

# INDIAN STUDENTS MOBILITY REPORT

# 2016

Latest Trends from India and Globally



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# PREFACE

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When we released our maiden Indian Students Mobility Report last year, we had set out with one key objective: provide a fresh set of insights. We did that by tracking data trends all the way back from 2005.

When we started out this year, we were a little anxious – will we be able to offer similar level of insights as last year?

We have been more than thrilled with what we are presenting in the following pages of the report.

2015 has even more profound messages for all of us in the international students market,

both globally, and out of India.

For one, India's growth rate has accelerated further in 2015 – and it's now driving higher-than-aggregate growth rates for most major destination countries.

Another equally important message has come from the US. In 2015, it smartly pulled ahead of its rivals, posting double-digit growth rate after a very long time.

These are only two of the many such new trends we have been able to cull out, based on the 2015 international student mobility data.

We hope you find the report useful – and I keenly look forward to your feedback.

**Happy reading!**

**Maria Mathai**  
**Director**  
**M.M Advisory Services**



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# EXECUTIVE SUMMARY

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**Question:** Who has the highest CAGR among top destination countries for the past 10 years – Australia or US?

Neither. Canada, at 7.1%, while Australia was 6.5% and US at 5.6%

**Another question:** Among countries that get more than 50,000 students from India annually, what has been the highest jump in numbers – 10%, 15% or 20%?

Well, none of the above. Last year, US numbers from India jumped by almost 30%!

The international student mobility market is evidently seeing a lot of shifting patterns. In 2015, while some older trends have gained strength, new ones are also demanding as much attention.

One, the US as a destination country just redefined some rules of the game last year, growing overall by 10% after a long time, with a big boost from India. The leader setting such a scorching pace last year will have many of its rivals re-assessing their market share projections for the near future at least.

Two, India has definitely announced itself as the biggest player among origin countries, after China. For years, India's numbers have been a bit of a see-saw, but 12% growth in 2014, and now clocking even higher rate of 17.8% - this is the second year in a row that India's rate has been higher than China.

Three, so while China is settling down to a

steady pace as a market leader, India is the key factor behind growth momentum in international student mobility market. As we projected, India crossed the 350,000 mark this year, and then some more to finish at 360,000.

Four, with China at almost exactly twice this number, these two countries account for a big chunk of the top destination markets.

We did the market-share analysis for the top three markets – US, Australia and Canada. India + China account for 43%-plus in US and Canada, and Australia is just a shade under 40%. So these two markets should shape a lot of recruitment strategies for the universities and colleges in the coming years.

Five, UK is no longer a key destination, while Australia and New Zealand continue to strengthen their position as the top choice for Indian students outside of North America.

Many more such trends are presented in the following pages of the report. As in the previous year, our research team analyzed data from 2005 and collated new data for 2015 to come up with a fresh bunch of market insights.

After the section that details out our research methodology, you will find the trends synthesized in two sections: global trends and India-specific trends.

We hope you find the analysis useful.

# Our Methodology

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**01.** There are a lot of sources for international students' data, and yet no source is comprehensive enough. That's been our first challenge: ensure consistency in data sources chosen.

We chose to stick to government sources only for data. Here are our data sources, country-wise.

USA: IIE Open Doors

Australia: Australian Government, Department of Education and Training

Canada: Citizenship and Immigration Canada

UK: Higher Education Statistics Agency

New Zealand: Education New Zealand

Germany: DAAD

China: Ministry of Education

Other sources: Project Atlas, OECD, UNESCO

**02.** Nearly 85% of international student mobility from India is accounted for by 5 countries: USA, UK, Australia, Canada and New Zealand. So we chose the report's focus on data and patterns for these countries mostly. We have collated data from other countries as well, including China and Germany but data from other countries was limited.

**03.** There have been differences in nomenclature in international students' data. Here's what we took from different countries' databases: total number of international students in the country in the calendar year

USA: International Students: Leading Places of Origin 2014/15

Australia: International student enrolment data 2015

Canada: International students with valid permit(s) in calendar year 2014

UK: Top ten non-European Union countries of domicile in 2014/15 for HE student enrolments by location of HE provider and country of domicile.

New Zealand: Student Visa Dashboard Full Year 2015

Germany: Foreign students at German higher education institutions 2016.

China: Total number of Foreign Students for 2015

**04.** The scope of study extends from 2005 to 2015. Canada is the only exception to this – it has still to publish its 2015 data, so all our Canada analysis is based on data up to 2014.

**05.** The full list of documents and other source material for this report is available in the Appendix to this report.

The study findings have been divided into two sections – global trends, and India-specific trends in international students market. Let's go through the report's findings.

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# GLOBAL TRENDS

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## PART A

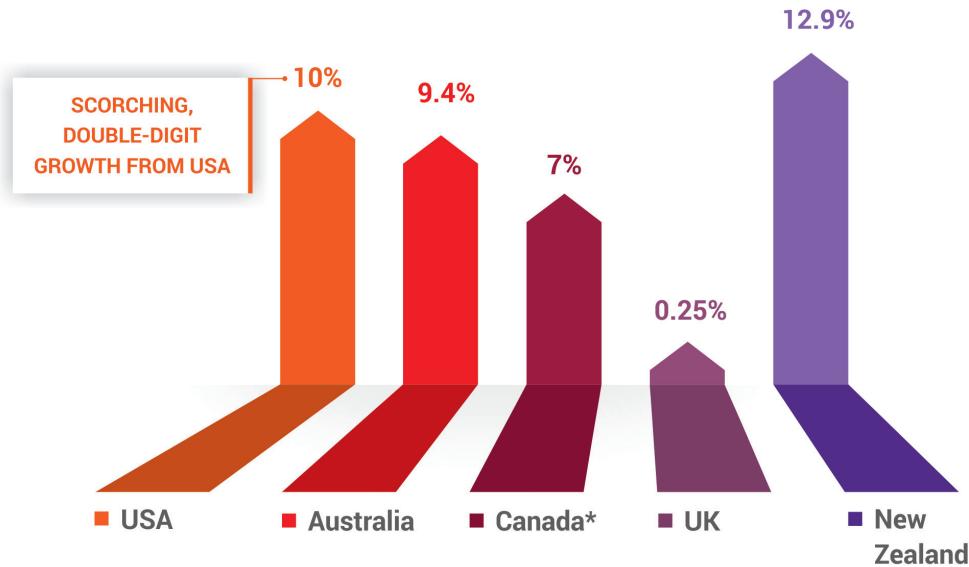


## » US growth highest in at least 10 years

Last year, in our Students Mobility Report 2015, we had projected that US will go past the 1mn international students' mark by 2017. We thought we were sticking our necks out, given that there was a sharp 8% uptick only in 2014.

Well, as it turns out, we needn't have worried about our bullish projection. The US numbers are even better this year – in fact, the growth is the highest since 2006 (the period from which we have been tracking international students market data).

### 2015 growth rates for Top 5 Destination Countries



\* MMA projection

So the US is likely to cross the 1mn-mark a year ahead of our projections, in 2016 itself. That will be a pretty big deal – the first country anywhere in the world with a base of 1mn international students.

Growing at 10%-plus on 886,000 student strength is quite an amazing achievement. Only New Zealand, whose market is less than 10% of US, has a higher growth rate than US.

China's numbers to US also grew by 11%, but that growth rate was slower than the previous year. India, on the other hand, has played a leading part in this growth story, but more on that in the India section of this report.

## China + India now dominate market in top destination countries ➤

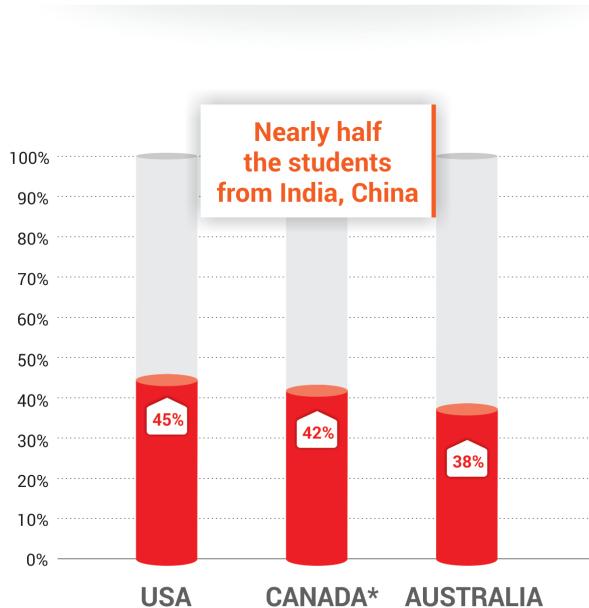
Over the years, China has been the biggest driver of international student numbers to all the top destination countries including US, Australia, Canada, UK and New Zealand. In the last three years, India has seen a healthy surge too.

And that makes the two countries a very serious recruitment market. But how serious becomes evident for the combined market share analysis that we undertook for the top three destination countries: US, Australia and Canada.

In US alone, nearly 45% of international students are either Chinese or Indians. That's almost half the market.

Canada seems to be headed that way too. In 2010, the % share for China + India was 30%. In 2014, it was almost 42%.

### India + China market share: 2015



\*MMA projection, based on 2014 data

In Australia, the two countries' market share is 37.5% but that's because of the big dip in Australia numbers from Asia in 2011-12 when a few racially motivated incidents created a threat perception for Asian students. At its peak, the two Asian countries accounted for 43%-plus share in Australia in 2010.

These numbers have a big implication for international recruitment marketing plans for the next few years – China and India will be almost half the market. Institutions need to prioritize accordingly.

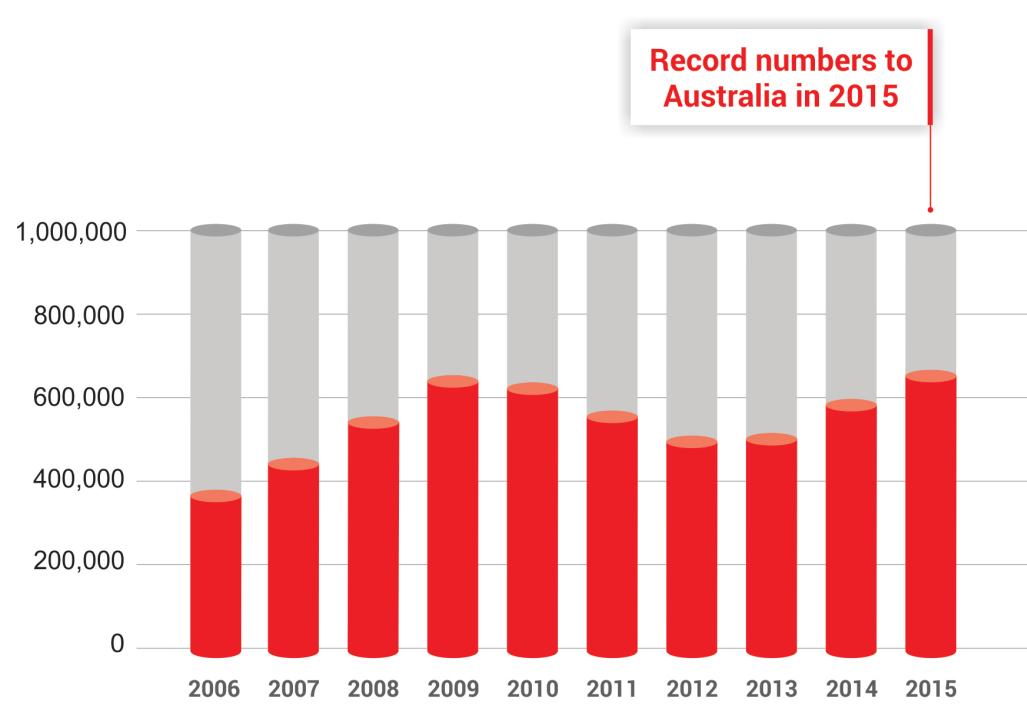


## Australia clocked highest-ever numbers in 2015

Last year, we said it emphatically – Australia is back at the top of its game (Well, we also said that Australia might start to nip at the heels of US in a few years' time, but now that's not as likely given the current momentum in the US market). However Australia has cemented its position as the number 2 destination country now.

In 2015, international student numbers finally crossed the previous peak in 2009, with an overall growth rate of 9.4% (just short of the US performance). So for all those who thought that Australia may not be able to sustain its previous growth momentum, that's looking more and more unlikely.

**Australia's 10-yr trajectory**



Australia is now exactly two-thirds the size of the US market. At one point, in 2009, it came to almost equal the US numbers, but then it dipped for the next few years. For the past two years, the buzz is back – and if Australian marketing efforts are anything to go by, growth trends are only going to strengthen.

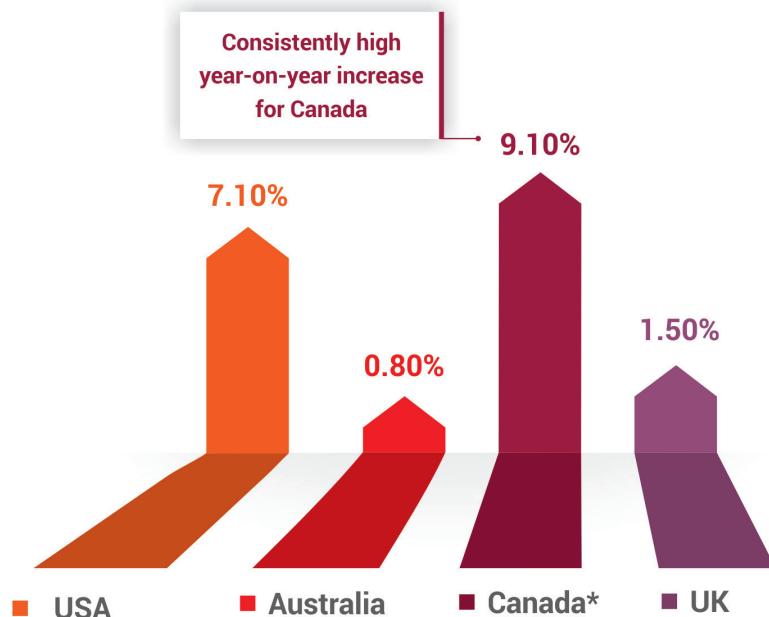
## Canada has grown almost 10% for the past 5 years ➤

For a while now, this has been the unsung growth story. And then, in 2014, when international student numbers there almost equaled that of UK everyone finally sat up and took notice of Canada as a leading destination country (At 434,871, it was just about 600 students fewer).

Why 2014 numbers for comparison? Well, Canada refuses to release its numbers on time, along with other countries.

What's however clear is Canada's higher growth during the past five years, 2009-2014. In fact, at 9.1% CAGR, that's been the highest among all the leading destination countries.

### Canada tops growth trend (CAGR: 2009-2015)



\* Canada 2015 data based on MMA projection

To compare, the US growth rate for the past 5 years has been 7.1%. So in terms of growth momentum, Canada has an edge over all other big destination countries for international students.

We don't have the 2015 data for Canada yet, but based on its CAGR for the past 10 years, we project that Canada will overtake UK numbers in 2015, making it the number 3 global destination for the first time.

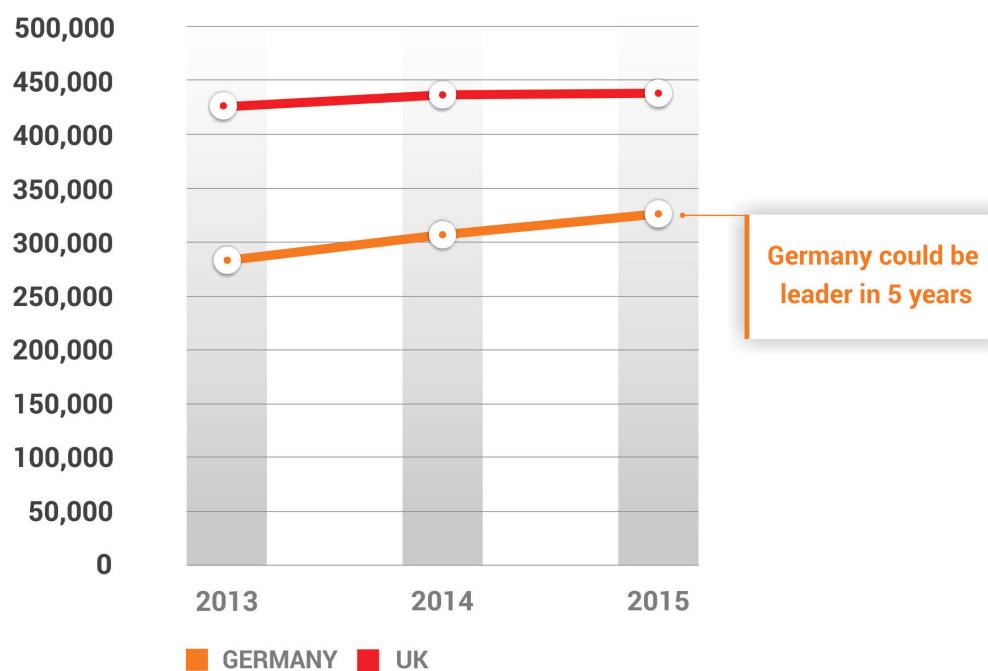


## Germany could emerge as European leader in 3 years

There's lot that's been happening in the non-English speaking destination countries. China, for one is also emerging as a destination country, but it's too early to be definitive about it.

Germany, on the other hand, has been growing at 6.6% for the past three years. In 2015, with 321,000+ international students, it was just a little under 75% of the UK numbers.

### Germany inching closer to UK



That there is some momentum in the largest European economy is evident from the fact that the previous 5-year period saw virtually no growth in the international student numbers in Germany.

Then last year, the country attracted a lot of attention globally when it announced an initiative to waive off tuition fees for international students. That's made many students, especially in high-cost countries including the US, start evaluating Germany as a serious option for international education.

Based on the past 3 years' momentum, and the smart initiatives being rolled out to attract students, we are projecting that Germany will overtake UK and become the international education leader in Europe in the next 5 years.

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# INDIA TRENDS

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## PART B

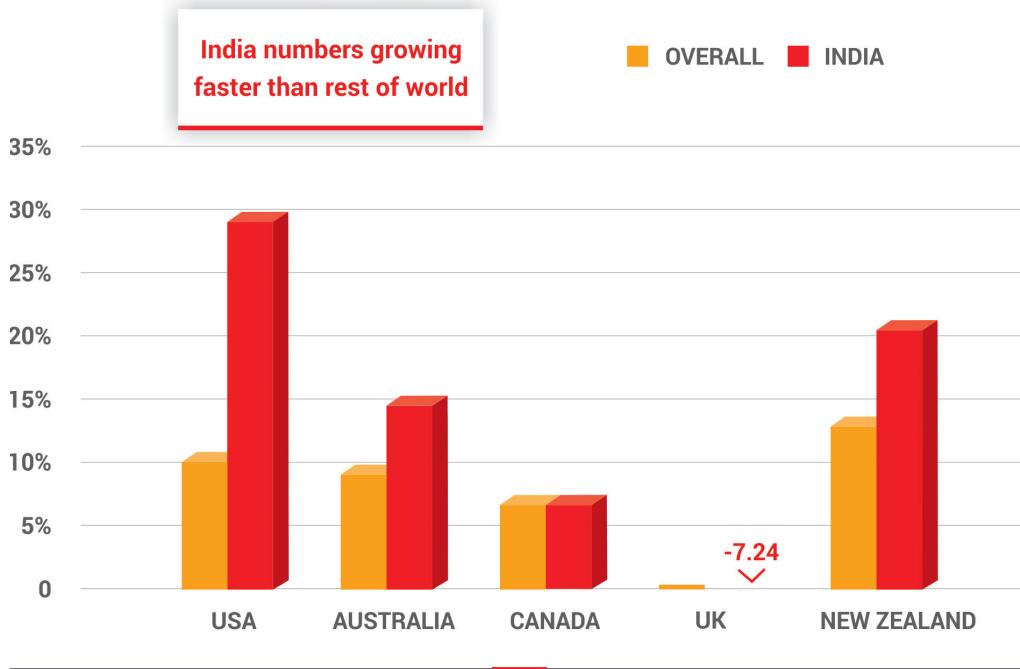
## » India growth accelerates to 17%

Right on cue, as we predicted in our last year's report, the international students from India crossed the 350,000 mark in 2015.

What's more significant is that the growth is getting stronger. Numbers to the Top 5 destination countries – US, Australia, Canada, UK and New Zealand – grew in 2014 by 12.6%.\* In 2015, they grew faster at 17.8%.

Except for UK, where the numbers continue to decline, India sent more students to all destination countries. And India's numbers to all these countries grew at a faster rate than the overall international students growth (except UK again).

### Aggregate vs India growth rate



India has definitely arrived as the second-biggest growth driver in international education market after China now.

\*Canada released its 2014 numbers late in 2015. India numbers were higher than anticipated, so the 2014 growth rate has been revised based on actual figures from Canada now.

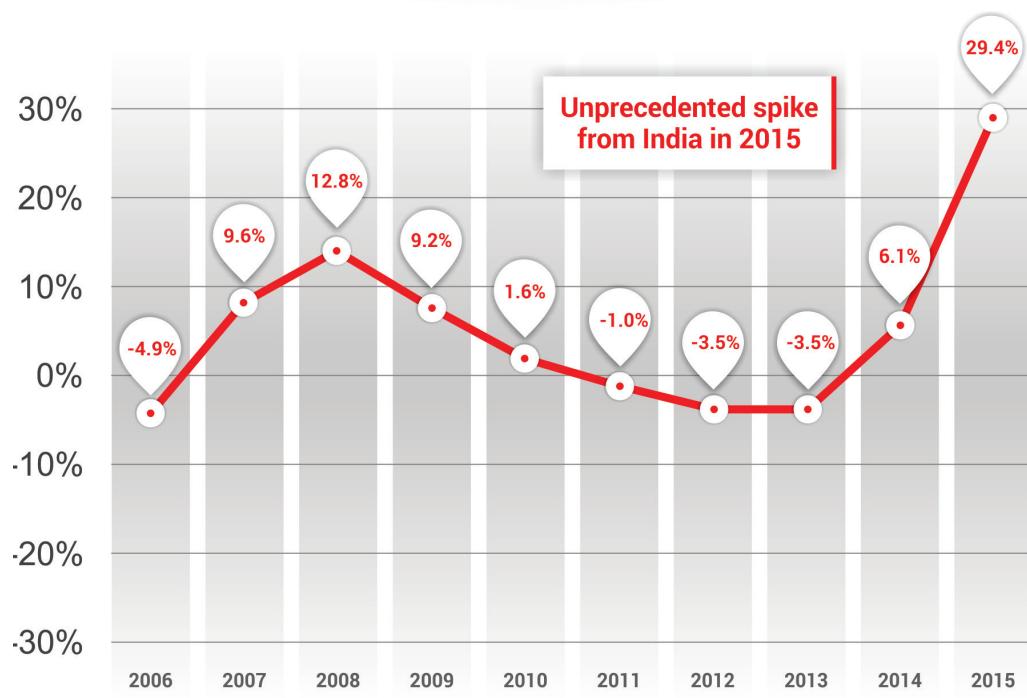
## Highest-ever India numbers growth to US ➤

Yes, ever since US started collating international student market data from over 50 years ago, the spike in student traffic from India has been the highest ever. In 2015, 29.4% more students were from India compared to 2014.

The international student numbers from India was almost 133,000 last year. That's 13.6% of the total US market.

This spike in India numbers is a key factor that pushed overall US growth rate past the 10% mark after a very long time.

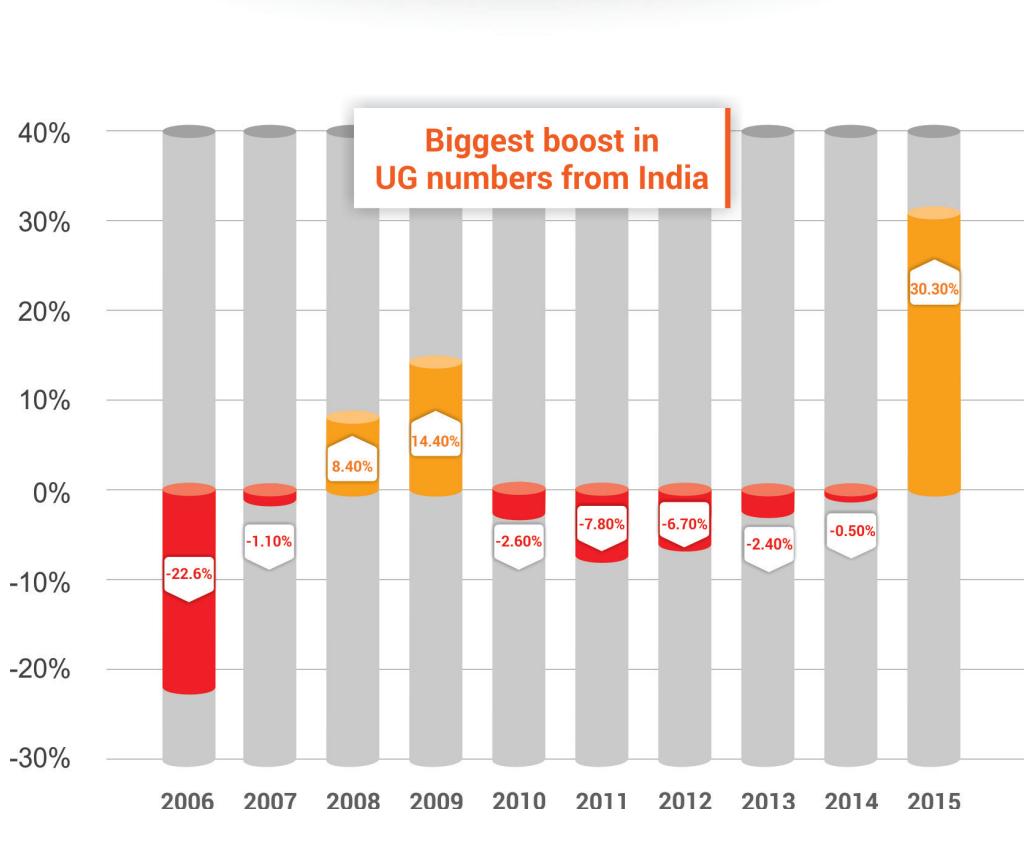
### Highest-ever growth in US numbers



## » Under-graduate numbers becoming significant, says US data

From 2005, since we have tracked international student data, undergraduate growth from India has been positive only in two years, in 2008 and 2009. The remaining years, it has either been stagnant or slightly negative.

% UG growth to US



Last year, UG numbers from India to US grew by an unprecedented 30%, to over 16,500 students.

Graduate numbers to US increased faster, by 39.3%. And the graduate numbers are 5 times bigger, so we are not saying that the undergraduate market is going to be as significant as post-graduate anytime soon.

But the spike in UG has never been this high – and the US numbers point to a changing trend that we have been talking about in the past year or so.

## Canada, US lead in the 6-year gains analysis ➤

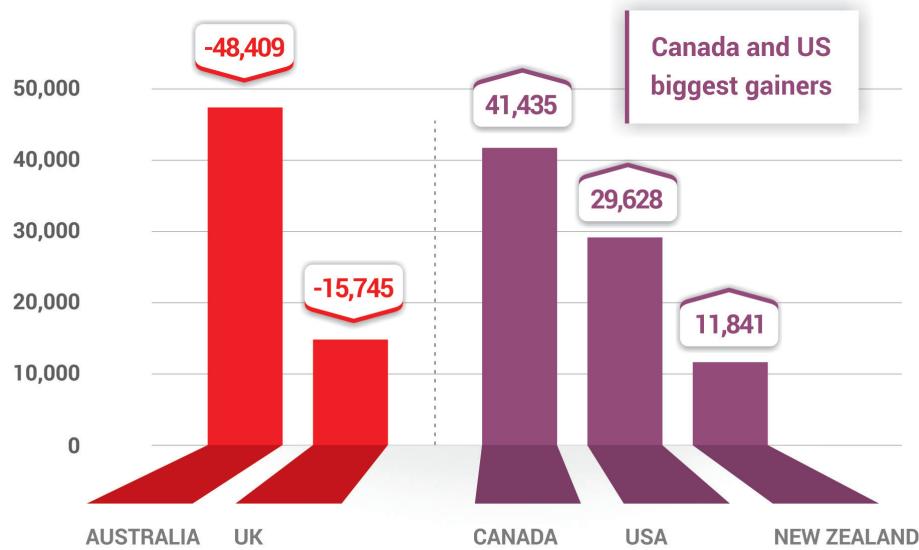
Last year, we introduced the concept of incremental gains analysis to understand underlying trends. We employed this technique to understand which country has gained or lost the most in absolute student number increases.

So, for each year, we computed how much a country added or lost in students numbers for India, and we then added it all up for the 2009-2015 period to work out the overall gainers and losers for this period.

Why track increases in absolute numbers? It suggests where the momentum lies, and who is gaining at the cost of whom.

In the past 6 years, the biggest drops have been to Australia and UK. Australia, because its numbers grew fast until 2009, and then dropped just as fast for the next four years. UK has seen a secular drop because of its changed priorities now, of reducing immigrant/foreign influx. What these countries lost has been the gain of two countries the most: Canada and US.

### Canada, US biggest gainers



In our previous year's analysis too, Canada had emerged as the biggest and almost the only gainer. What's evident from this year's gains analysis is that a buoyed US is going to be the biggest threat to growth for both Canada and a resurgent Australia. With last year's jump, US clocked the second-largest gains in the 2009-2015 period, after Canada (based on our projections for 2015).

Will Canada be able to maintain its momentum?

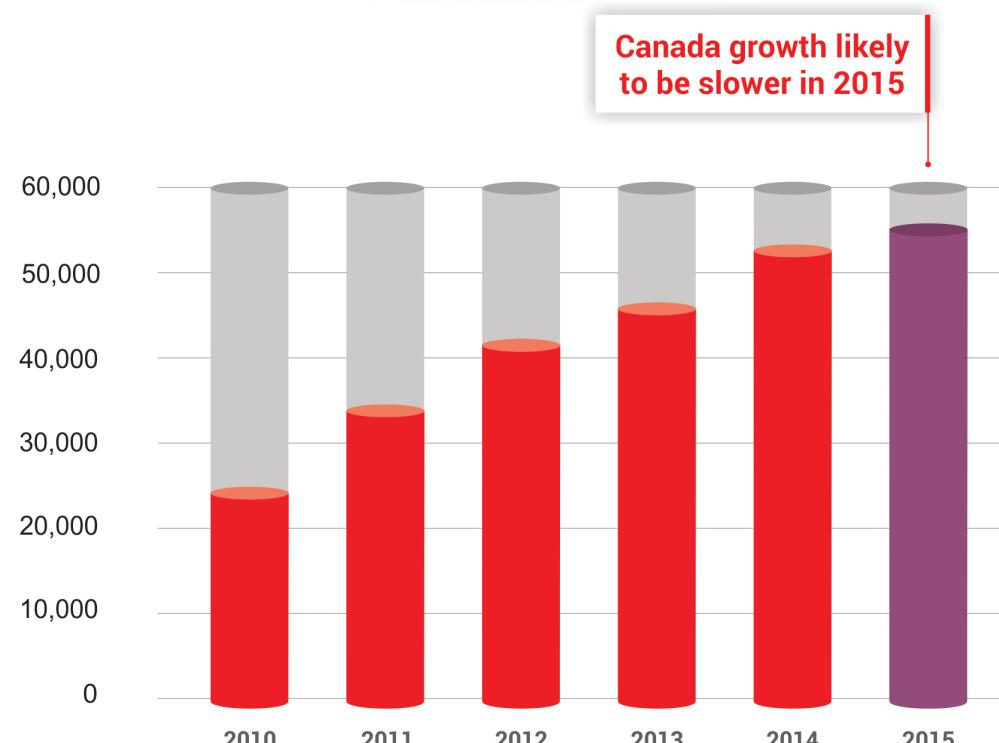
## » Canada projection: 2015 growth not likely to be as strong

Canada hasn't released its 2015 numbers yet. We are however projecting a lower growth from India than 2014.

The basis for our hypothesis: US pulled significantly more from India in 2015 (29%), while India's overall numbers to top countries have only grown by 17%.

US additional growth will be at the cost of other countries. Sure, UK continues to cede ground, but with Australia staying on a strong upward trajectory in 2015, Canada is the market that is most likely to get impacted by US.

**Canada Projection for 2015**



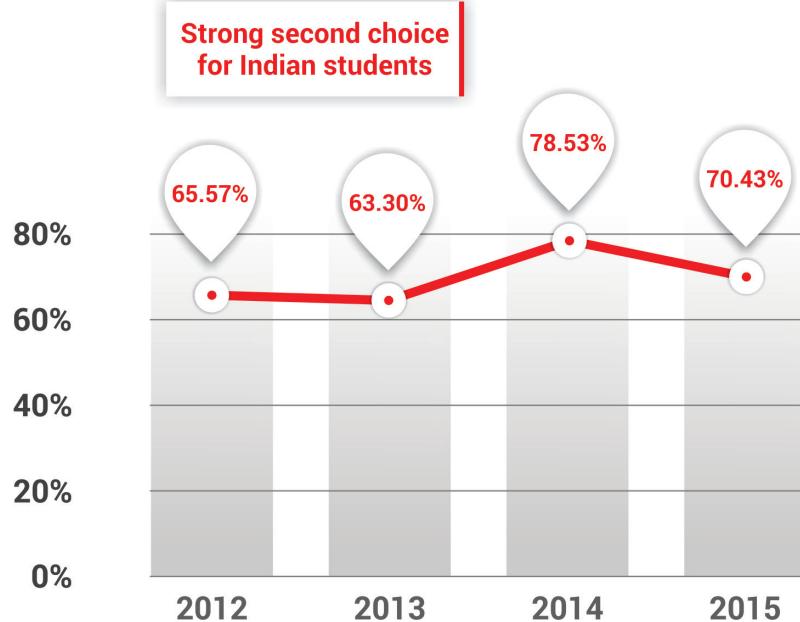
When Canada released its 2014 numbers by 2015-end, the growth was sharper than anticipated. India clocked 52,378, which has a growth of 12.7% over previous year. In 2015, we anticipate growth closer to the 10-year secular trend, at 7% or thereabouts.

## Australia-New Zealand stays strong ➤

Both these markets continued with their strong growth that kicked in 2014. Australia numbers from India grew by 15%, while New Zealand grew by over 20%.

In both cases, these growth rates from India are higher than their overall international student growth rates. Australia-New Zealand has emerged as a strong option for Indian students in the past 10 years.

### Australia-NZ as strong #2 (% of US total)



There was a time – between 2008 and 2010 – that more students went to these countries compared to US. Last year, Australia-New Zealand combine dropped to 70% of US numbers (after an unusually strong surge from US), but in 2014, they were about 80% of US.

The fundamentals as an international education destination continue to get stronger, so they will continue to pull weight against North American countries (which have harsher climate for the tropical Indians).

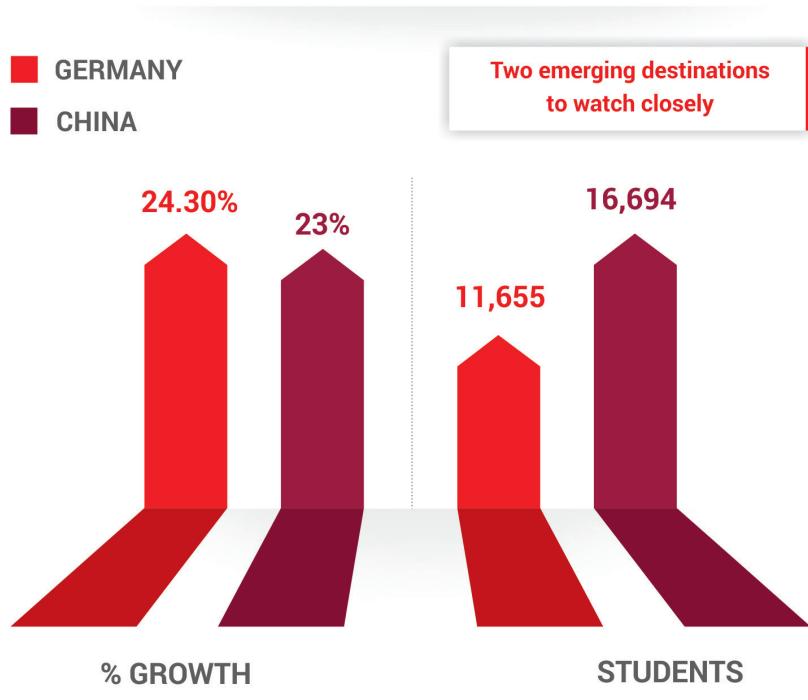


## China, Germany emerging as key non-MESDC options

There was a time when apart from Mainly English Speaking Destination Countries (MESDC), Indian students stayed within the traditional options – Russia, Gulf, and a smattering of students across European countries.

That's changing significantly now, with two new countries becoming hot favorites for a bunch of Indian students.

### China, Germany as emerging destinations



In 2015, Indian students to China jumped by almost 23% to 16,694. That's so very close to UK numbers (18,320).

Germany numbers grew faster, by 24.3% to 11,655. That means it overtook Russia as a destination country for Indian students. That's again a big deal, and given the reducing cost of higher education being offered by Germany, the trend from India is only going to get stronger.

# Summary



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**01.** The Indian market is growing at a faster pace than ever before. In all key destination markets (except UK), student numbers from India grew faster than overall numbers.

**02.** With China settling down to steady international student growth rates of 10% year-on-year, the big growth impetus will come from India now. More trends in international students' mobility will be driven by what's happening in India.

**03.** In terms of sheer influence, there is nobody who comes even close to the US as a preferred destination. As 2015 numbers show, it can pull ahead when it chooses to. So other contenders – Australia and Canada – cannot afford to slacken their efforts.

**04.** The undergraduate market in India is beginning to come on its own. Other countries don't share break-up between UG and PG numbers, but the trends from the largest destination market, US, clearly shows a strong UG market building up in India now.

**05.** Australia is back as the second-favorite choice for Indian students, and the perception challenges are firmly behind it now.

**06.** As more and more students from India seek to go abroad for studies, they are now beginning to look at non-traditional options aggressively – China and Germany are becoming more successful in wooing Indian students.

Over the next years, doing well in India is likely to be the biggest factor in international student numbers for the top destination countries.

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## KEY RECOMMENDATIONS FOR INDIA MARKET

International recruiters need to keep three things as they prioritize their activities for India.

### **01. India plans needs a bigger focus now**

The undergraduate market is beginning to come into its own. The graduate market is showing strong growth. China is still about twice as large as India, but the growth momentum is with India now.

To capitalize on these opportunities, universities and colleges need to expand their presence now.

Rather than relying only on international recruiter visits to the country, institutions need to start thinking of establishing local presence – be it their own office or a country representative.

Market opportunities are opening at a much rapid pace than can be tapped through annual, bi-annual trips.

### **02. Invest in direct outreach, especially through schools**

We said this the last time as well, but this cannot be emphasized enough. For those who are looking at higher quality of students, there is no getting away from reaching to

students directly.

That target student is relying lesser and lesser on agents, who are essentially driven by volume and therefore quality of advice is suspect.

It's tough to establish engagement through schools –they do not encourage too many marketing interactions. But it's all about building rapport and gradual engagement – the results more than justify the effort.

### **03. Provide more value-added information**

The options available for students have increased significantly, so has the ability of parents to fund their children's international education. This means their demands in terms of information and advice is rising sharply.

Seek more opportunities for richer interactions – webinars, school counselor interactions, school visits and highly targeted digital marketing. These are more feasible through value-added service providers than the traditional, volumes-driven agent channel.

The market is becoming discerning rapidly – re-evaluate your traditional outreach and engagement options.

Pre-book a copy of the  
Top Schools report

Write to us at [research@mdotm.in](mailto:research@mdotm.in)



# Appendix

## SOURCES AND PUBLICATIONS

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### GLOBAL

1. Global Flow of Tertiary Level Students, UNESCO Institute for Statistics <http://www.uis.unesco.org/Education/Pages/international-student-flow-viz.aspx>

### USA

1. IIE Open Doors 2015 <http://www.iie.org/Research-and-Publications/Open-Doors/Data/International-Students/Leading-Places-of-Origin/2013-15>

### AUSTRALIA

1. Australian Government Department of Education ; [https://international.education.gov.au/research/International-Student-Data/Documents/INTERNATIONAL%20STUDENT%20DATA/2015/2015Dec\\_0712.pdf](https://international.education.gov.au/research/International-Student-Data/Documents/INTERNATIONAL%20STUDENT%20DATA/2015/2015Dec_0712.pdf)

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### CANADA

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### NEW ZEALAND

1. New Zealand Student Visa Dashboard Full year 2015 [http://enz.govt.nz/sites/public\\_files/Market%20and%20Sector%20Student%20Visa%20dashboard%20FY%202015.pdf](http://enz.govt.nz/sites/public_files/Market%20and%20Sector%20Student%20Visa%20dashboard%20FY%202015.pdf)

### OTHER COUNTRIES

1. Germany: <http://www.wissenschaftsweltoffen.de/publikation?lang=en>
2. China:
  - a. [http://en.moe.gov.cn/News/Top\\_News/201604/t20160420\\_239196.html](http://en.moe.gov.cn/News/Top_News/201604/t20160420_239196.html)
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4. UIS: <http://www.uis.unesco.org/Education/Pages/international-student-flow-viz.aspx>

