BRITISH COUNCIL

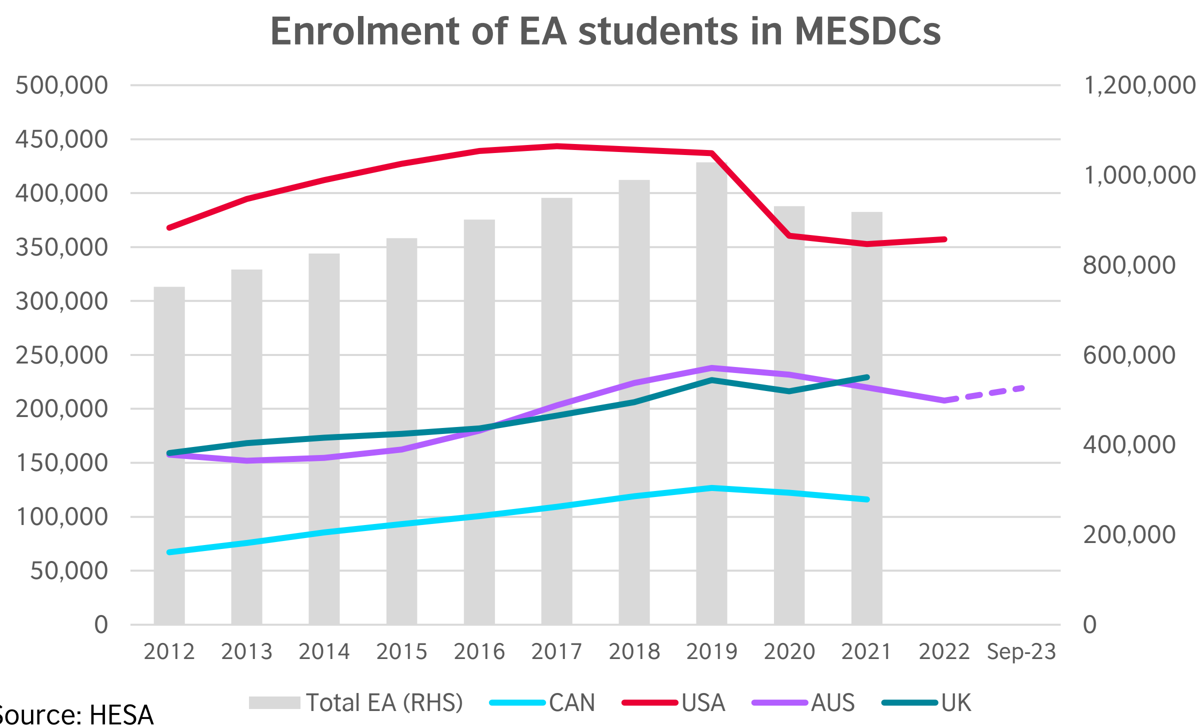
British Council - East Asia Insights Hub

The International Student Recruitment Market: East Asia Overview

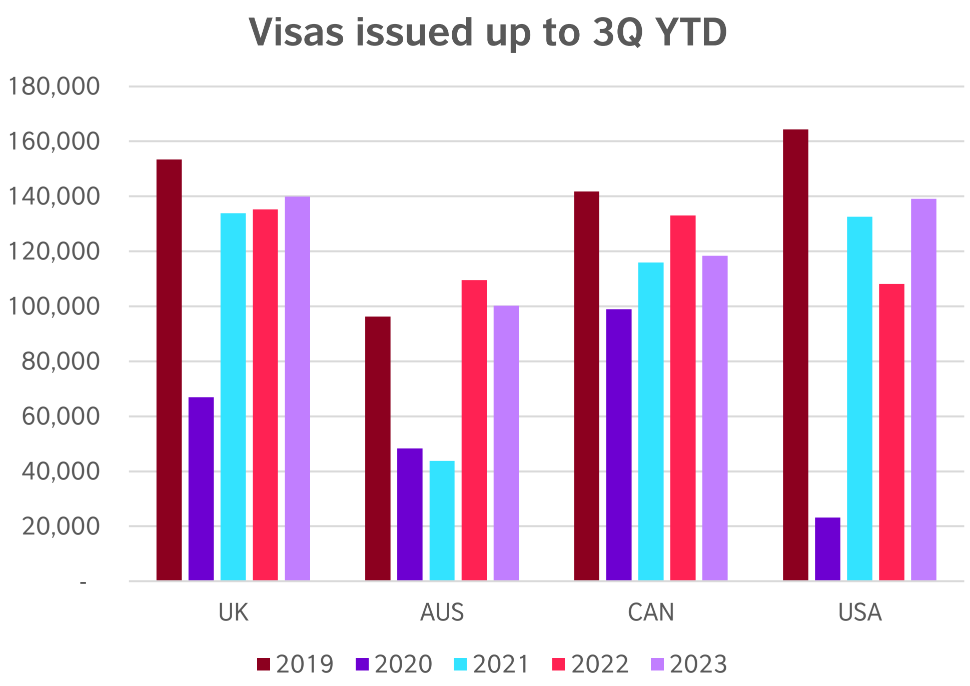
26 February 2024

East Asia Trends: Mobility to MESDCs & UK

Mobility to MESDCs: UK took a larger share of the pie in 2020-21, but USA, AUS and CAN are on the rebound

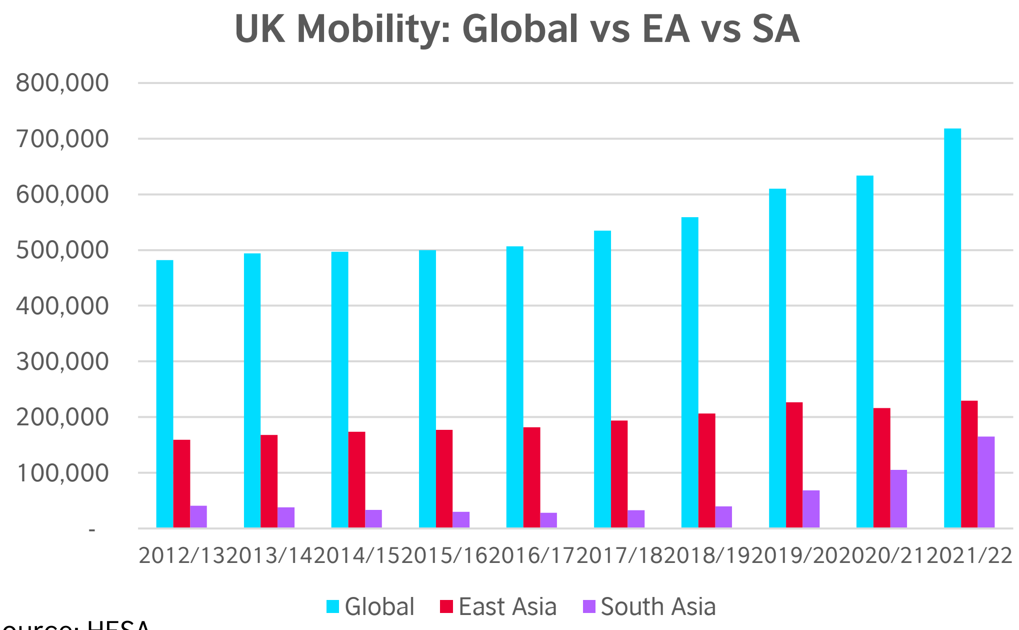


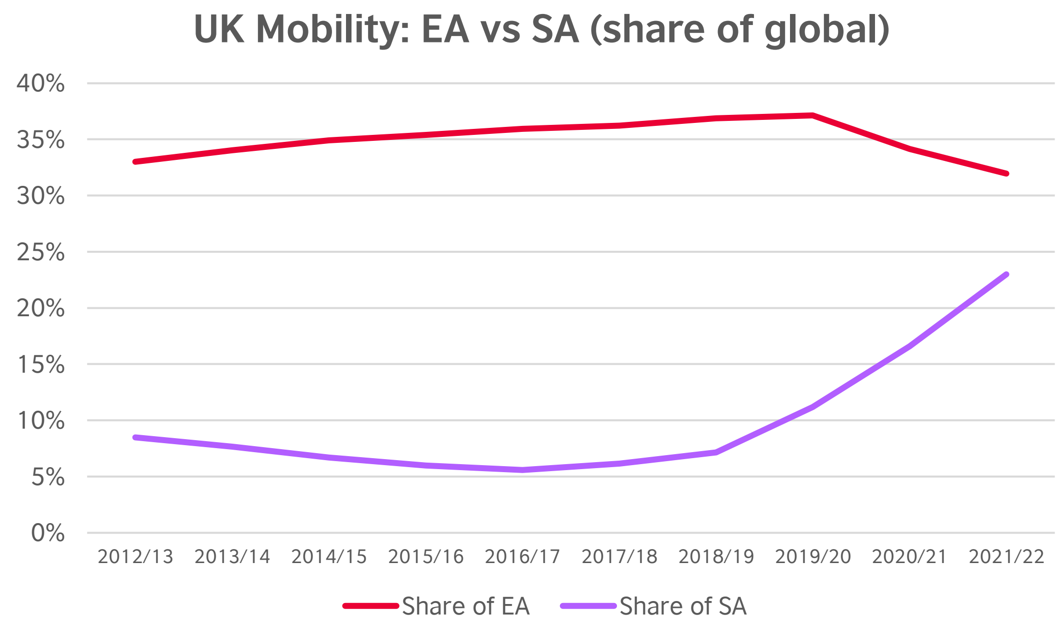
Source: HESA



- The UK increased its market share to 25% in 2021/22 from 22% in 2019/20, even overtaking Australia’s
- Student visas granted by CAN and AUS in the first 9M of the year rebounded in 2021 and 2022 respectively, before falling in 2023, while US saw strong growth in visas issued in 2023

Mobility to the UK: Moderate growth in number of EA students in the UK, but EA remains key region



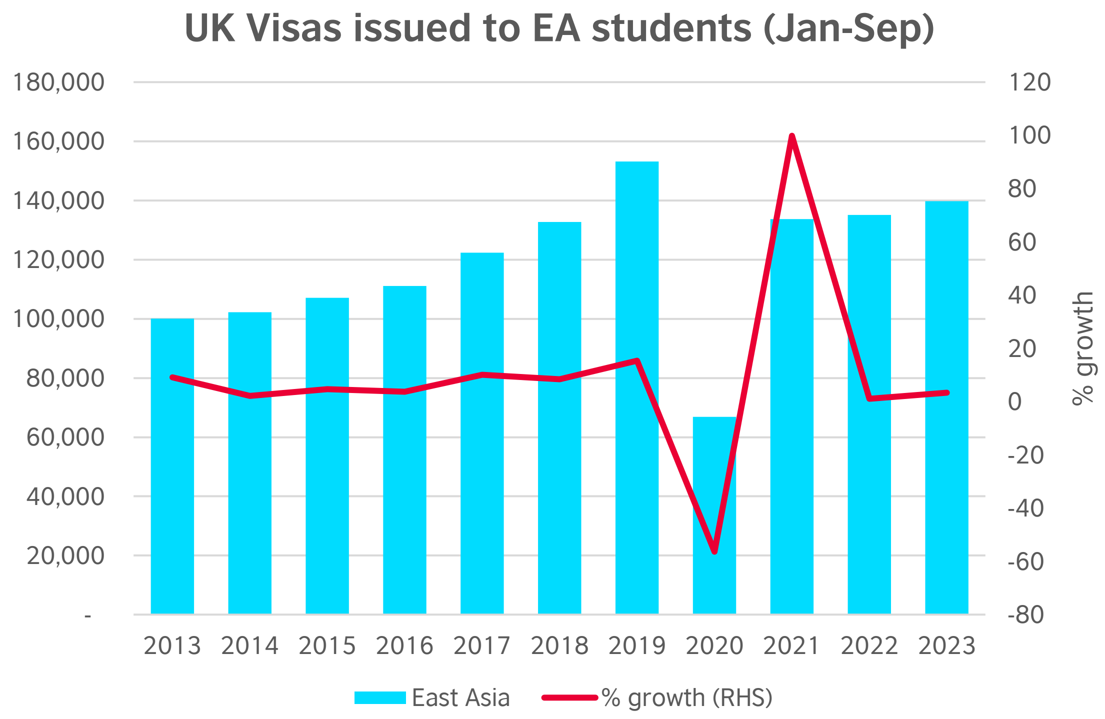


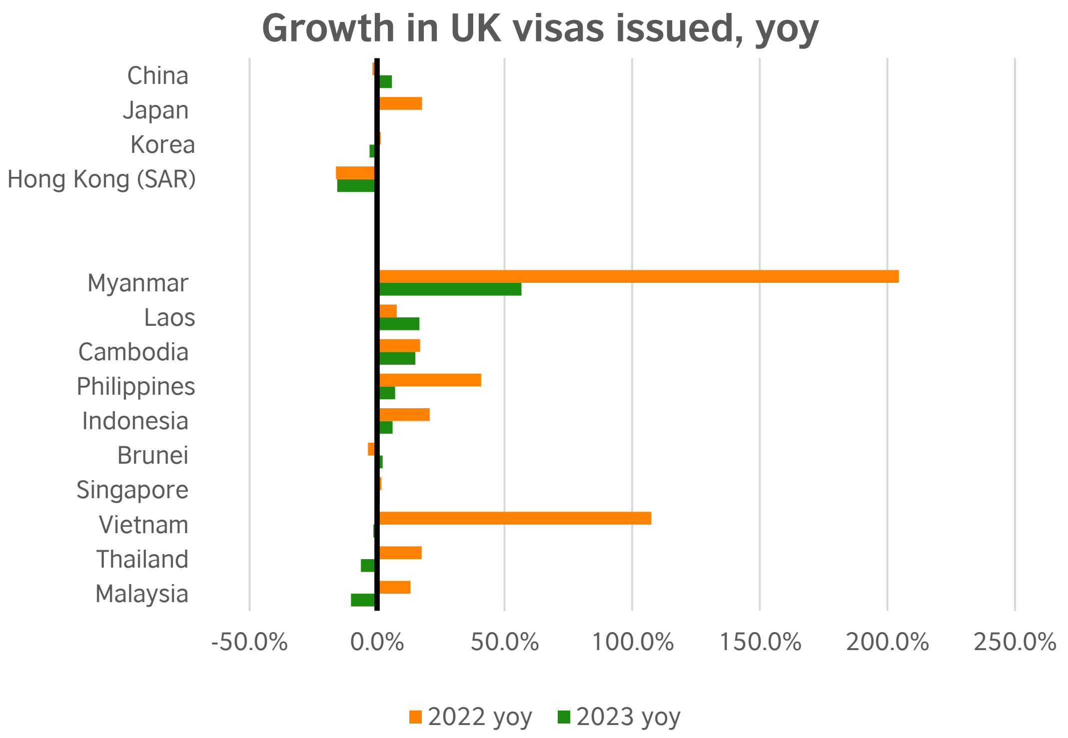
Source: HESA

- UK's strength as an international study destination did not waver during the pandemic, with total international student number surpassing 600,000 in 2020 thanks to its open border policy then
- Although East Asia's share of total enrolment of international students in the UK is declining, it still remains at a significant 32% (almost a third). EA accounts for 40% of total non-EU students in the UK

  → EA remains a key region to the UK

Mobility to the UK: UK visa issuances to EA students picked up in 2023 but mixed performance at country/territory-level

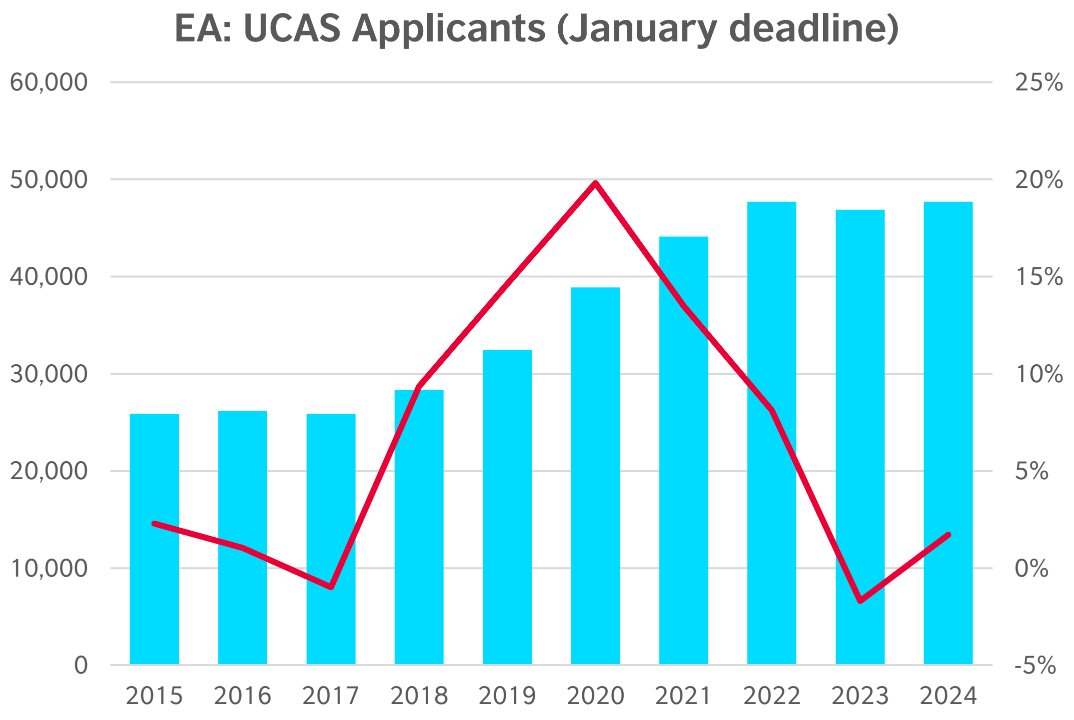


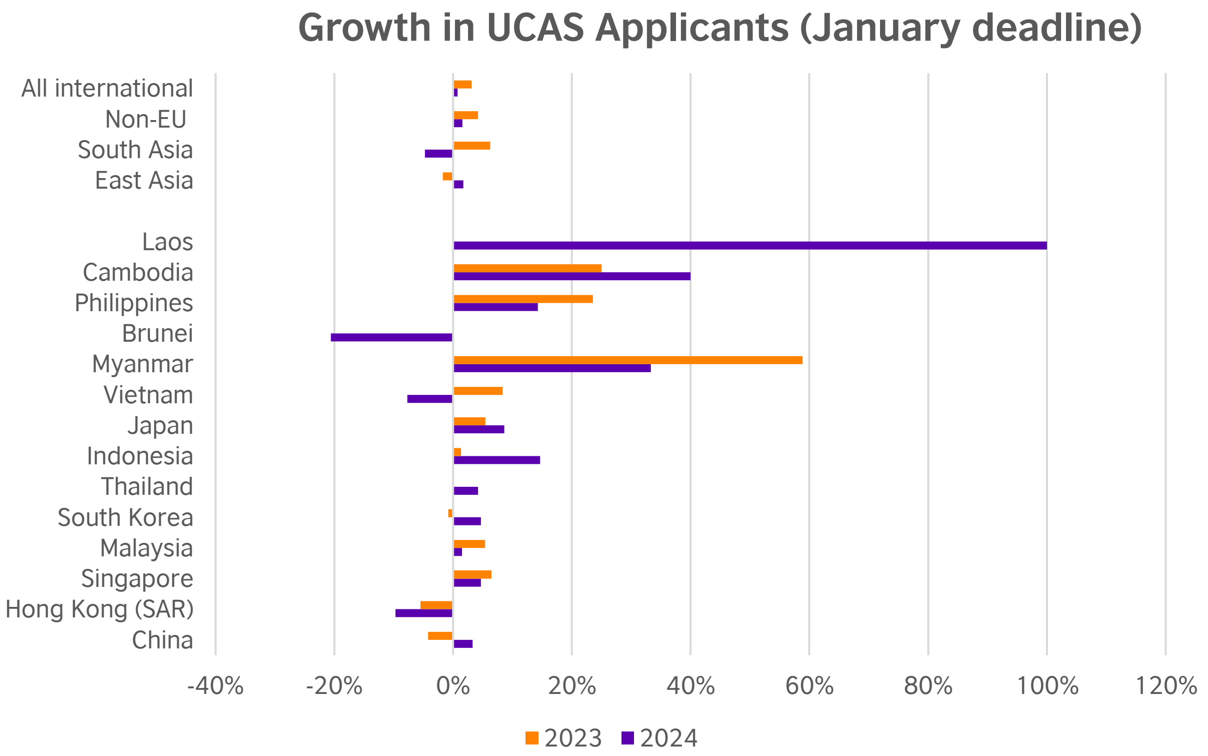


Source: UKVI

- UK visas issued to EA students for Jan-Sep 2023 grew by 3.4% yoy compared to 1.1% in 2022, with stronger growth from China and smaller SEA countries
- UK visas issued to EA students for Jan-Sep fell in other major markets – HK, MY and TH – and still lower than pre-pandemic levels in more mature countries
- Visas to JP, BN, MM, PH, KH and ID have exceeded 2019 levels

Mobility to the UK: UCAS applicants remaining stable for 2024/25





- For the 2024/25 academic year, 47,690 applicants from East Asia applied for undergraduate study in the UK → 1.7% growth compared to the same period last year, bringing the number back to 2022 levels
- For comparison, East Asia recorded a stronger growth performance than all international applicants worldwide (+ 0.8%), and South Asia (-4.7%)
- Country/territory level: Generally stronger growth than in previous year, except in HK, BR and VN

Source: UCAS

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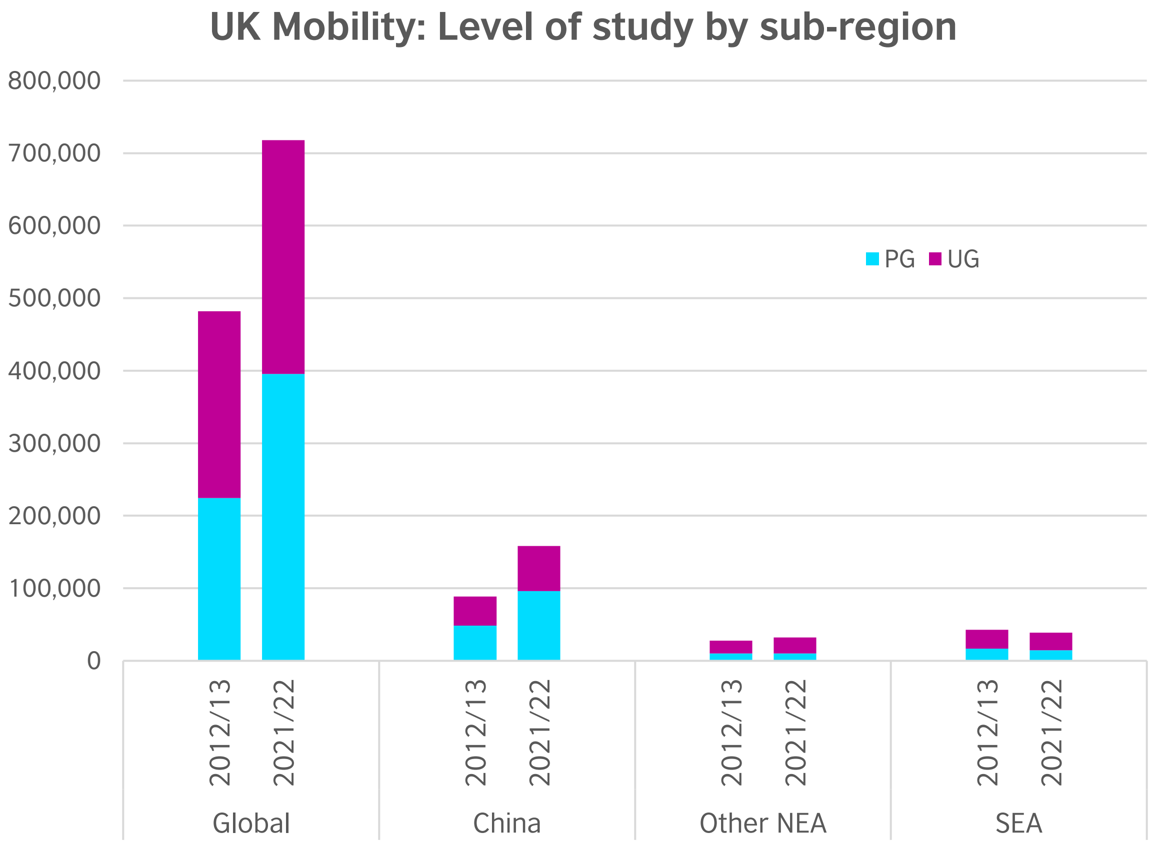
East Asia Trends: Enrolment in the UK

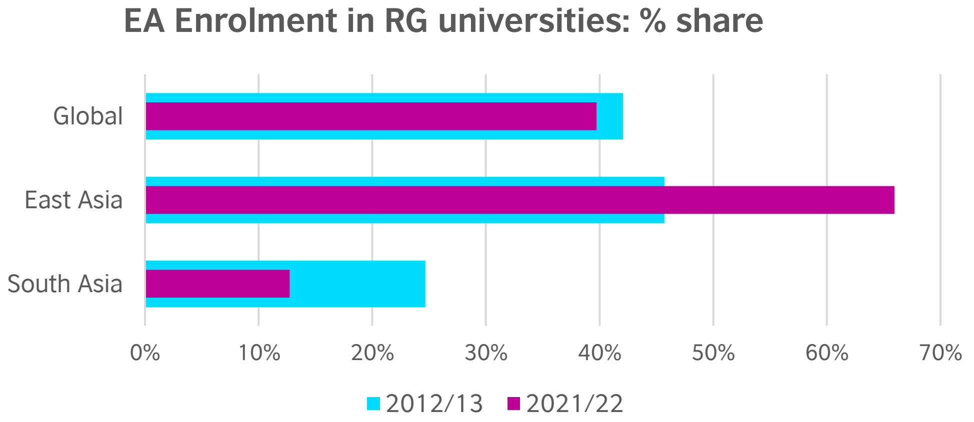
HE Enrolment in the UK: More PG in China, more UG in most other countries

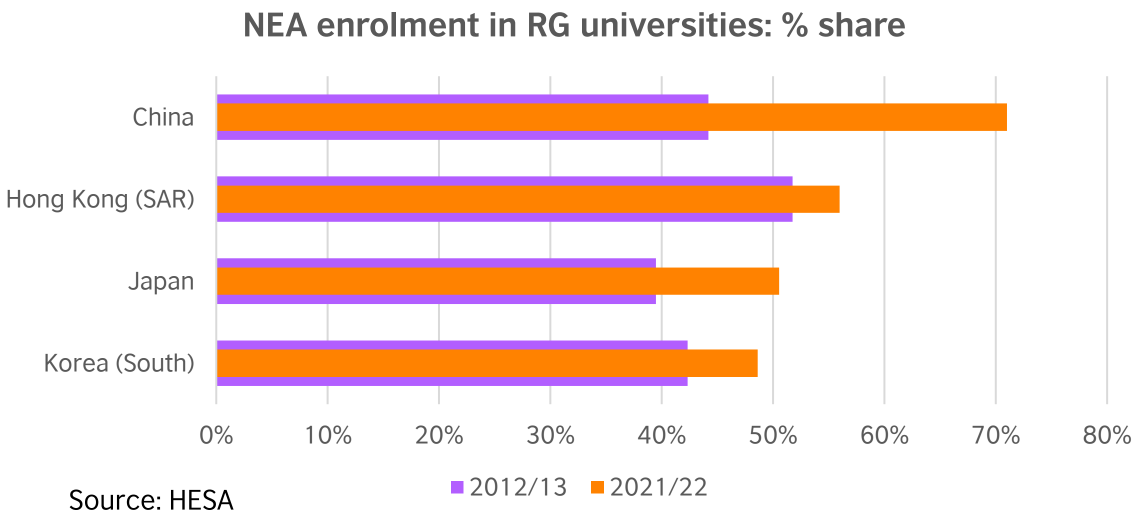


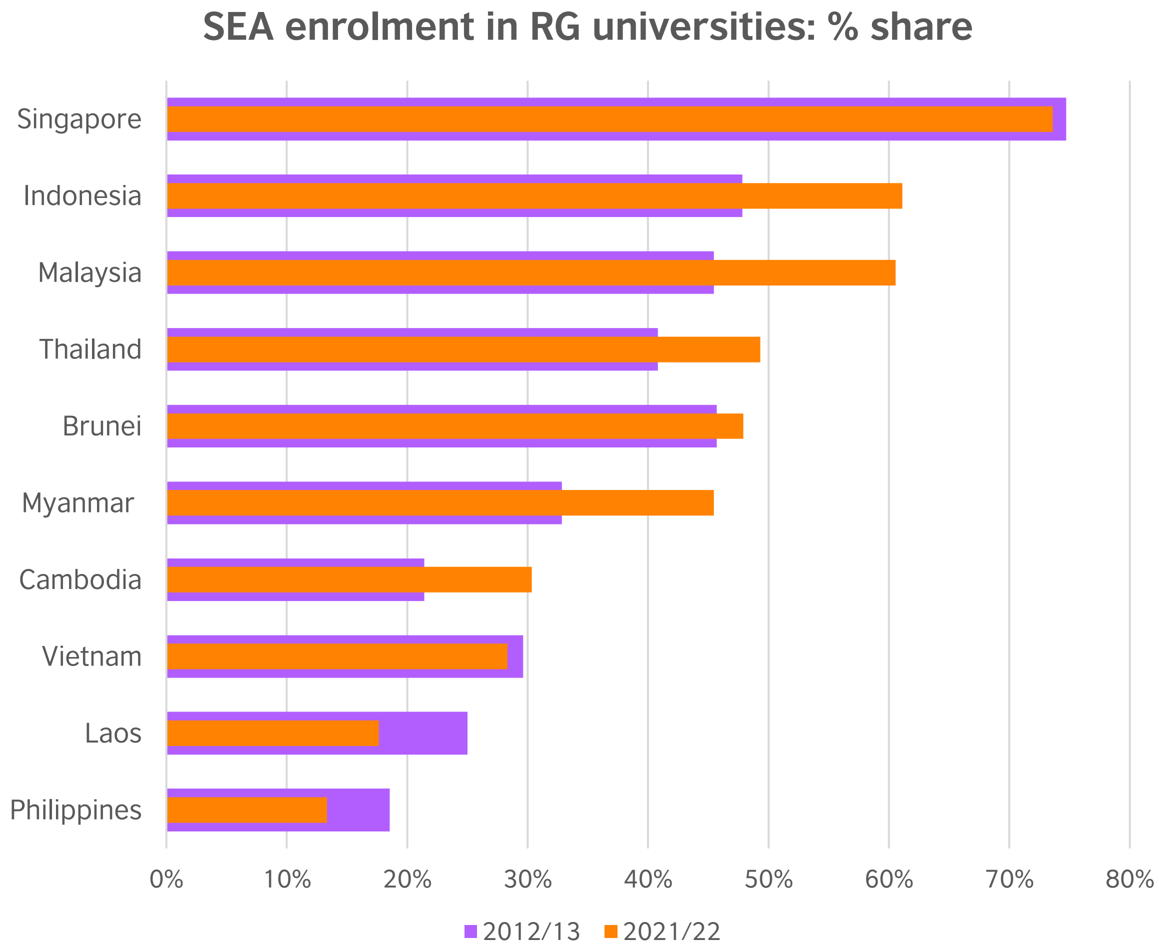
- In aggregate, PG students make up 53% of total HE students from East Asia enrolled in the UK
- China's PG share has increased to 61% market from 55% in 2012/13 while other NEA, including Hong Kong SAR, Japan and South Korea, are largely UG markets (68%)
- SE Asia is largely a UG market with a 63% share; TH an exception

Source: HESA

HE Enrolment in the UK: EA students are increasingly prioritizing perceived quality compared to SA students







Source: HESA

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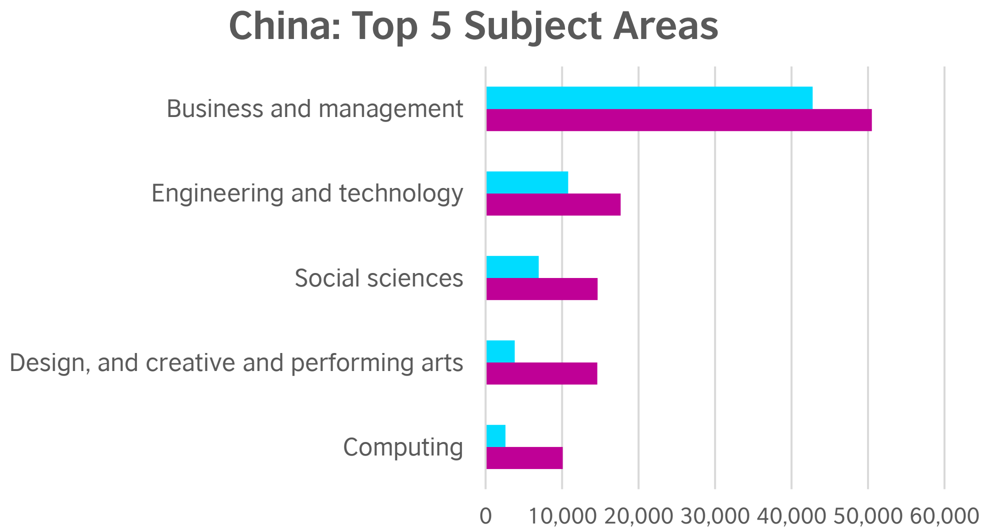
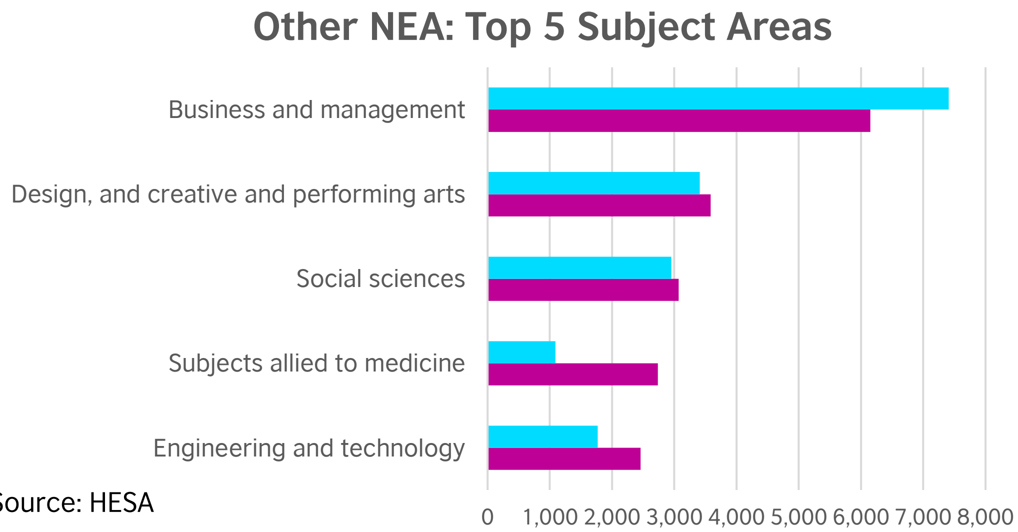
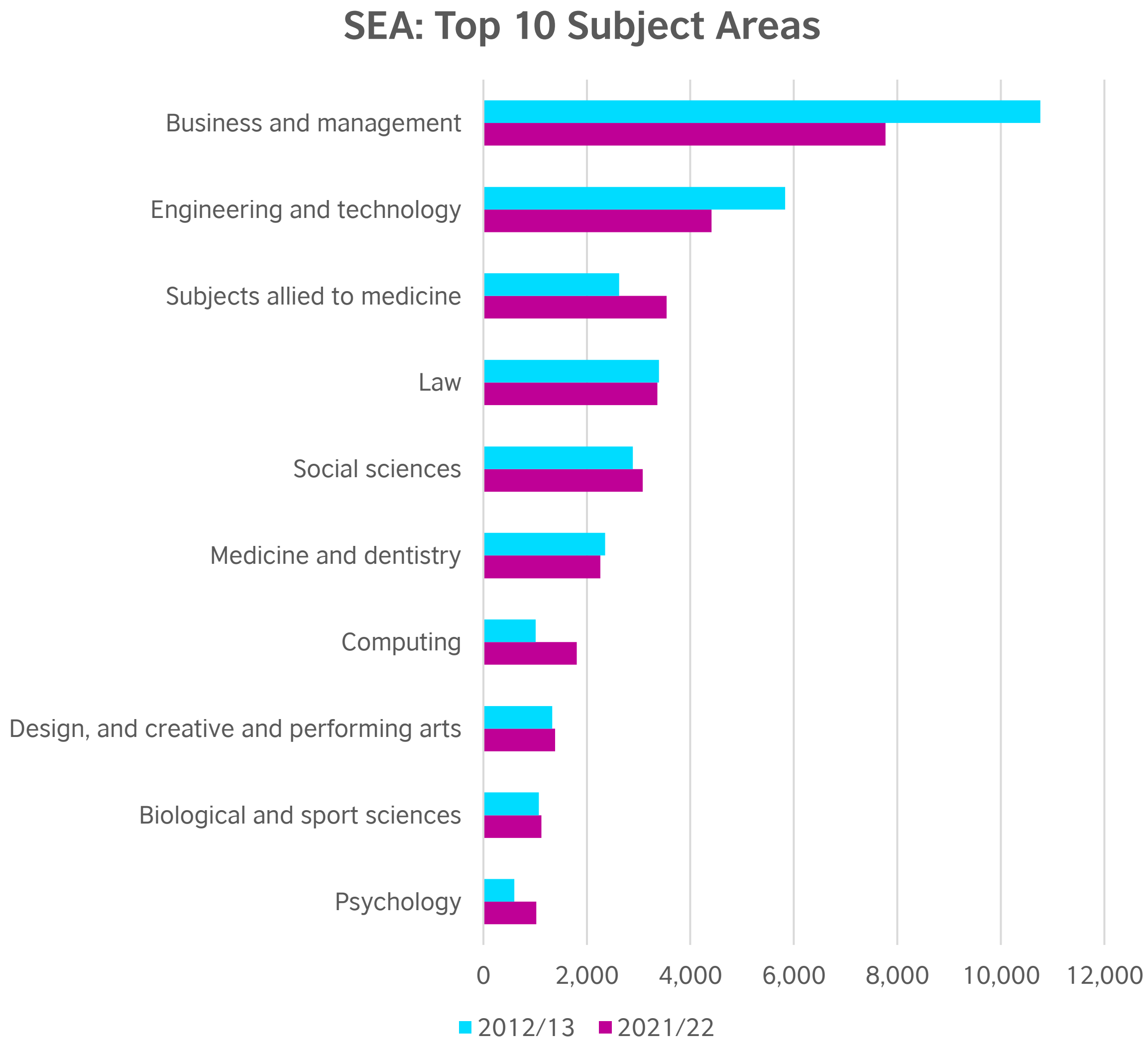
HE Enrolment in the UK: Business and management still top subject area but arts and computing becoming popular







Source: HESA

Opportunities and challenges

Near and medium-term challenges and opportunities to growth in UK mobility

Factors affecting UK & Peers

1) Tighter Migration Policy

- AUS: Higher visa refusal rates (19% in 2023/24), higher financial requirements; reduction in PSW rights
- CAN: Canada has suspended new study permit applications for UG, college and long-term language students; set a cap on new study permits in 2024 and 2025; more than doubled level of savings required of students
- UK: International students (other than research PGs) no longer permitted to bring dependants; graduate route under review, higher skilled worker salary threshold

Factors affecting UK

2) Inflation and cost-of living pressures

- Inflation still above Bank of England's target rate, rose again to 4% in December 2023, highest among G7

Near and medium-term challenges and opportunities to growth in UK mobility

Factors affecting EA countries

3) Subpar growth outlook for major EA economies, compared with a decade ago

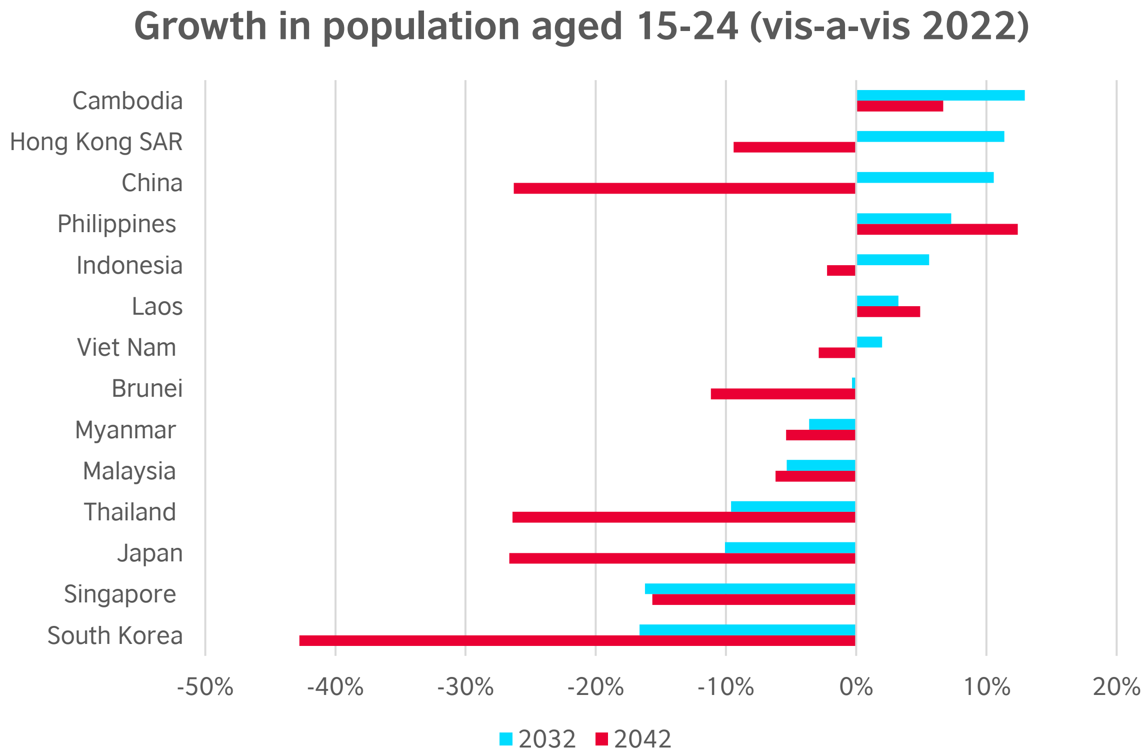
- In a new soon-to-be published report by the British Council, *"The Outlook for International Student Mobility: Amidst a Changing Global Macroeconomic Landscape,"* the following drivers significantly influenced outbound student volumes:

Determinants of student mobility	Outlook for EA countries
Economic growth	• Slower post-pandemic GDP growth across the globe including major EA sending economies like China, Malaysia, Singapore, Thailand ***Some uptick in IMF growth projections for ASEAN-5 for 2024, low to moderate risk profile for most countries***
Household income	• Higher post-pandemic inflation weighs on household income, reducing purchasing power • Expansion of middle- and high-income households expected to slow in previously fast-growing countries like China, Vietnam and Indonesia
Stable exchange rates	• The pound sterling strengthened by at least 4 percent in 12 of the largest markets in EA *(British Council, 5 Trends to Watch in 2024 report)* ***UK inflation likely on downtrend, increasing the possibility of interest rate cuts (which could help reduce the strength of the pound sterling)***

Near and medium-term challenges and opportunities to growth in UK mobility

Factors affecting EA countries

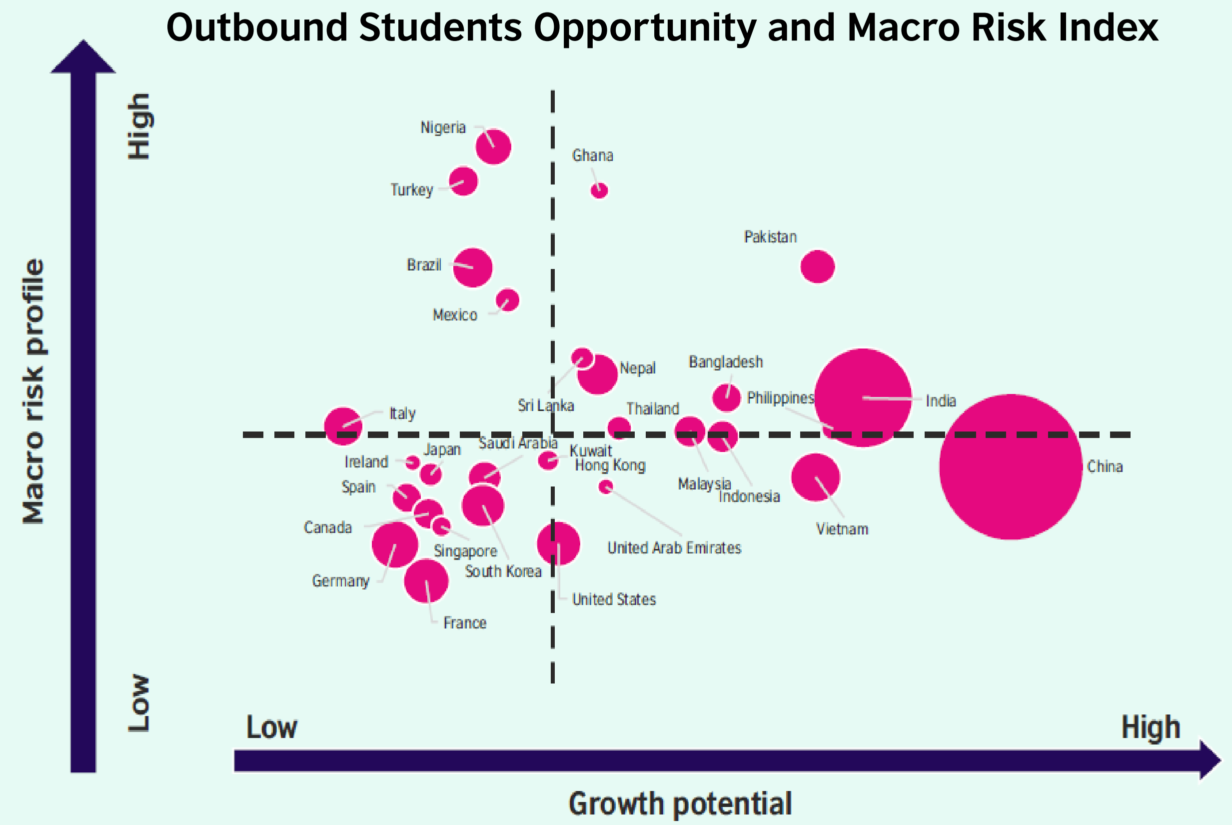
4) Shrinking youth population



- Most EA countries will be seeing a significant decline in the 15-24 age group in the next 10-20 years, with negative repercussions for higher education and economic growth
- 15-24 population as a % of total population will shrink between 1-5 percentage points for all EA countries by 2042

Source: UN Population Projections (medium variant)

Overall Opportunity vs Risk Index up to 2030



Source: British Council, based on data from Oxford Economics and UNESCO

Note: Size of bubble indicates current outbound international student market size (no. of students). Axes have been positioned at the median country scores for growth potential and macro market risk.

Potential for growth in outbound mobility:

- **High volume, high potential**: China
- **Moderate growth, moderate risk**: Malaysia, Thailand
- **Low growth, low risk**: Hong Kong (SAR), Japan, Singapore, South Korea
- Of the 4 countries identified as **rising stars**, 3 are in East Asia – Vietnam, Indonesia and Philippines

Conclusion

Summary

1) **UK continues to have high standing** amongst international higher education students

2) **Student mobility to the UK will grow at a moderate pace,** with slowing growth from major/mature sending countries and higher growth from smaller markets

3) **High student quality from East Asia** keeps EA as a priority region and is a safeguard against tightening migration policies

4) **Economic challenges of 2023** - downturn in global semiconductors and slow growth, high UK inflation, weak domestic currencies - **are tapering**