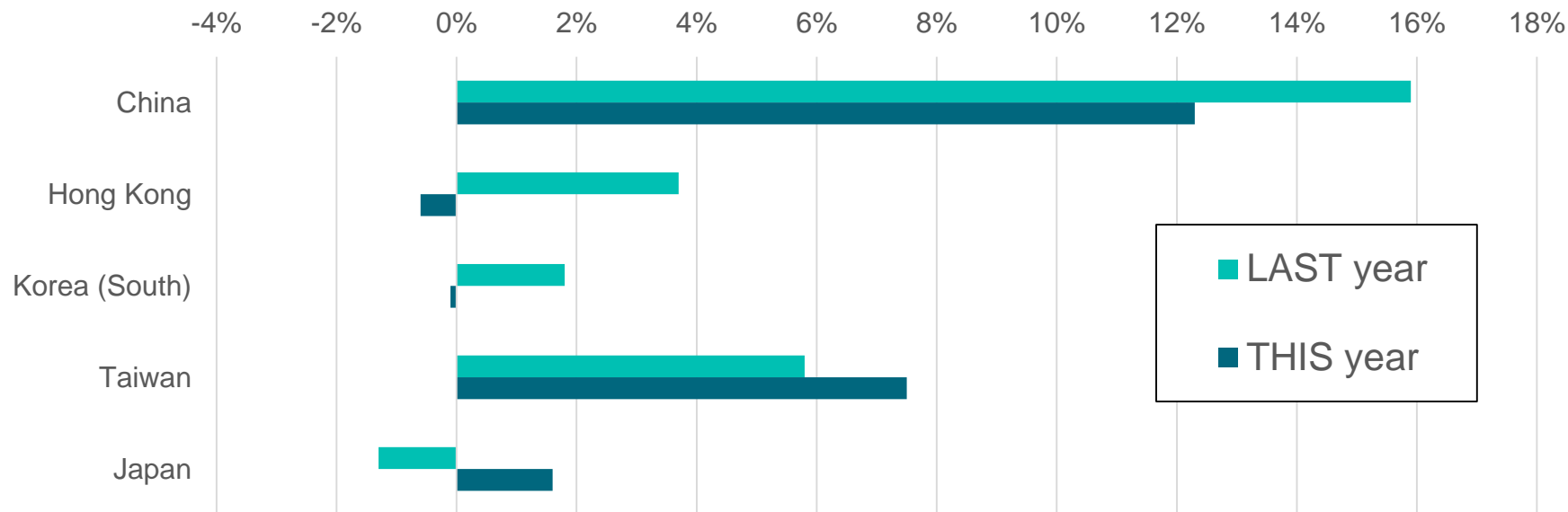
# East Asia

East Asia change in market share 2014/15 – 2016/17



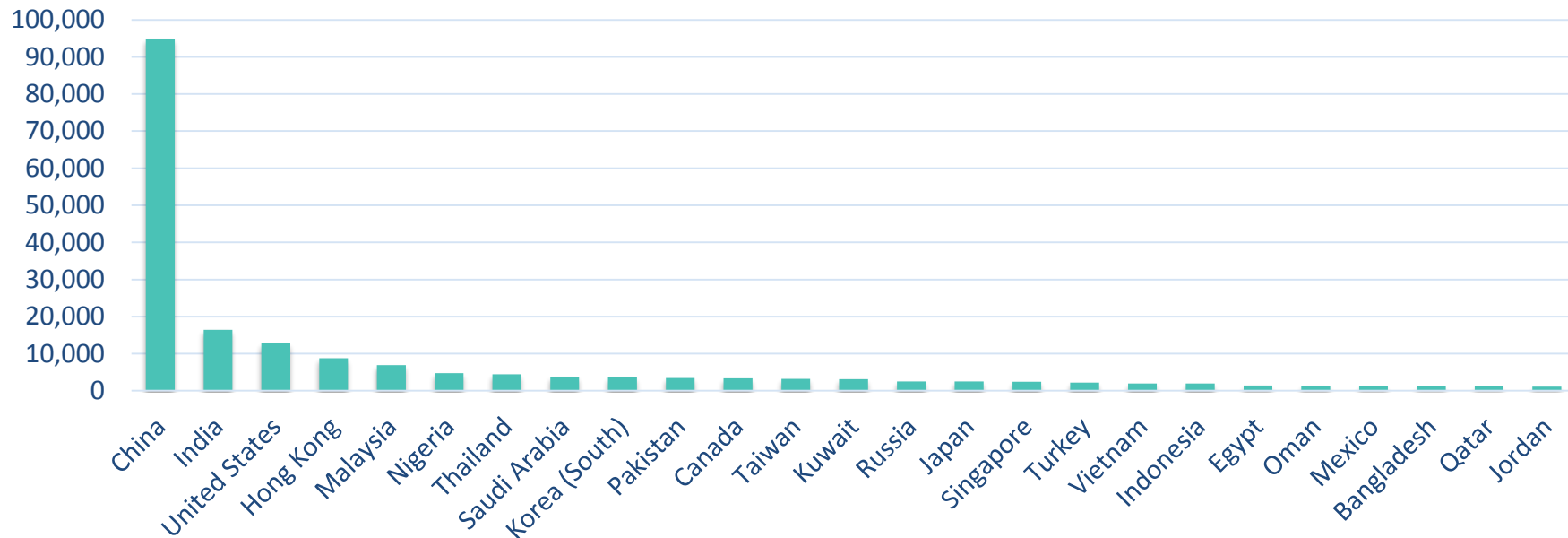
# East Asia

Annual % change in UK study visa issuance (Q1-Q3)



# East Asia: China dominance

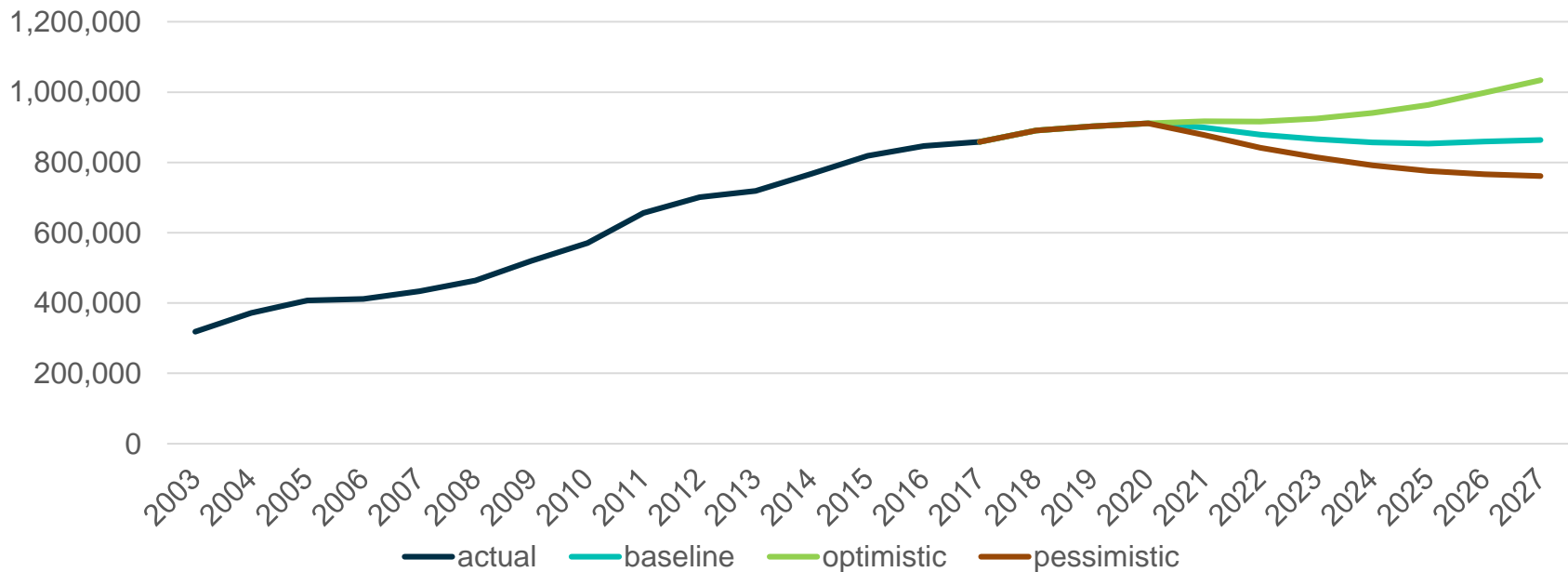
## 2018 study visa issuance (main applicants) Q1-Q3



Source: Home Office

# East Asia

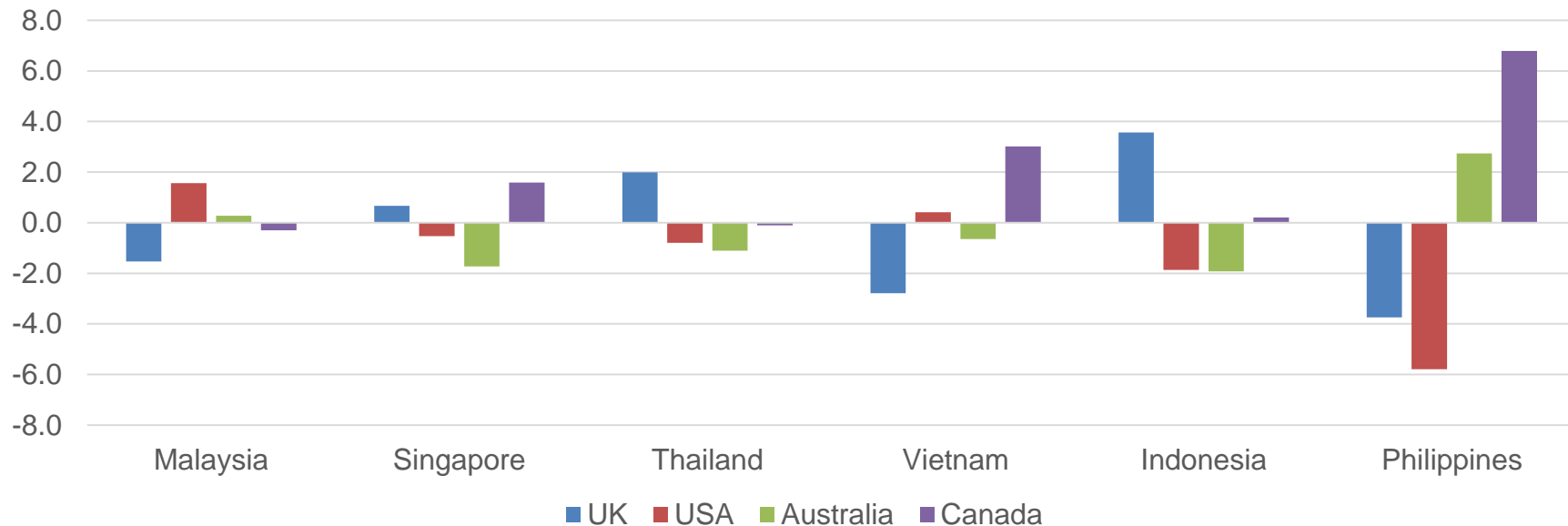
## China total enrolments overseas





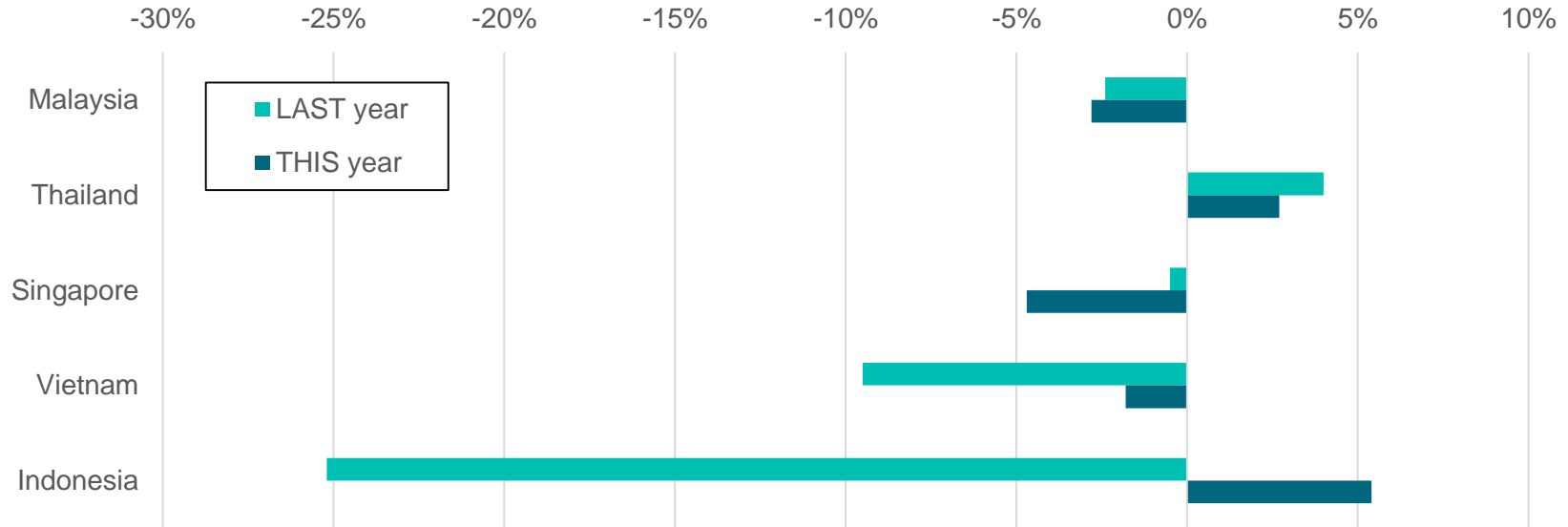
# Southeast Asia

% Change in market share, 2014/15 through 2016/17



# Southeast Asia

Annual % change in UK study visa issuance (Q1-Q3)

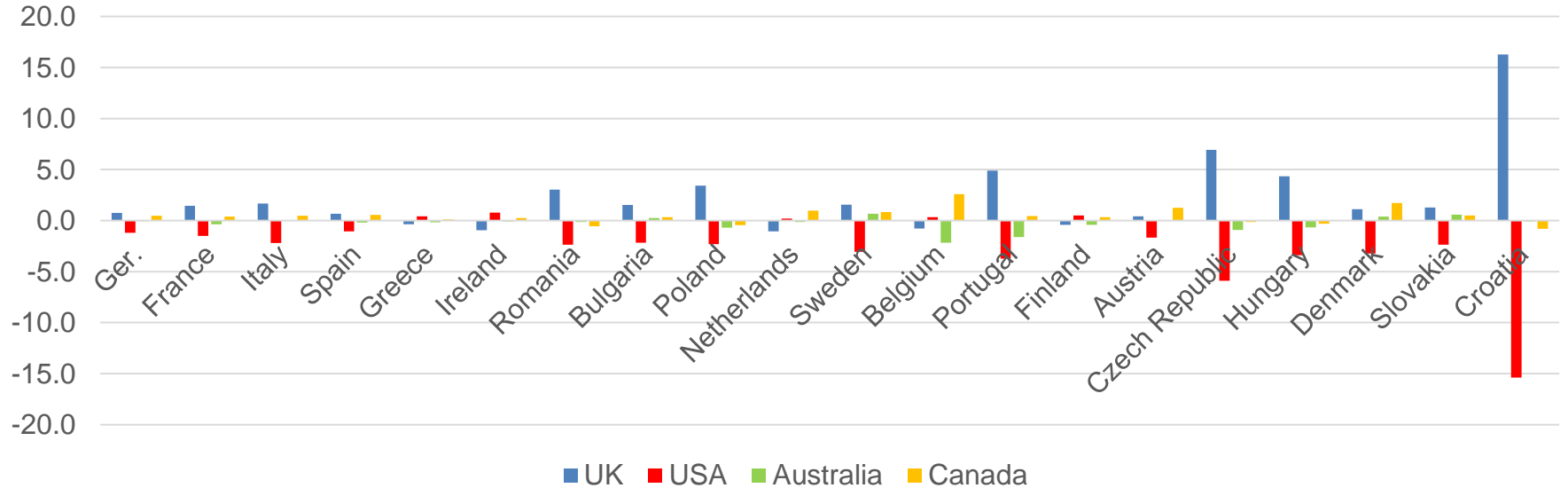






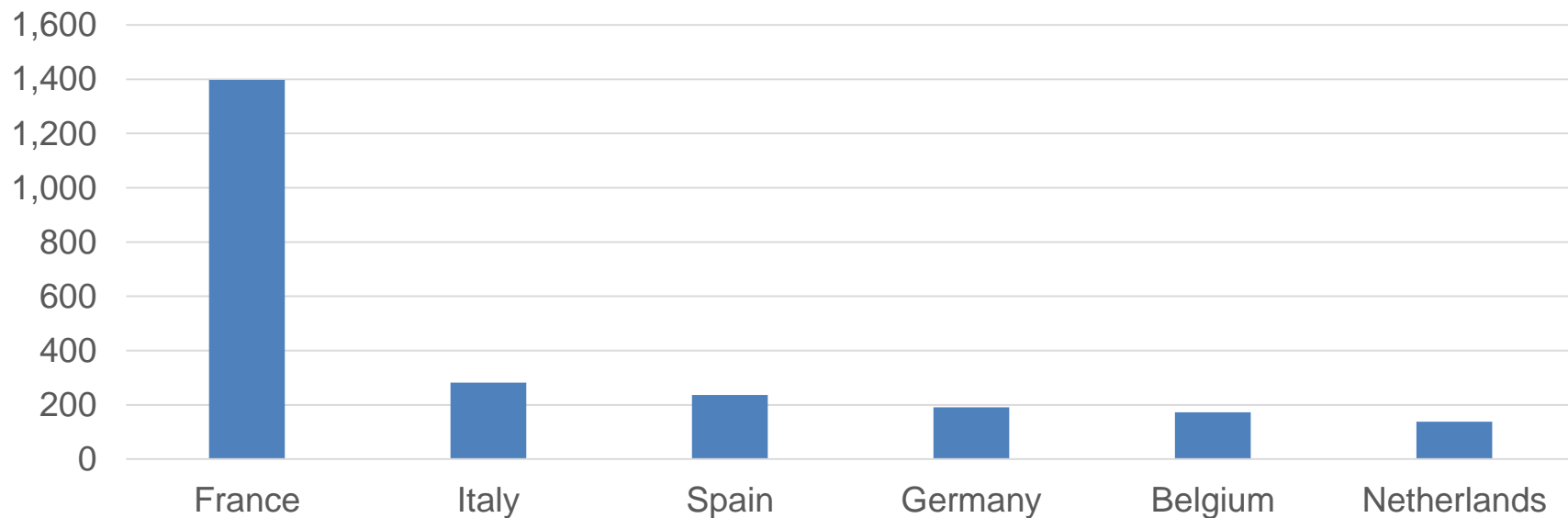
# EU: Changes in market share

% Change in market share, 2014/15 through 2016/17



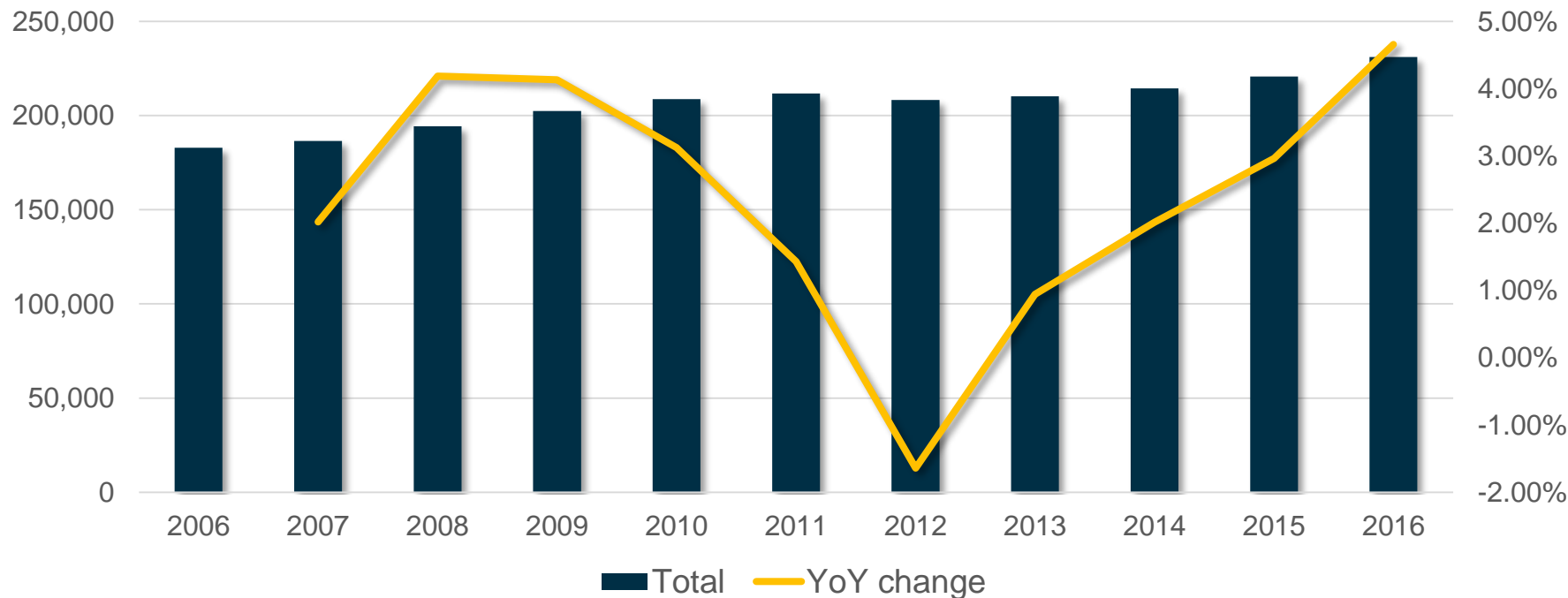
# EU: Canada's gains

Canada's absolute gains in EU, 2014/15-2016/17



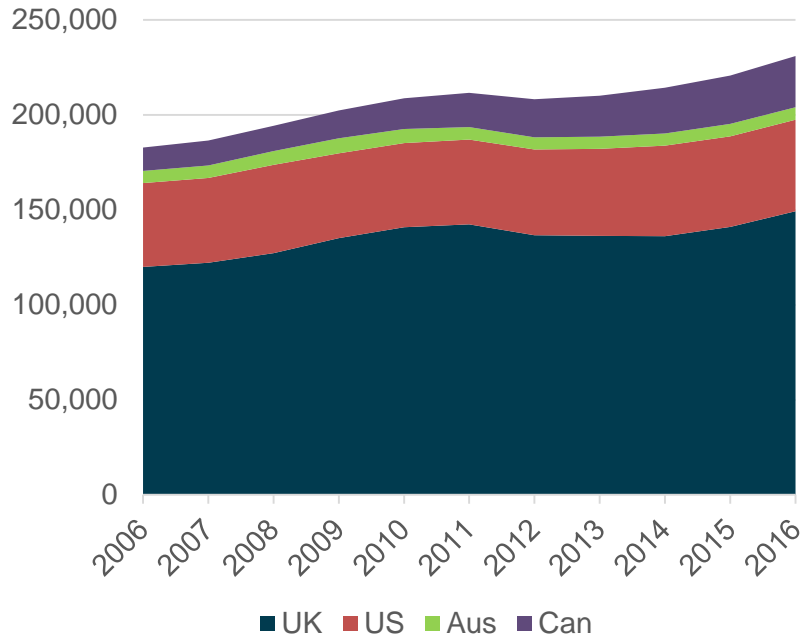
# EU market growth

EU enrolments in the MESDCs (excluding UK students)

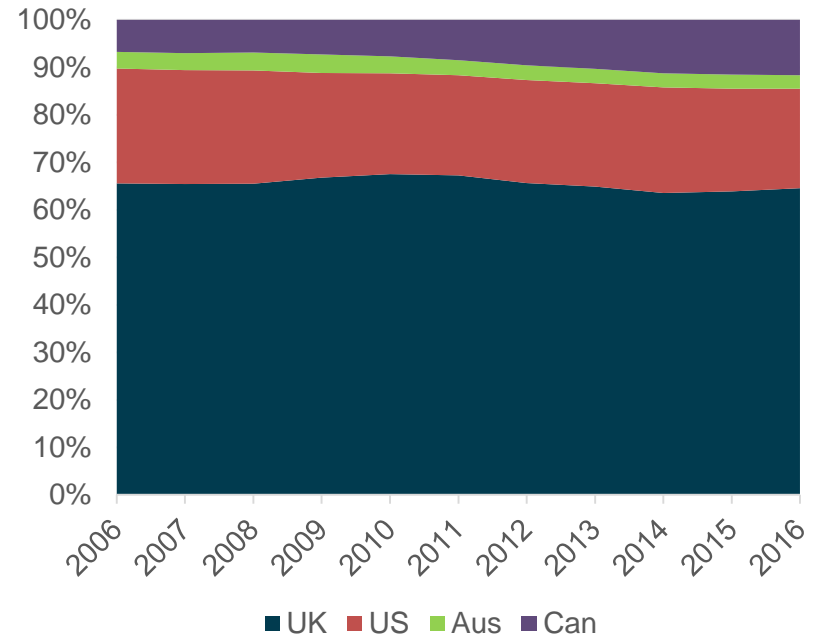


# EU market growth

EU enrolments in the MESDCs

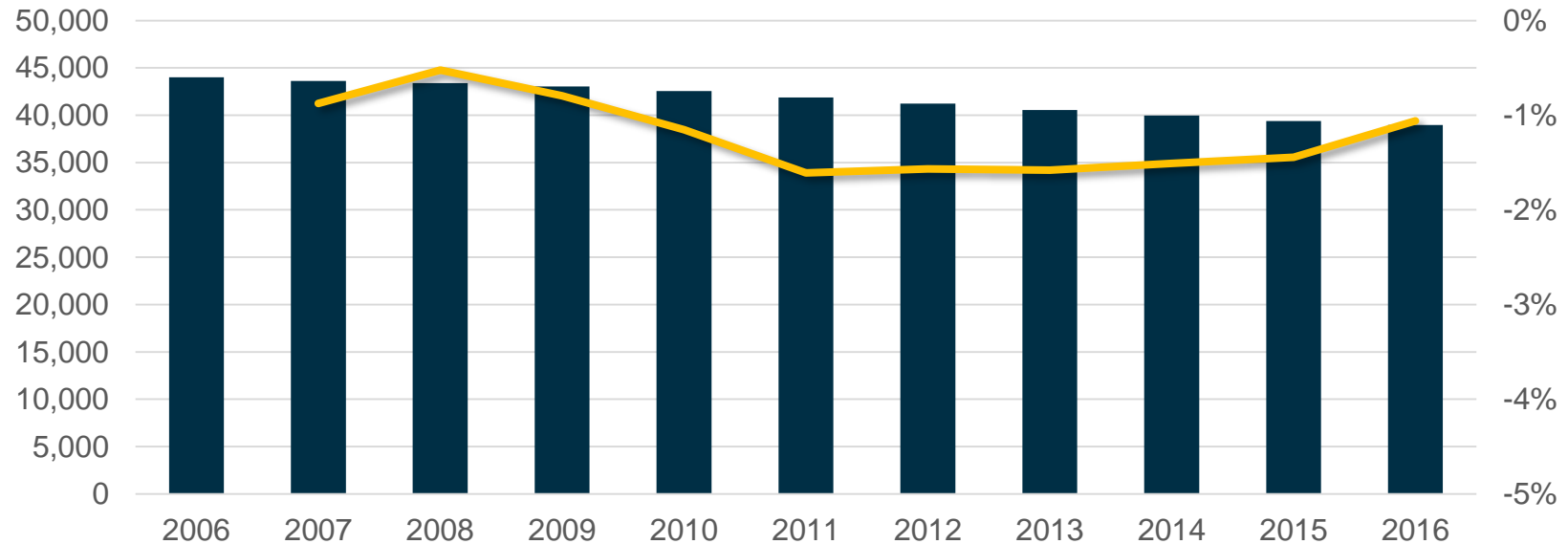


EU enrolments in the MESDCs

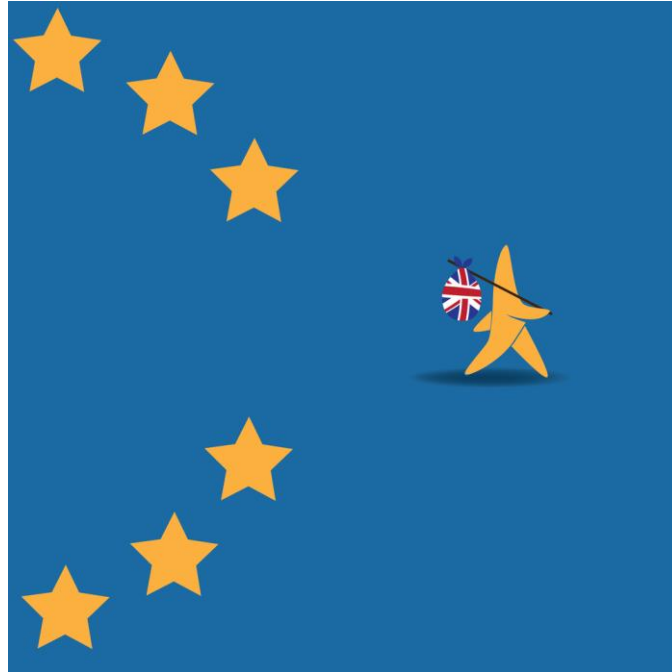


# EU market fundamentals

EU population ages 17-24 (excluding UK)



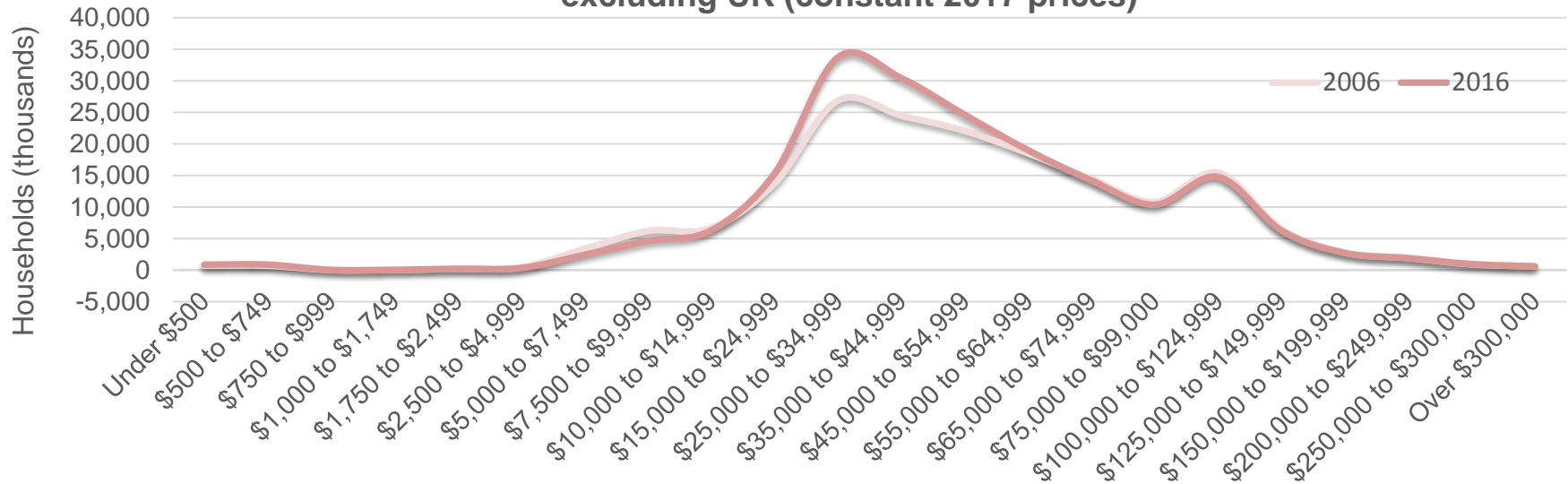
# EU: But what next?



# EU market fundamentals

While there was some growth in household incomes across the EU from 2006 to 2016, the number households earning more above US\$45,000 (approx. £35,000) declined by 1.2%.

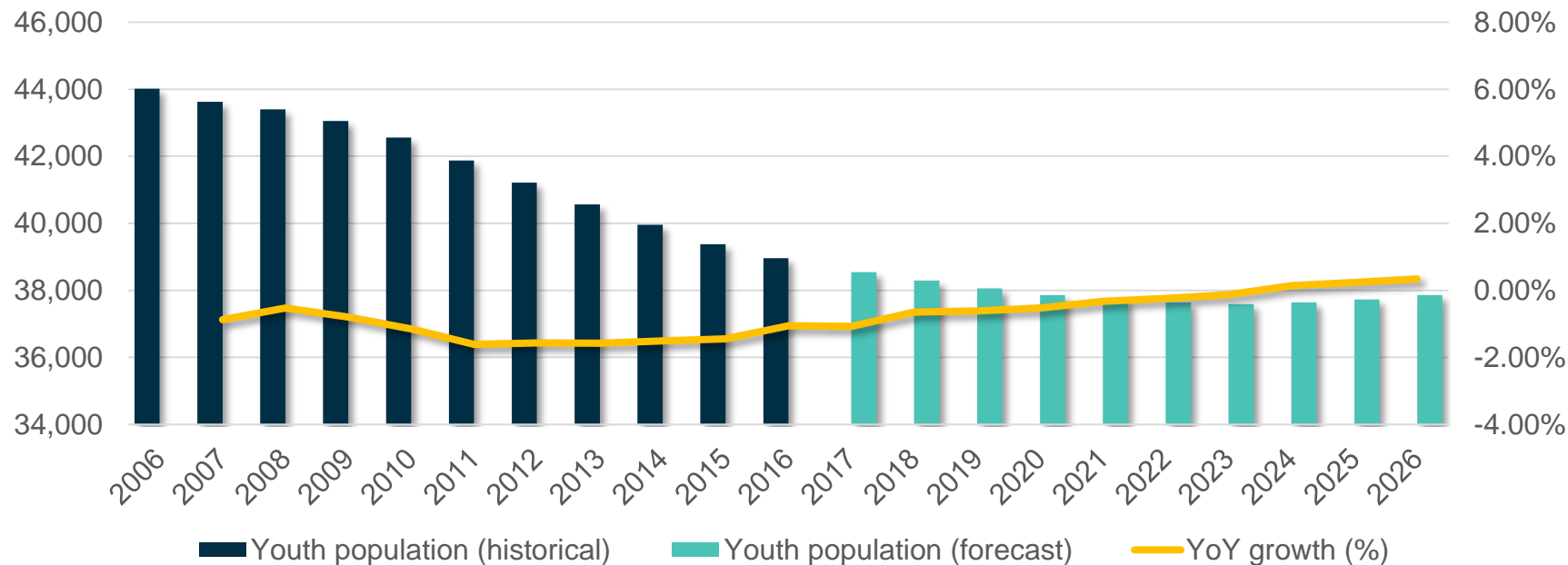
Distribution of disposable household incomes in the EU, excluding UK (constant 2017 prices)





# EU market fundamentals

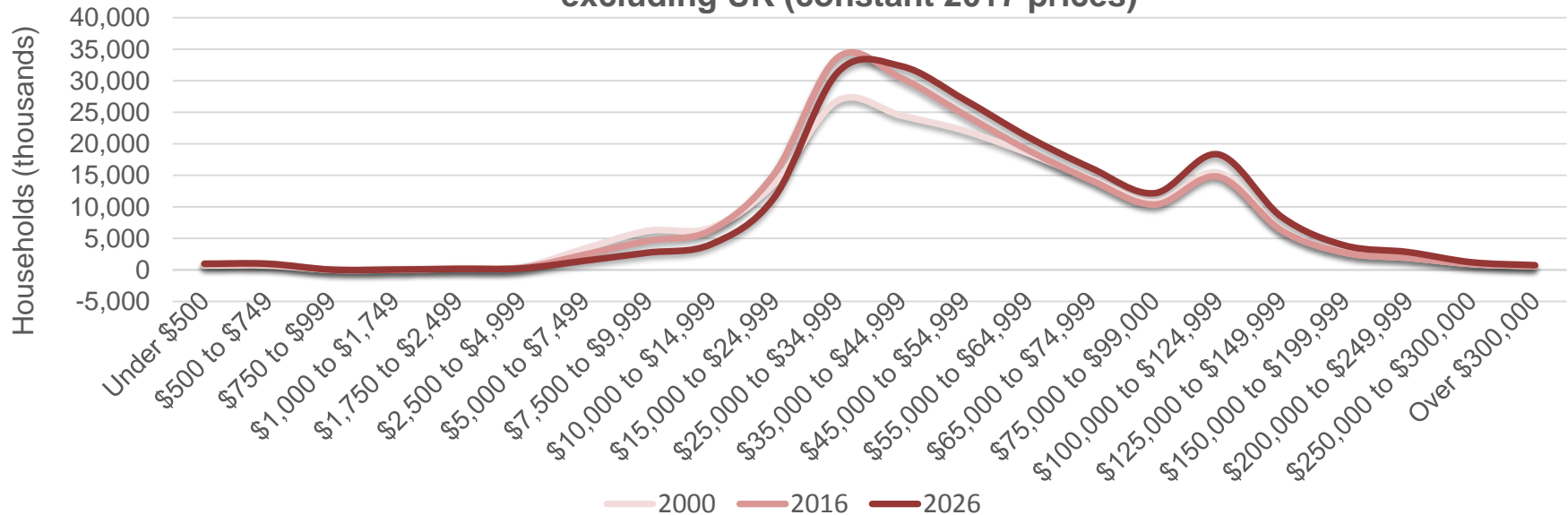
EU youth population ages 17-24 (excluding UK)



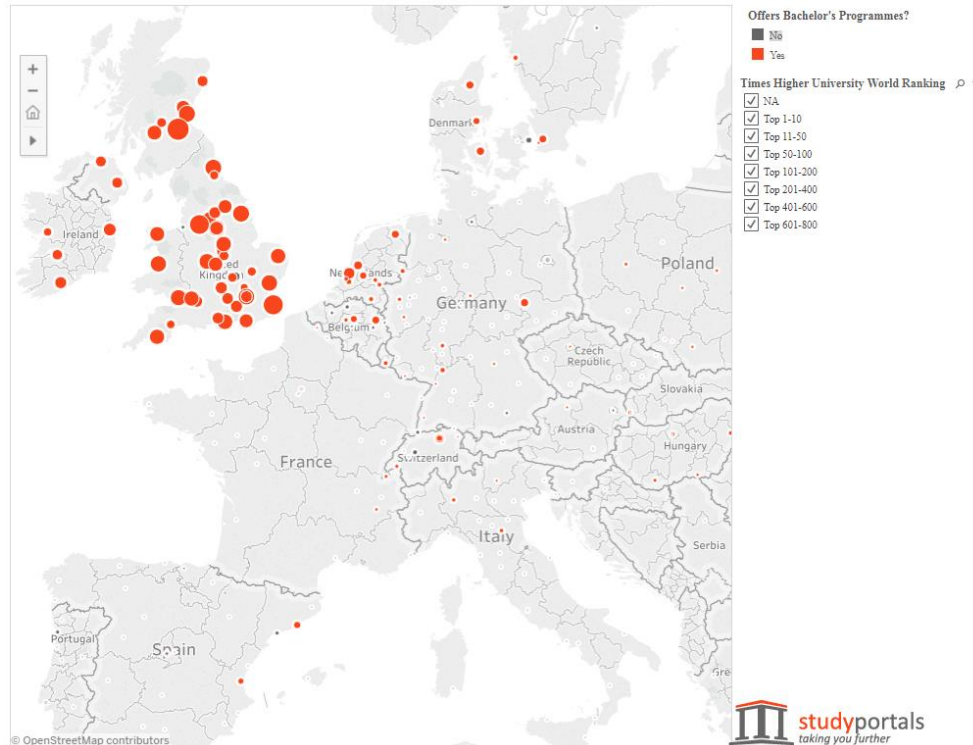
# EU market fundamentals

Current baseline forecasts suggest stronger economic fundamentals to 2026, with the number of households earning above £35,000 is forecast to rise by 19.5% -- an additional 14.2 million households.

Distribution of disposable household incomes in the EU, excluding UK (constant 2017 prices)



# Competition on the continent



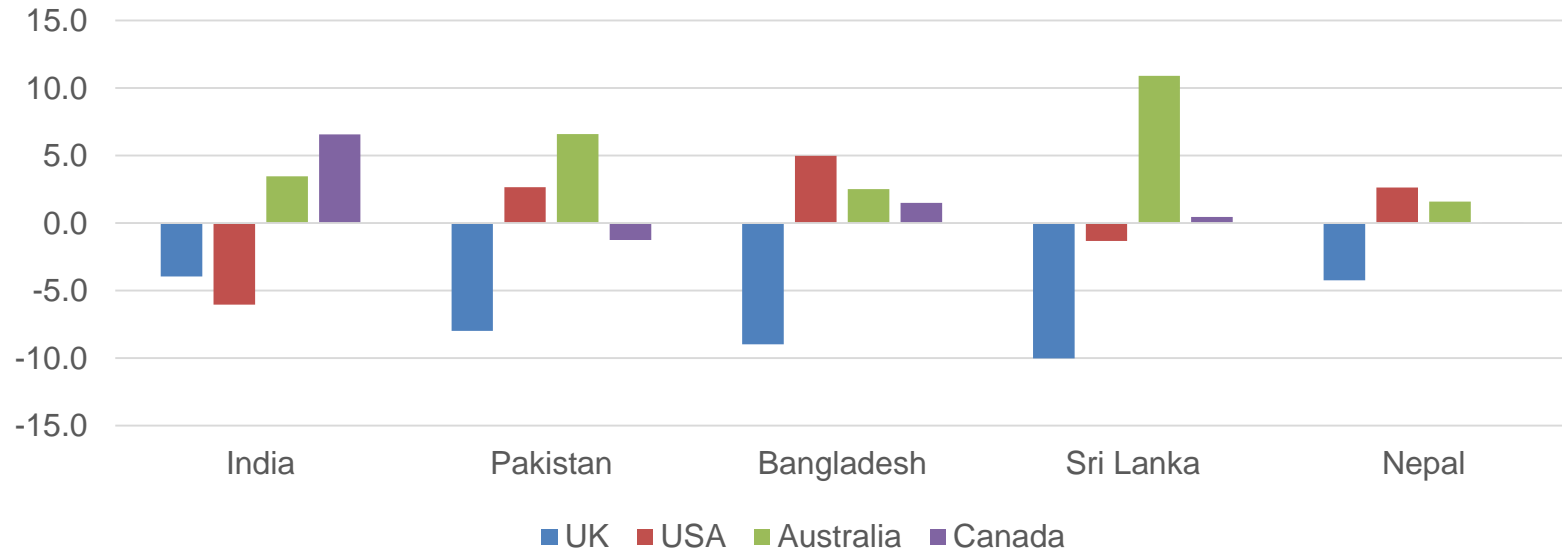
## Post- (possible) Brexit

- Our market dominance was achieved through a pricing advantage.
- Whatever market remains for premium HE will be much more competitive.



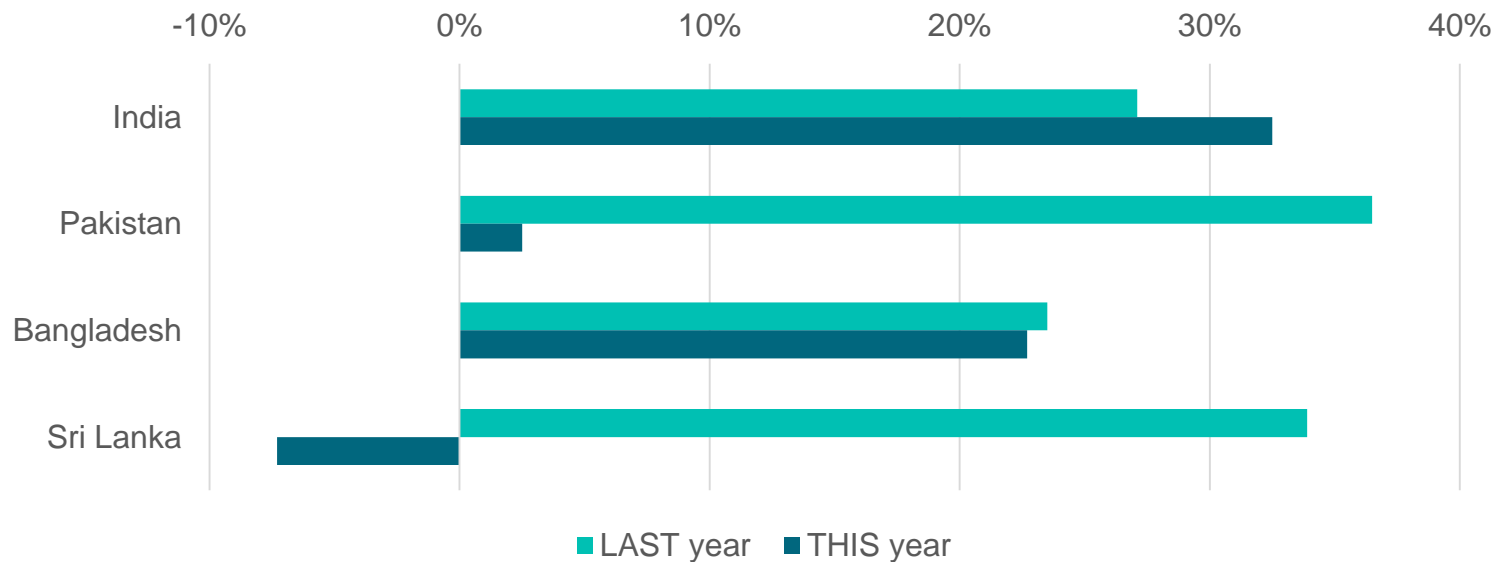
# South Asia

% Change in market share, 2014/15 through 2016/17



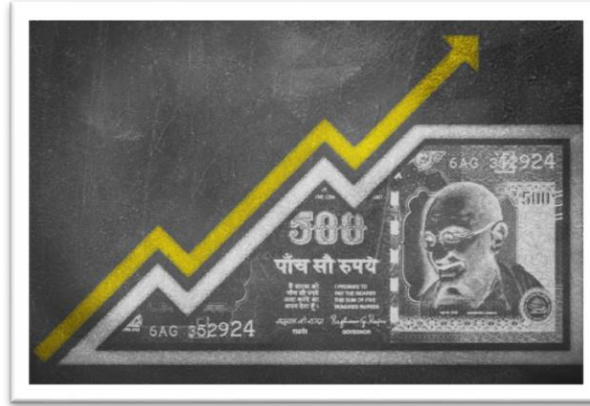
# South Asia

Annual % change in UK study visa issuance (Q1-Q3)



Source: Home Office

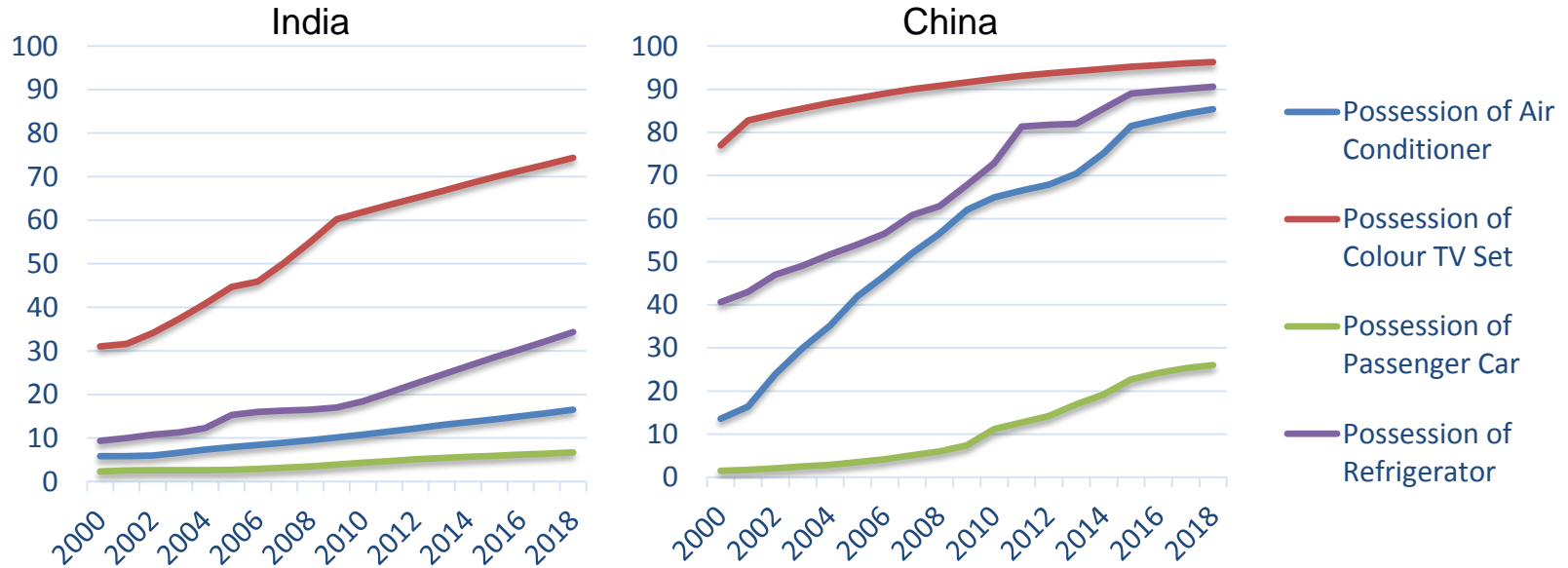
# Two narratives for India





# Two narratives for India

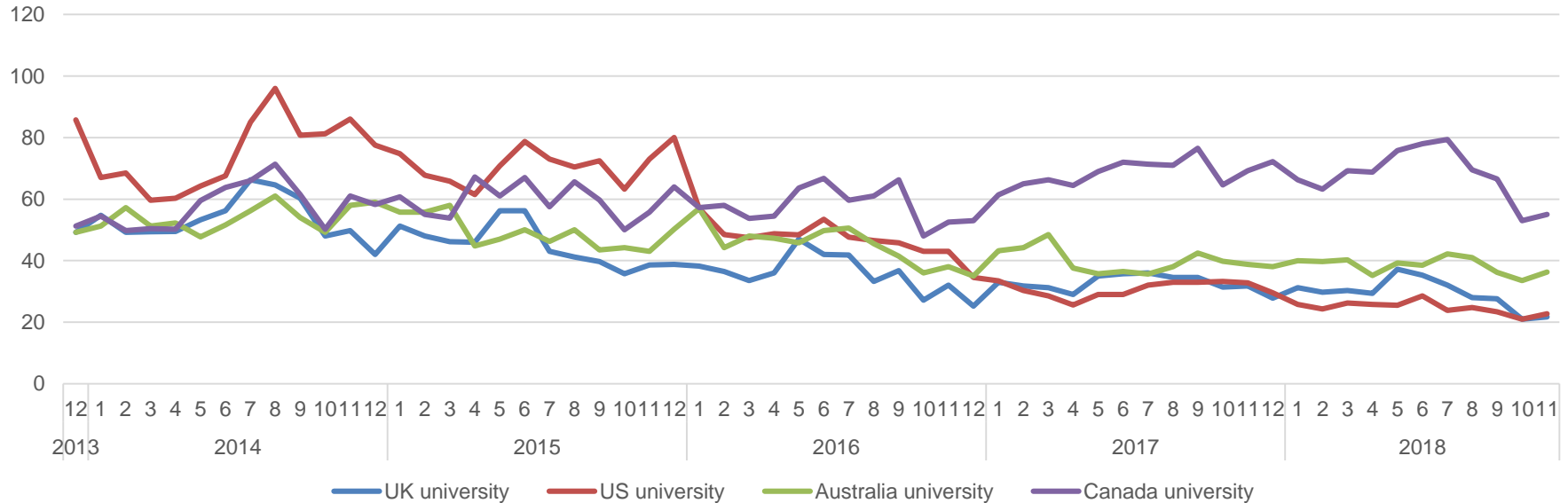
## Possession of consumer durable goods (% of households)



Source: Euromonitor

# India: Advantage Canada?

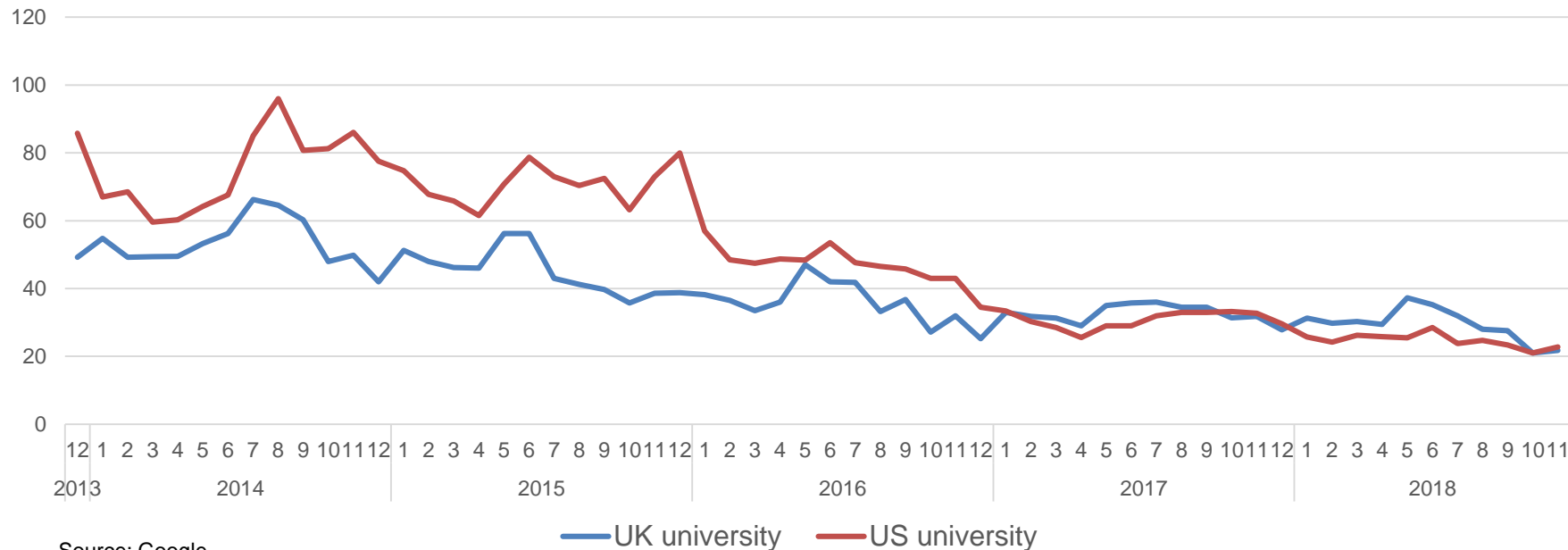
Google search trends in India related to MESDCs (monthly averages)



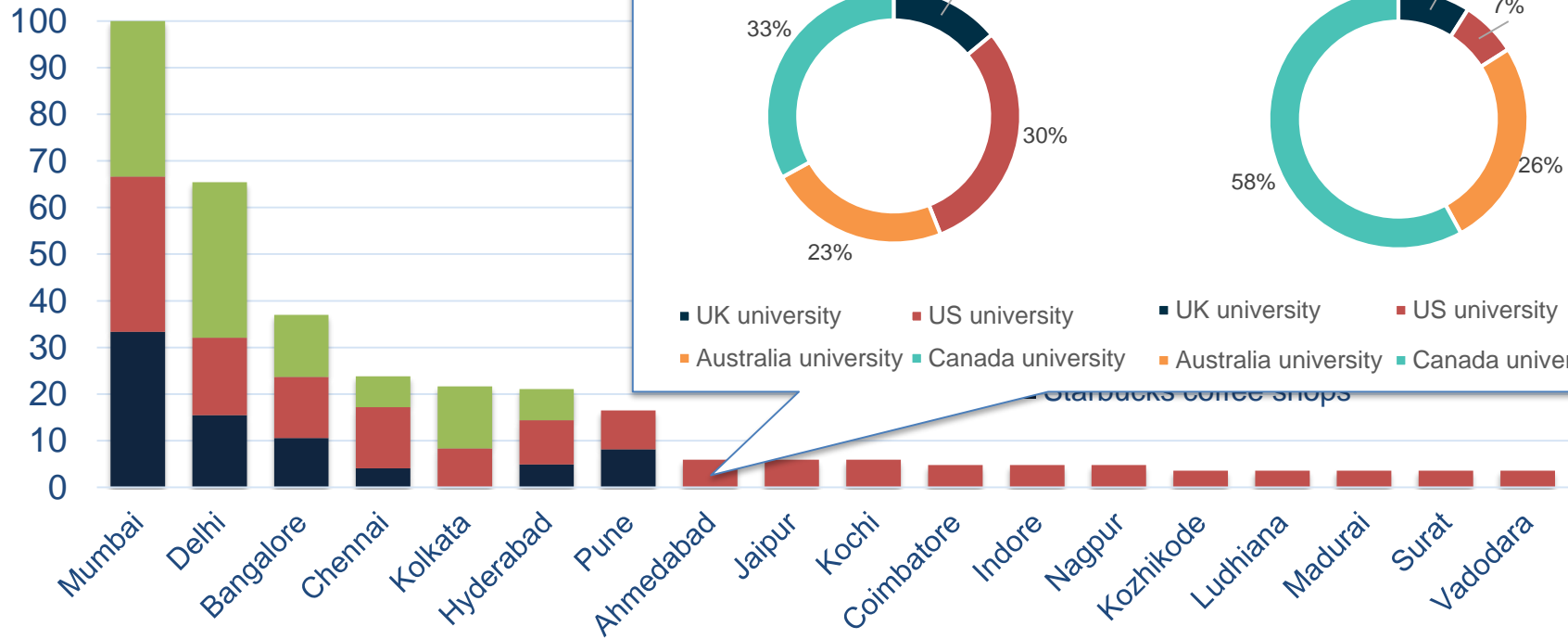
Source: Google

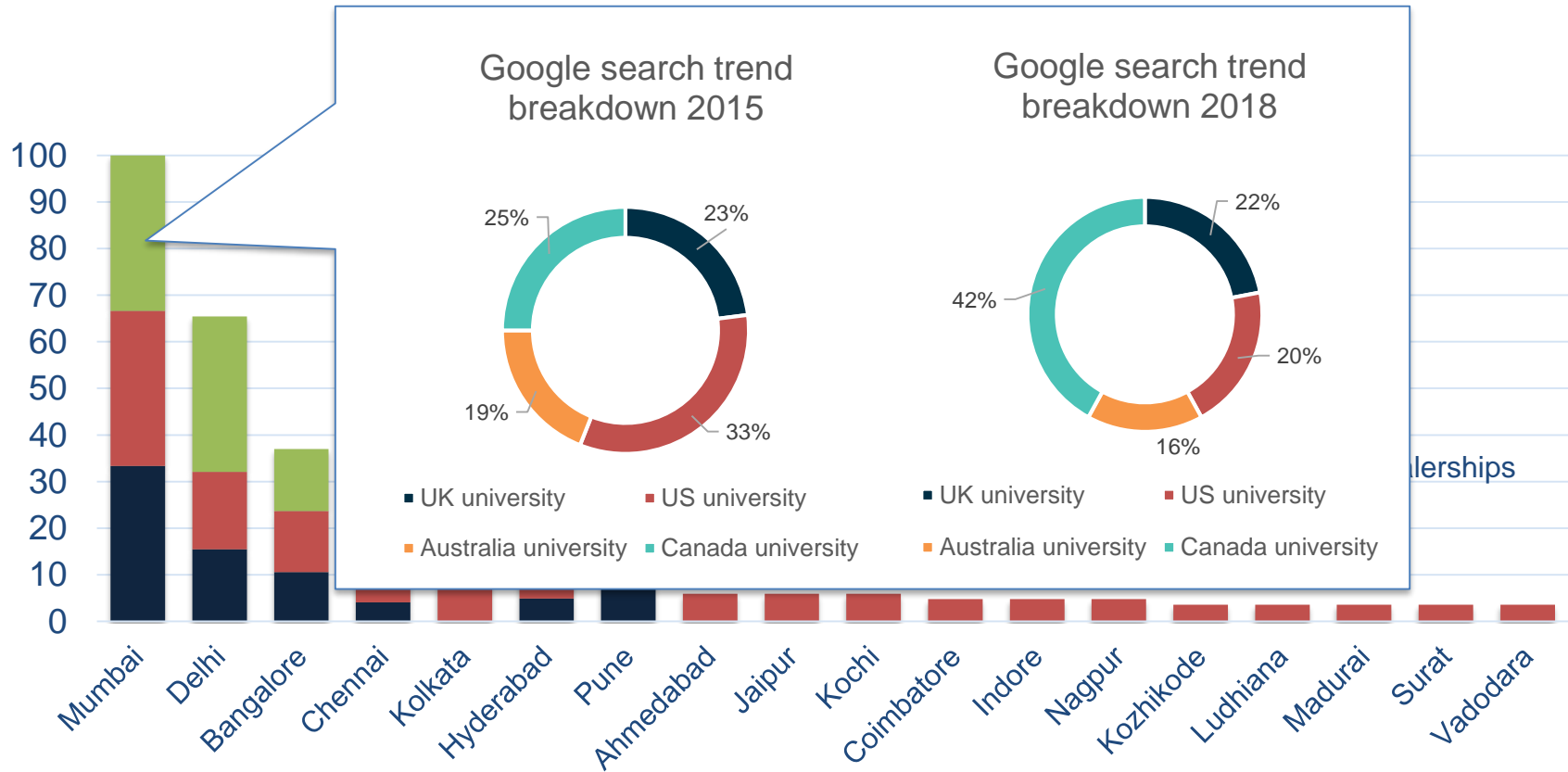
# India: US and UK swap places in search interest

Google search trends in India related to MESDCs (monthly averages)

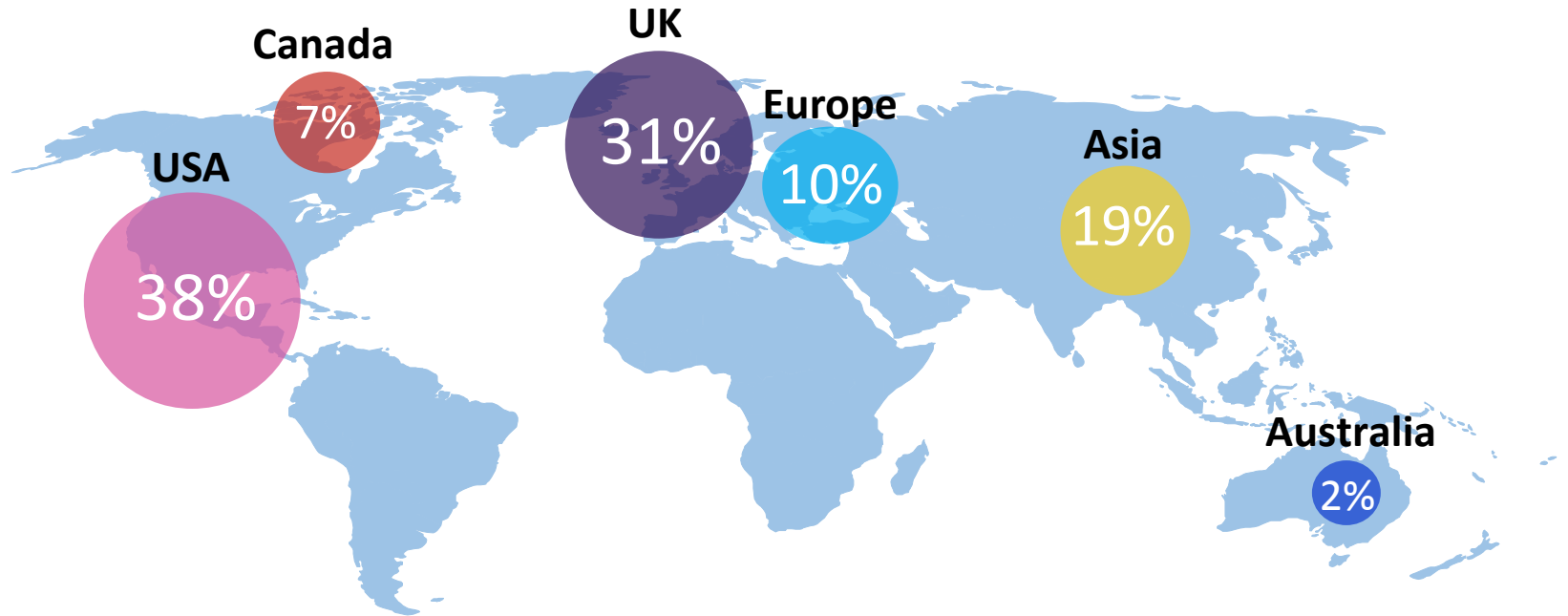


Source: Google

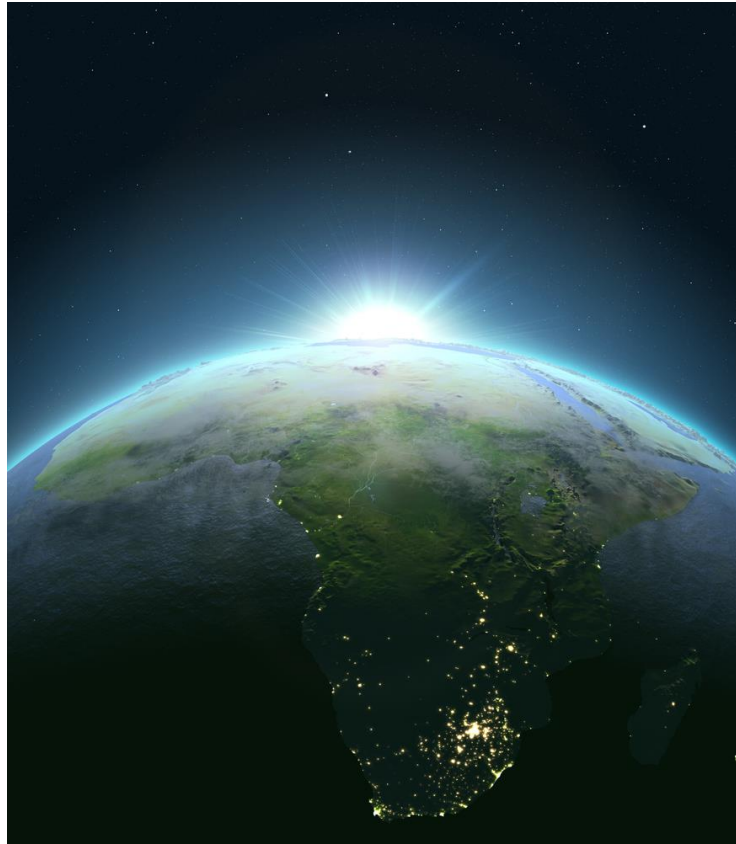




We analysed over 1 million social media posts in China mentioning overseas education and found that nearly a third referenced the UK. While the UK narrowly trailed the US in terms of volume, we ranked first in terms of posts with positive sentiments.

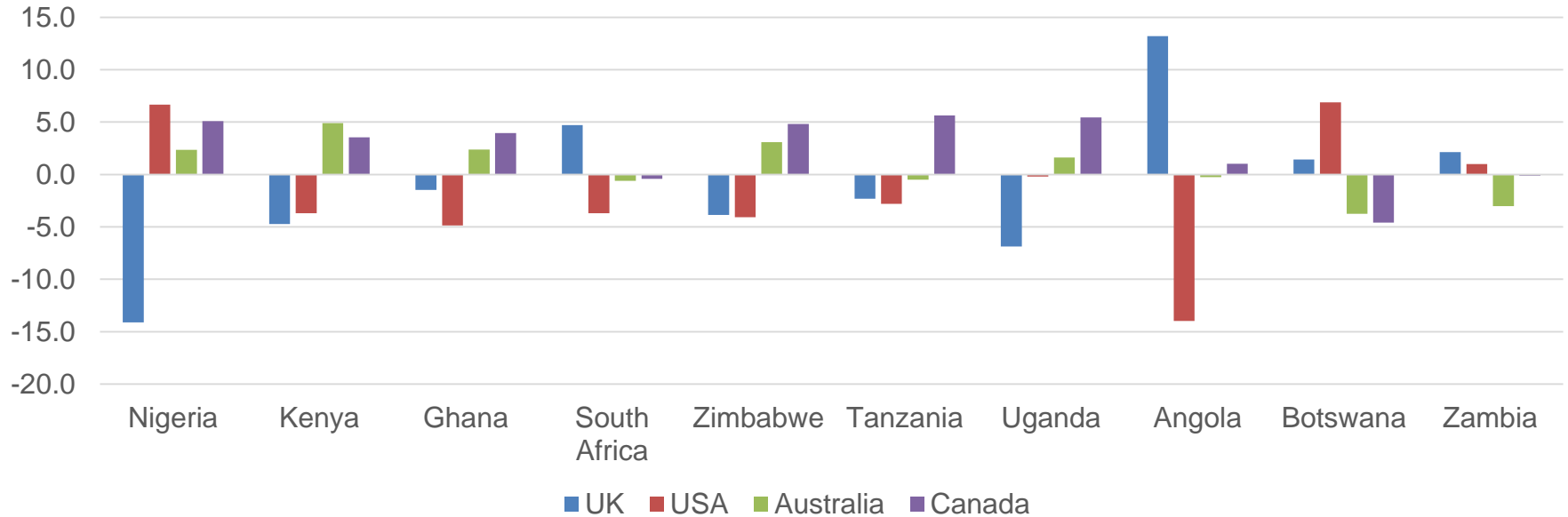


Base: 1,118,118 Weibo posts mentioning education and the UK or key competitor countries, March 2015 – Feb 2016



# Sub-Saharan Africa

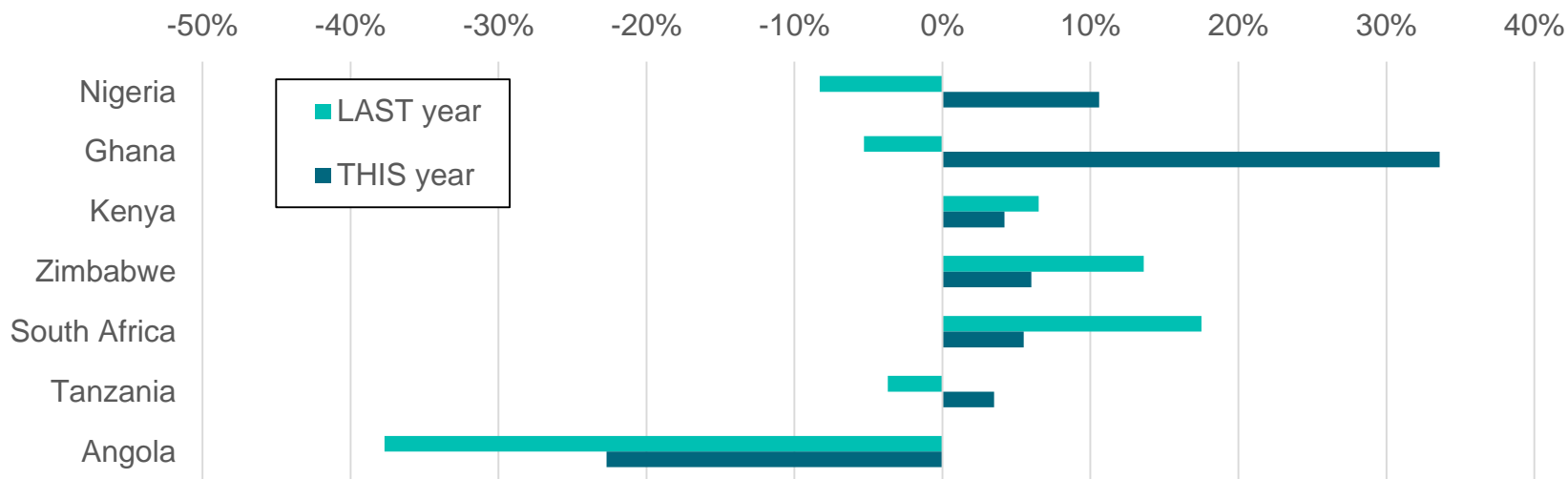
% Change in market share, 2014/15 through 2016/17





# Sub-Saharan Africa

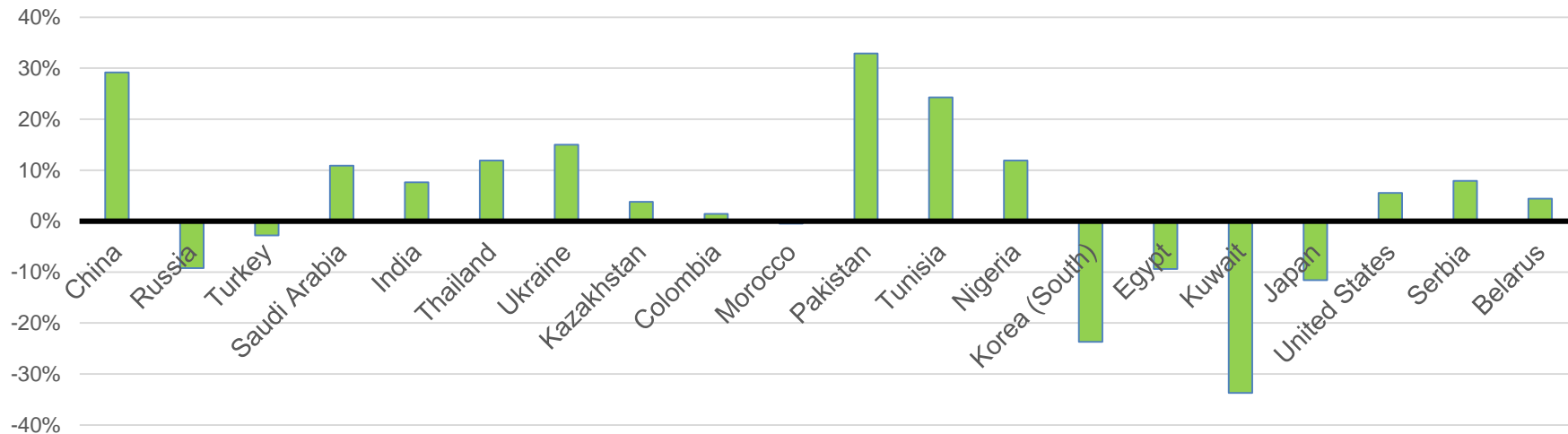
Annual % change in UK study visa issuance (Q1-Q3)



## Loose ends: Short-term study

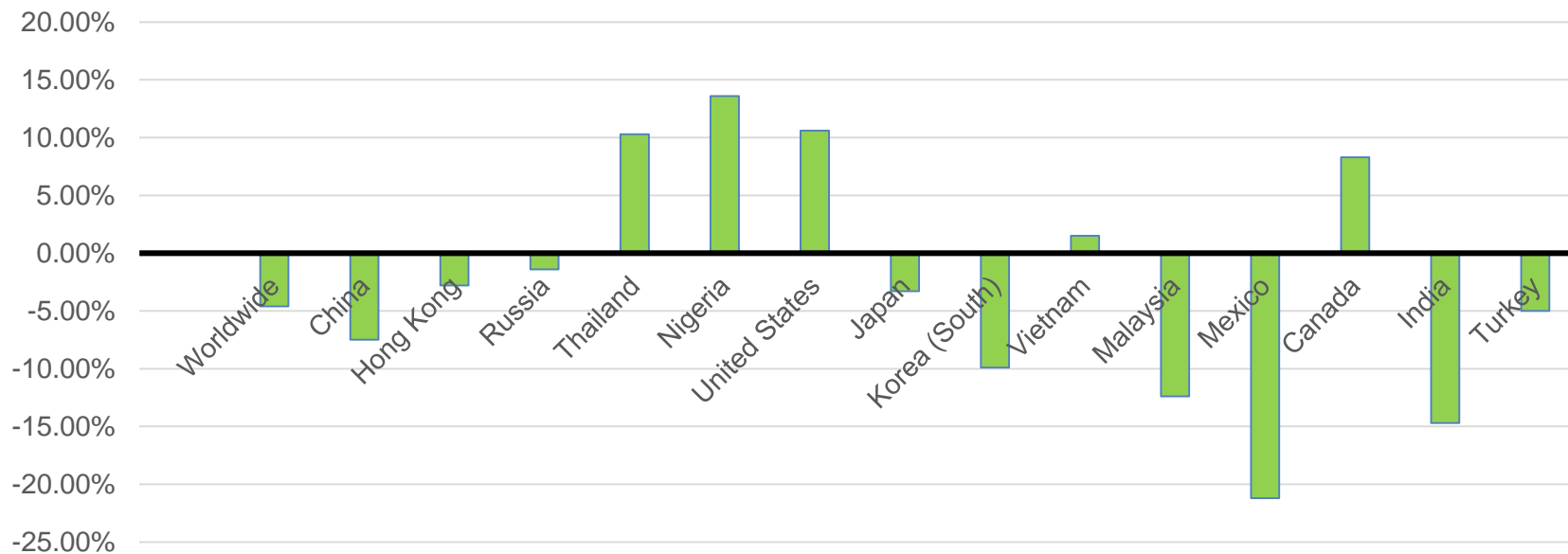
*Global short-term study visa grew by 7.3% year on year, but that is much slower than the 24.5% expansion posted in 2017.*

Short-term study visa issuance 2018 Q1-Q3, year-on-year % change



# Loose ends: Short-term study

Child T4 Study issuance 2018 Q1-Q3, year-on-year % change



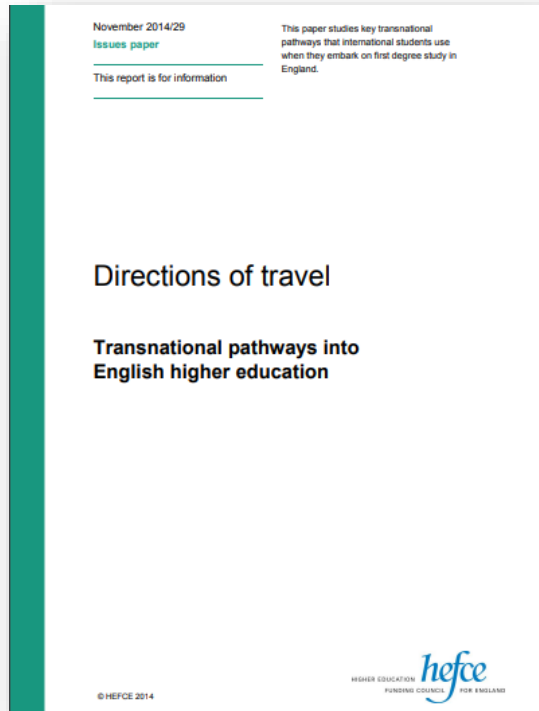
## Recruitment key takeaways

- Policy winds are not at our backs, but headwinds appear to be subsiding.
- Exchange rates will be favourable for UK student recruitment – or at least not unfavourable.
- Markets impacted by the commodity prices crash are rebounding.
- The US is our primary competitor and it is currently vulnerable in major markets.
- To recruit in the EU post-Brexit, we need to prepare for much more intense competition for students.

# Re-examining partnerships



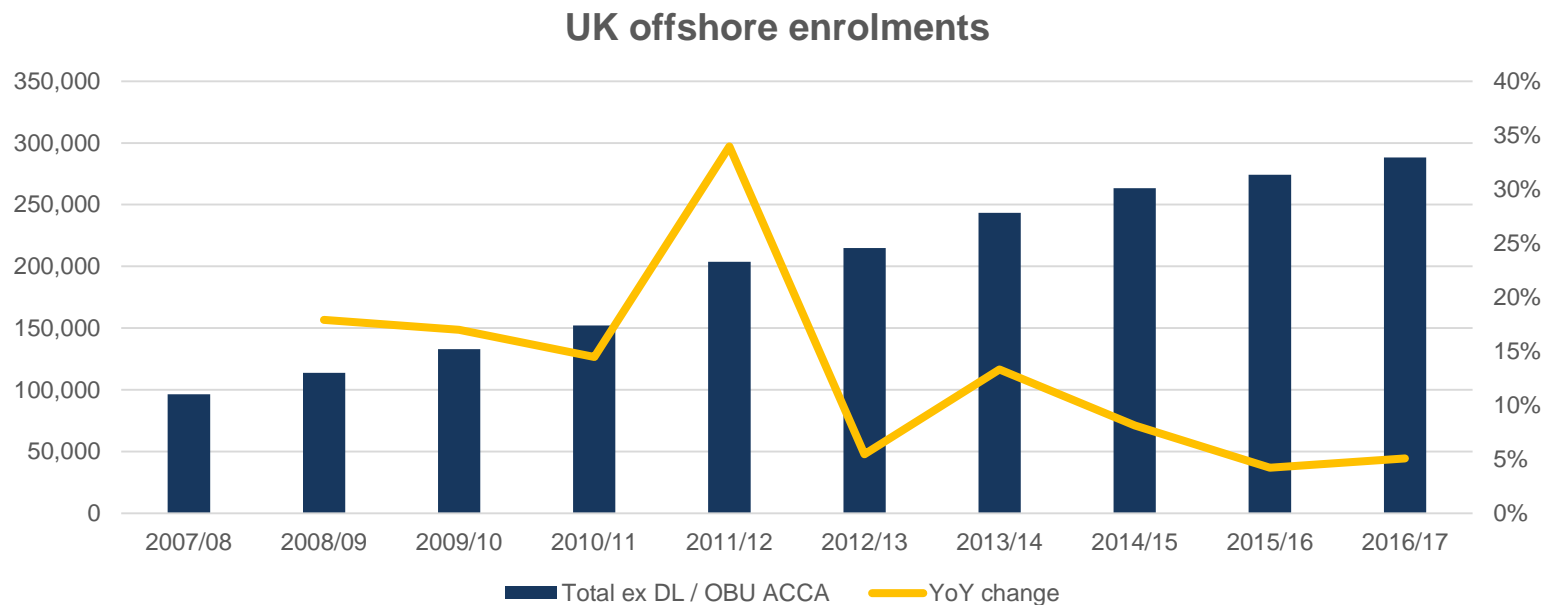
# Re-examining partnerships



<https://www.britishcouncil.org/education-services>

- Over a third of all international first degree entrants were recruited from transnational courses delivered overseas by UK HE providers, or partners working on their behalf.
- More than half of all first degree students from China and Malaysia commence their first degree directly from UK transnational education delivered overseas
- Transnational students provided a cushion in areas where decline was experienced in the direct entry of international students to first degree programmes in 2012-13

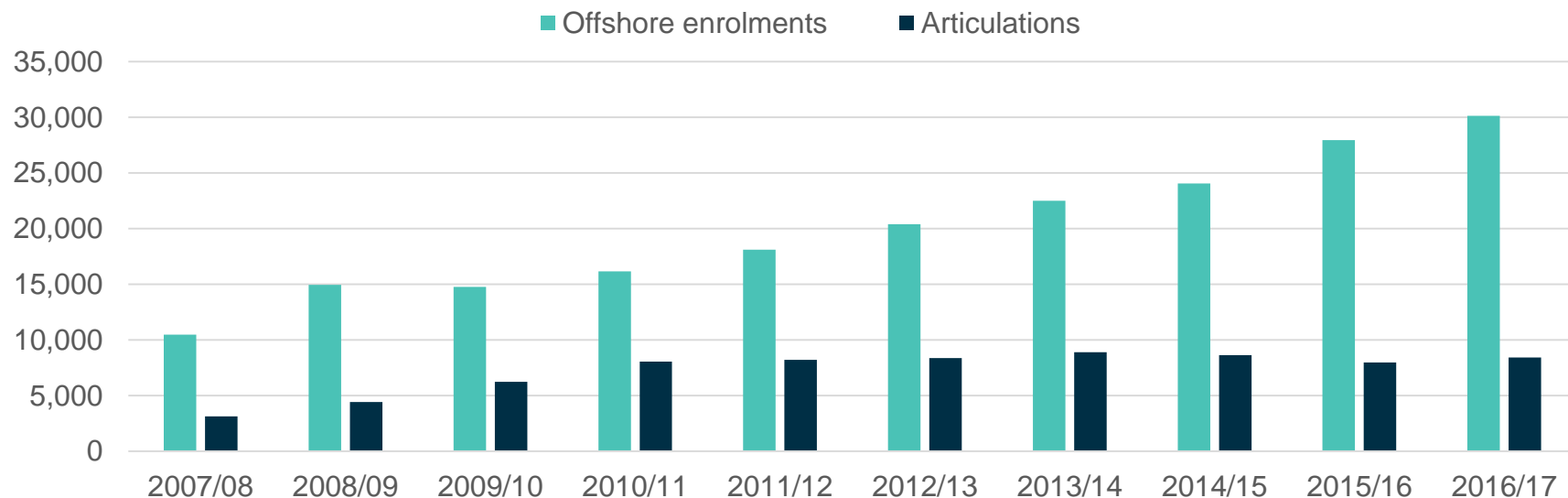
# Re-examining partnerships



Source: HESA Offshore Record

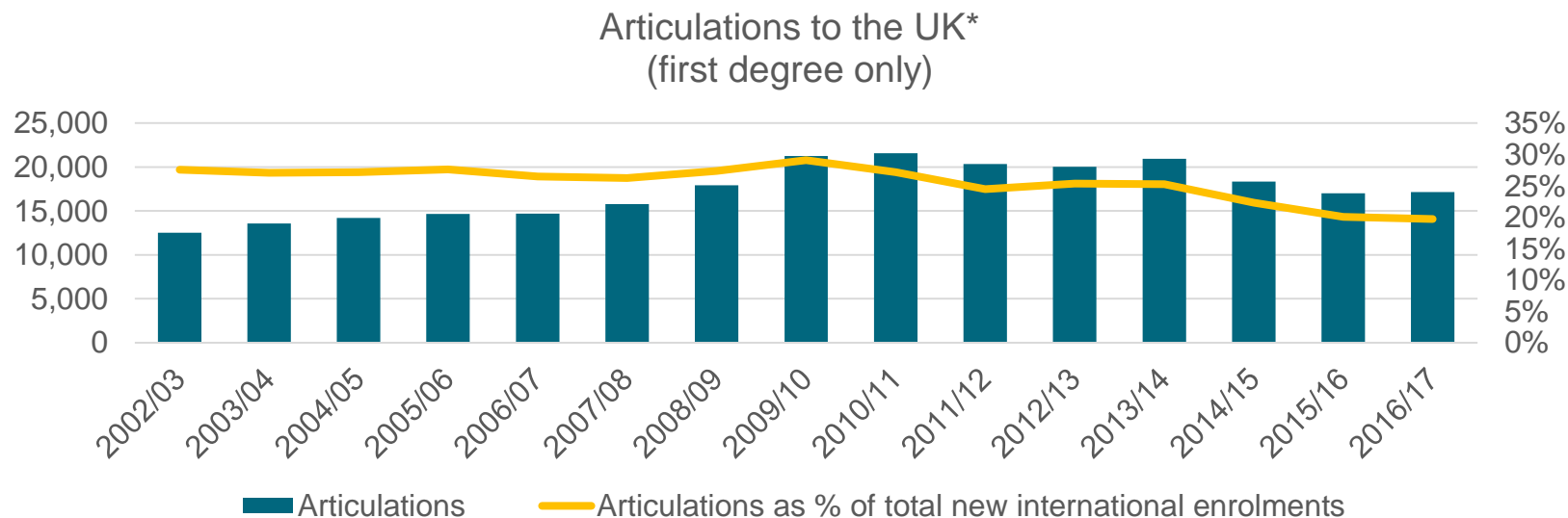
# Re-examining partnerships

UK offshore enrolments in China\* vs. articulations to the UK





# Re-examining partnerships



\*First year, first degree students on year two or later of course, excluding visiting exchange students and those classified as 'other undergraduate'.  
Source: HESA, British Council analysis

# Tightening TNE regulations in China



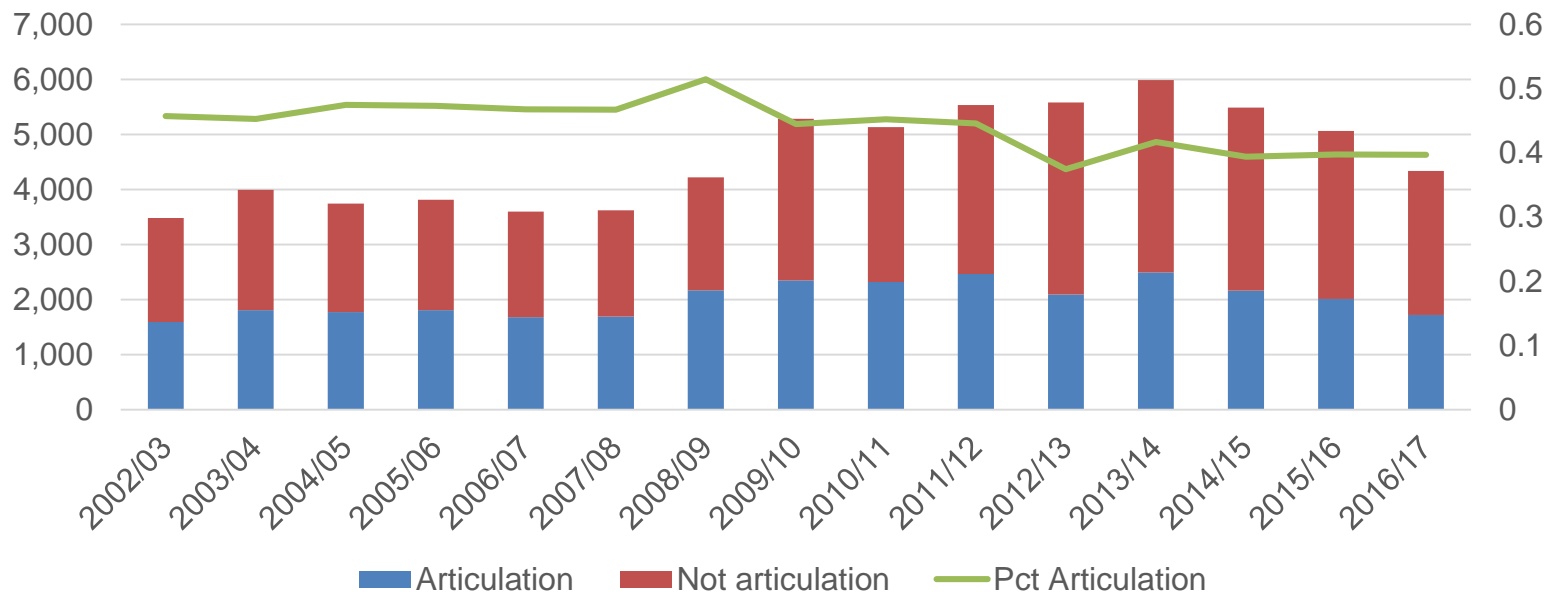
- No more joint-venture campuses
- No “chain store”/ franchise approaches to TNE
- Discouraging programmes in saturated fields
- Strictly enforcing delivery of “four-thirds” requirements
- Encouraging 4+0, tolerating 3+1, not approving 2+2
- Local pricing bureaus set limits for tuition fees

# Re-examining partnerships: resiliency to economic shock



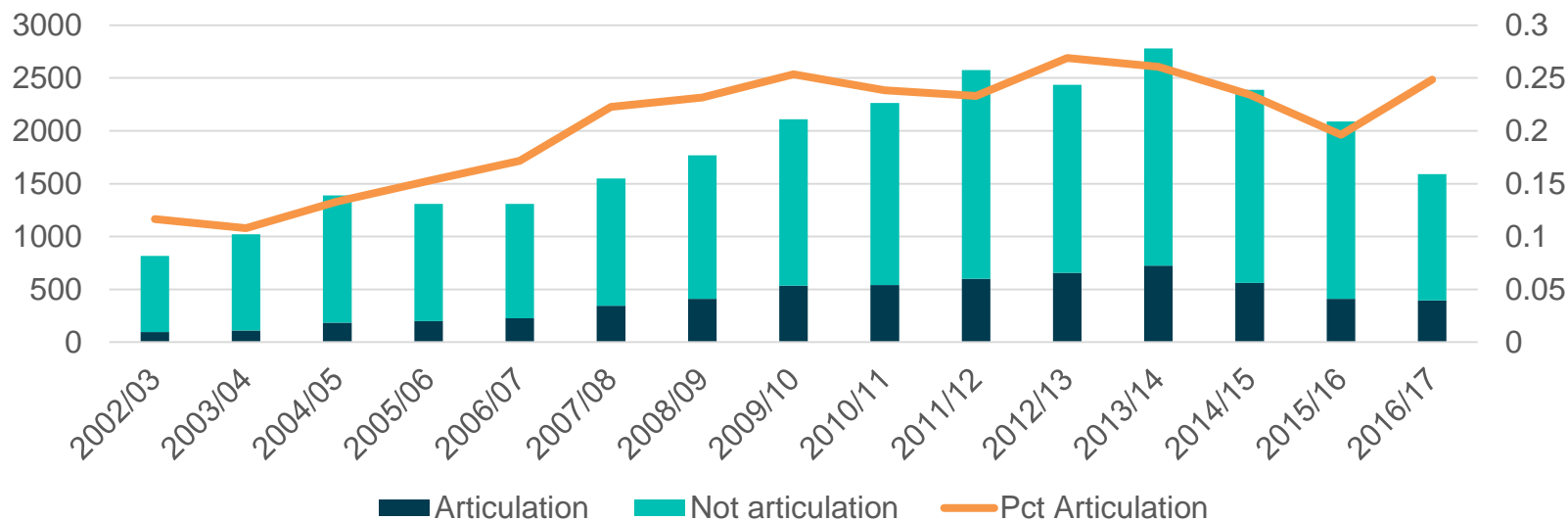
# Re-examining partnerships

## Malaysia new first-degree enrolments in the UK



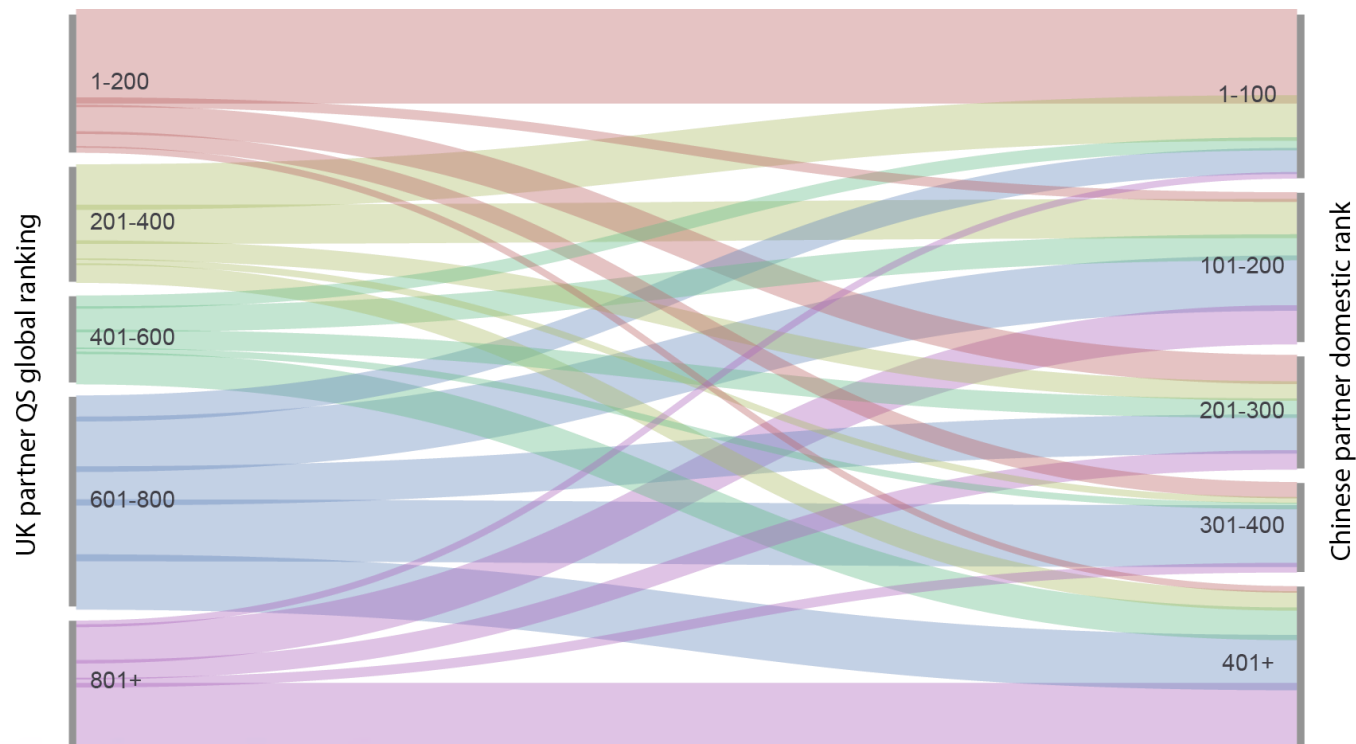
# Re-examining partnerships

## Nigeria new first-degree enrolments in the UK



\*First year, first degree students on year two or later of course, excluding visiting exchange students and those classified as 'other undergraduate'.  
Source: HESA, British Council analysis

# Re-examining partnerships



# Re-examining partnerships

- We need to apply healthy skepticism to the mobility payoff from TNE
- If we're not getting strong mobility through TNE, we need to either:
  - a. Lighten our overseas partnership investments
  - b. Deepen partnerships to gain broader benefits

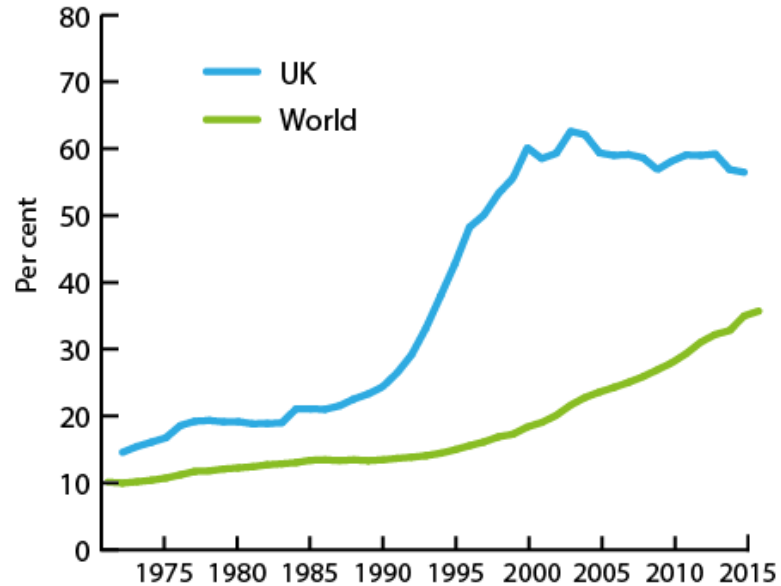
## Concluding thoughts





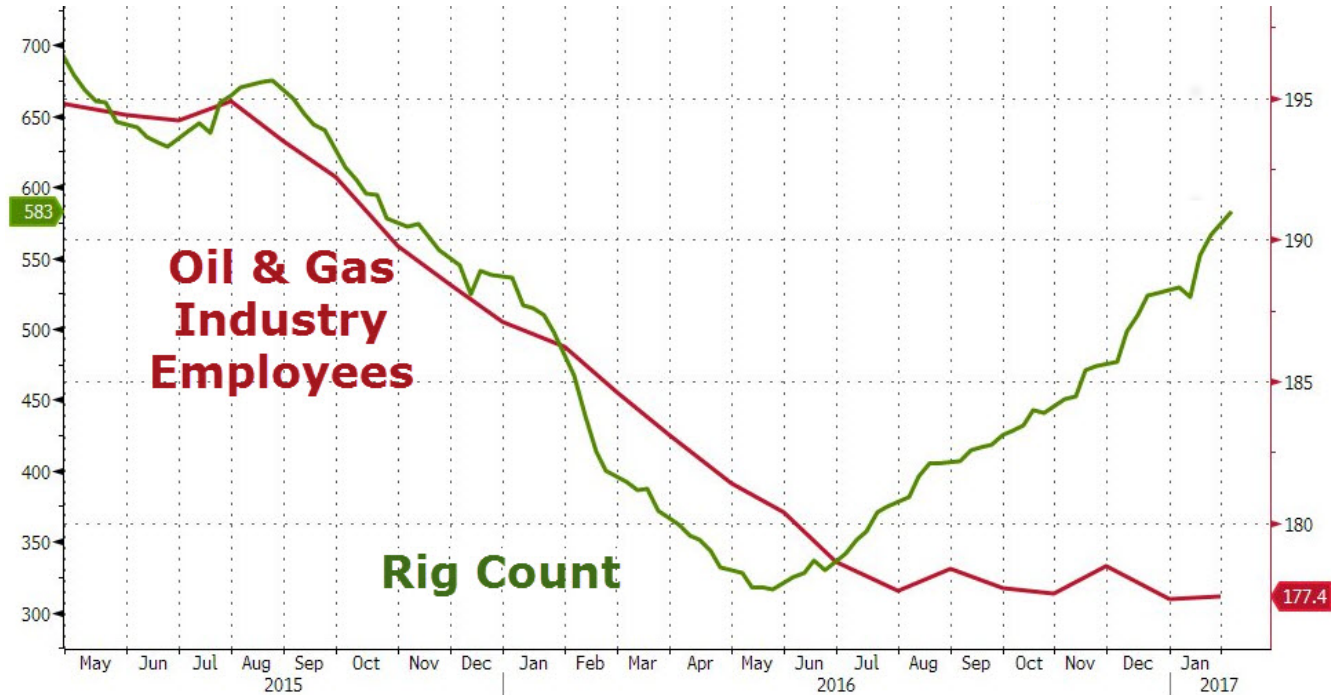
# Commodification of HE

## Gross tertiary enrolment



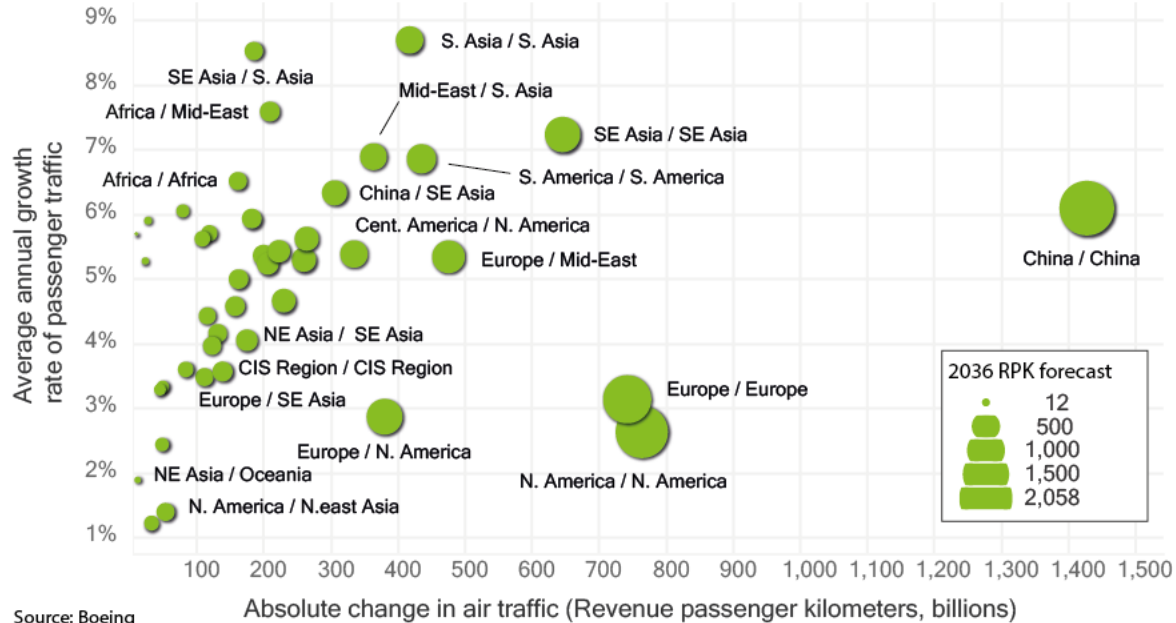
Source: UNESCO

# Employability risks from increasing automation



# When the world no longer looks West

While the first phase of globalisation was about connecting distant supplier markets to consumer markets, the second phase will focus on building the regional links that were passed over in the first phase. Air traffic forecasts hint as to how this will play out.



Source: Boeing

