

INDIAN STUDENTS MOBILITY REPORT 2018

MMA Services



M. M. ADVISORY
Specialists for studying in Canada



Copyright © 2018 by M.M Advisory Services (MMA)

All rights reserved. This report or any portion thereof may not be reproduced or used in any manner whatsoever for commercial purpose without the express written permission of the publisher.

You can copy, download or print MMA content for your own use, and you can include excerpts from MMA reports in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgement of MMA as source and copyright owner is given.

Please cite this report as:
[Indian Students Mobility Report: MMA \(2018\)](#)

PREFACE



These are interesting – and dare I say – exciting times in the international student mobility market. Since we started publishing the International Student Mobility Study in 2015, I can sense a shifting of gears.

Trend lines are changing. Quite apart from the growth in numbers, there is a qualitative shift in the way the market is evolving.

Everyone is talking about Canada's exceptional growth in the past 2 years. Would any of us have believed it, if someone said that more Indian students will go to Canada than the US? Well, that might just happen in 2018 if things continue at this rate.

That's a huge development, right? And yet, what if I told you, there is an equally bigger, more longer-term shift already underway in the market. Two years back, in our Indian Students Mobility Report, we had highlighted how Germany's aggressive efforts to attract graduate students could be a game-changer.

Well, Germany and China (which is equally aggressive in wooing students now) put together are today just short of total international students in the US from across the globe. How is that for a trendline shift?

For decades, the US has been the unchallenged leader in international student mobility market. And now we are looking at a multi-polar world, at least when it comes to the international student mobility market in India.

Dive into these, and other big and small shifts that are playing out in the market. We hope you find the report and insights useful. We thoroughly enjoyed putting it together.

I keenly look forward to your feedback.

Happy reading!

Maria Mathai
Director





Contents

03	Preface
05	Executive Summary
06	Methodology
<hr/>	
07	PART A: GLOBAL MOBILITY TRENDS 2018
08	7 year low in US growth rate
09	Australia trendline has shifted again
10	Canada grew the fastest last year
11	Germany + China almost as much as US
12	New Zealand joins UK in the slow lane
<hr/>	
13	PART B: INDIA MOBILITY TRENDS 2018
14	US: 200,000 barrier still to breach
15	Canada beats Australia by a wide margin
16	India still among the top growth drivers for Australia
17	China, Germany continue to make inroads
18	New Zealand drops by nearly 28% in 2017
<hr/>	
19	Summary
20	Key Recommendations for India Market
21	Appendix

EXECUTIVE SUMMARY

As with other annual studies we have done in the past, there are big and small trends and insights. This year, we would like to begin by staking out a new position: the international student mobility market is better understood by grouping countries in three categories: Leaders, Emerging Leaders and Status Quo countries (Note: We did this classification based on compounded annual growth rates for international students, from 2009-2017.)

Viewed this way, each country's growth trajectory seems to fit a larger, underlying trend – and thus provides a better sense of what happened, and where things are headed.

Leader Countries

Traditionally, US has topped the list and driven the overall global market, with Australia a strong number two, and Canada replacing UK as the third-most preferred destination.

That is largely how 2017 also played – with a caveat. Canada grew a whopping 20.5% and the US growth rate halved to 3.5%. So there is a lot of jostling going on within leader countries also.

Australia is still an overall number 2, and in fact, it has not allowed Canada to grow at its expense. It is likely to keep strengthening its position as the #2 destination, after the US.

What's not going to be as predictable is Canada's ability to keep growing at the expense of the US. The current turbulent environment in the US has made students look at its neighbor up north more seriously, but will that situation drastically change if the political environment becomes less polarized? We will know this in 3 years time or more.

Emerging Leaders

For us, this is actually a more exciting insight from this year's analysis. Germany and China have aggressively been wooing students for the past few years, and it looks like the efforts have started paying handsome dividends now.

Germany and China together attracted 0.85mn international students last year, when the US got 1.07mn students. In other words, these two countries got only 20% students less than the market leader.

More students went to China than to the UK last year globally. More students from India

also went to China than the UK. In 2013, Germany was 66% of UK volume, now it is more than 80%.

The reason why we believe this trend is even more significant than the numbers seem to suggest is simple: both countries are non-English speaking countries. And conventionally, international student mobility has been very limited among non-English speaking countries.

The international students market is opening up in a big way now in non-Mainly English Speaking Destination Countries (non-MESDC). And we believe that in the coming years, these new countries will become one of the biggest factors driving higher competition among destination countries.

Status Quo Countries

Among the 7 countries that account for nearly 85% of student traffic from India, there are two countries – UK and New Zealand – where student volumes no longer vary significantly from year to year.

The UK settled into this pattern since 2010, averaging between 425,000 to 450,000 students annually. The UK government has been quite explicit about their intentions to cap the international students' volume.

The other country, New Zealand, also seems to be settling around 125,000 as a steady-state number. That's been the number of international students coming to New Zealand for the past 3 years. Interestingly, before that, since 2005, the start year for analysis for our ISM reports, the volume has consistently hovered around 100,000 students annually.

And now, after some aggressive push in the early part of this decade, New Zealand has settled into a higher steady-state volume.

While the categorization is useful to study overall trends, we have kept the report structure similar to previous years. Part A of the report covers key global trends in international student mobility, and Part B maps student mobility out of India.

We hope you find the analysis useful.



Our Methodology

1. 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 or equivalent sources only for data. Here are our data sources, country-wise.

USA: IIE Open Doors

Australia: Australian Government, Department of Education and Training

Canada: Immigration, Refugees and Citizenship Canada

UK: Higher Education Statistics Agency

New Zealand: Education New Zealand

Germany: DAAD, DZHW

China: Ministry of Education

Other sources: Project Atlas, OECD, UNESCO, MEA

2. We have expanded our analysis for Indian students' mobility trends to include Germany and China this year. Together with the major Mainly English-Speaking Destination Countries (MESDC), these 7 countries account for nearly 85% of international student recruitment from India.

3. 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 2016/17

Australia: International student enrolment data 2017

Canada: Study permit holders on December 31st by country of citizenship 2017

UK: HE student enrolments by domicile, level of study, mode of study, region of HE provider and academic year 2016/17.

New Zealand: International fee-paying students by country of citizenship and sector, 2010-2017

Germany: Foreign students by type of higher education institutions (HEI) in 2017.

China: Total number of Foreign Students for 2017

4. The scope of study extends from 2005 to 2017.

5. 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.

GLOBAL MOBILITY TRENDS 2018

PART A



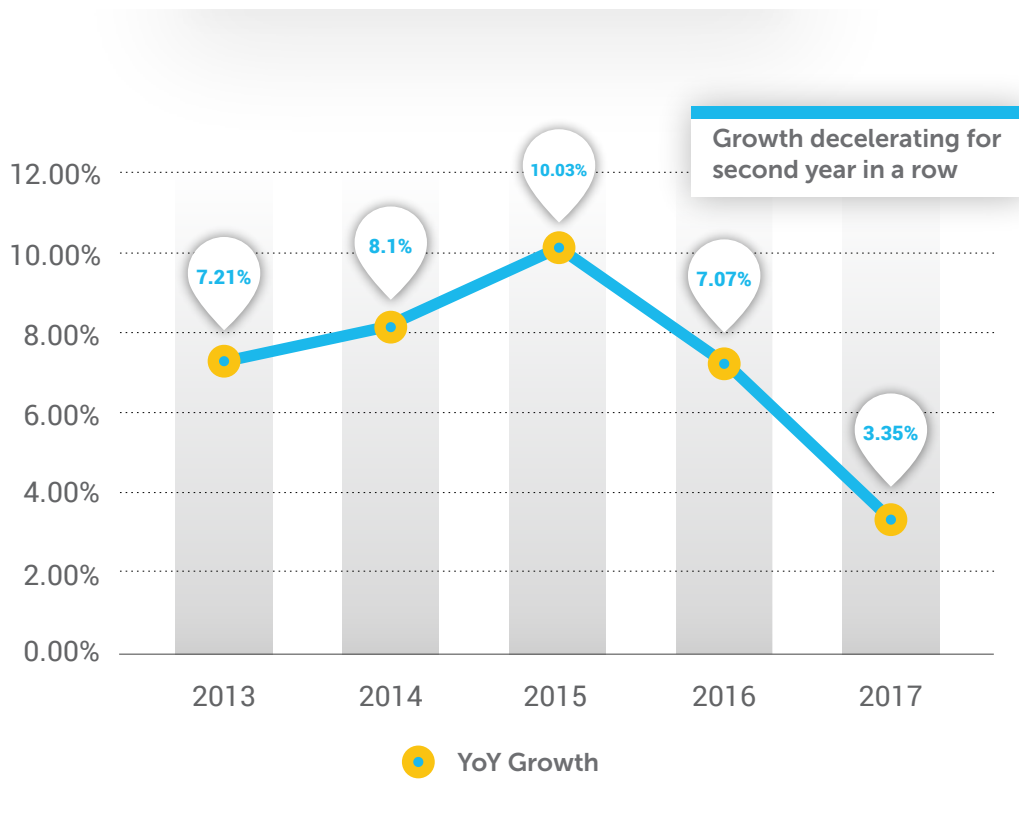
7-year low in US growth rate

The Trump factor could not be more stark. After the first year of his presidency, the growth rate in international students in the US slowed down from 10% to 7% - the mood had begun to turn, at the outset. And then, in 2017, the growth halved from the previous year, to 3.3%. To be sure, this is the lowest increase in US numbers in the last 7 years.

Having said that, with over 1.07mn international students arriving in 2017, the country's position as the number 1 destination for international students isn't going away anytime soon. Well, not for another 3-4 years at least.

Australia has been nipping at the heels for a while, and guess what – last year it grew by a solid 12.6% overall. That makes Australia at 80% of the US numbers. So in the global sweepstakes, this is going to be very interesting trend to track in the coming years.

US slowdown



Australia trend-line has shifted again

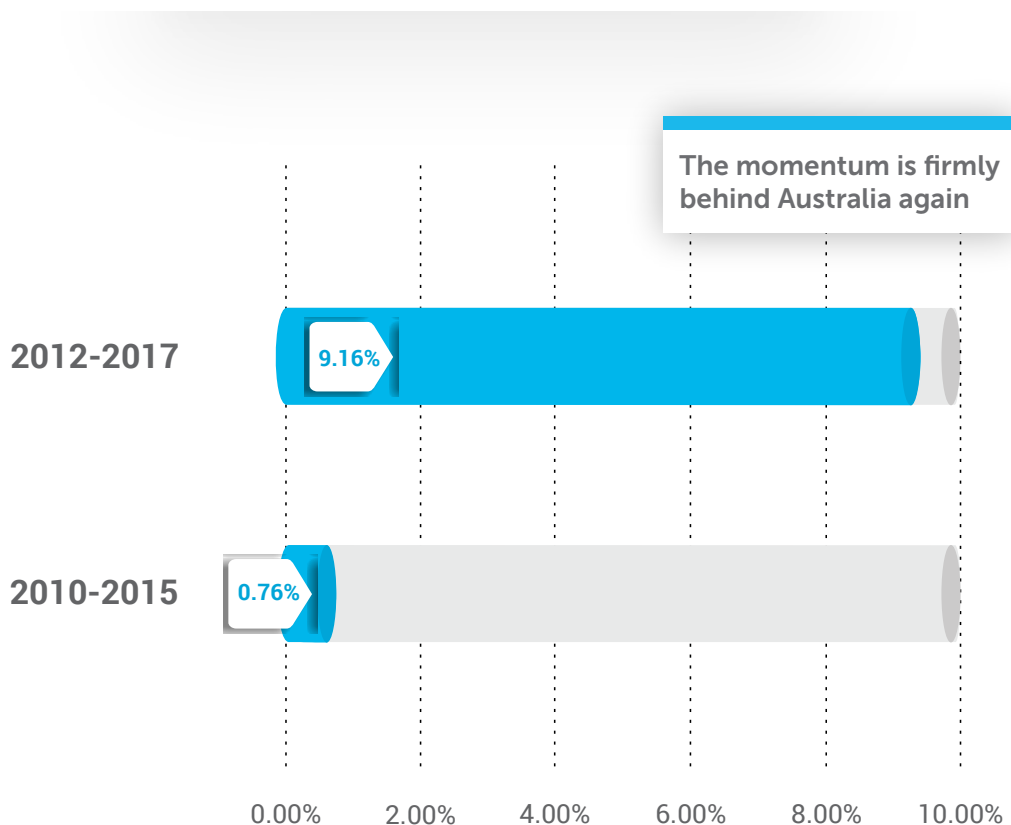


Remember some of the race-related incidents a few years back in Australia – it had a significant impact on international student numbers. From 2010 to 2012, the student numbers dropped, year on year for those three years – and then, the trend started to turn around. Now, looking at the last 5-year growth rate, the momentum is nicely back with Australia.

The latest 5-year period, 2012-2017, the CAGR is a very impressive 9.1%. The 5-year compounded annual growth during the 2010-2015 period was just about 0.76%.

The underlying growth trend is strong for Australia – and it is likely to pose a serious challenge to the leadership position of US in the coming years.

Australia 5-yr growth





At 20.5%, Canada grew the fastest last year

Who would have thought that Canada will become the growth scorcher – a label that Australia has rightfully claimed all these years.

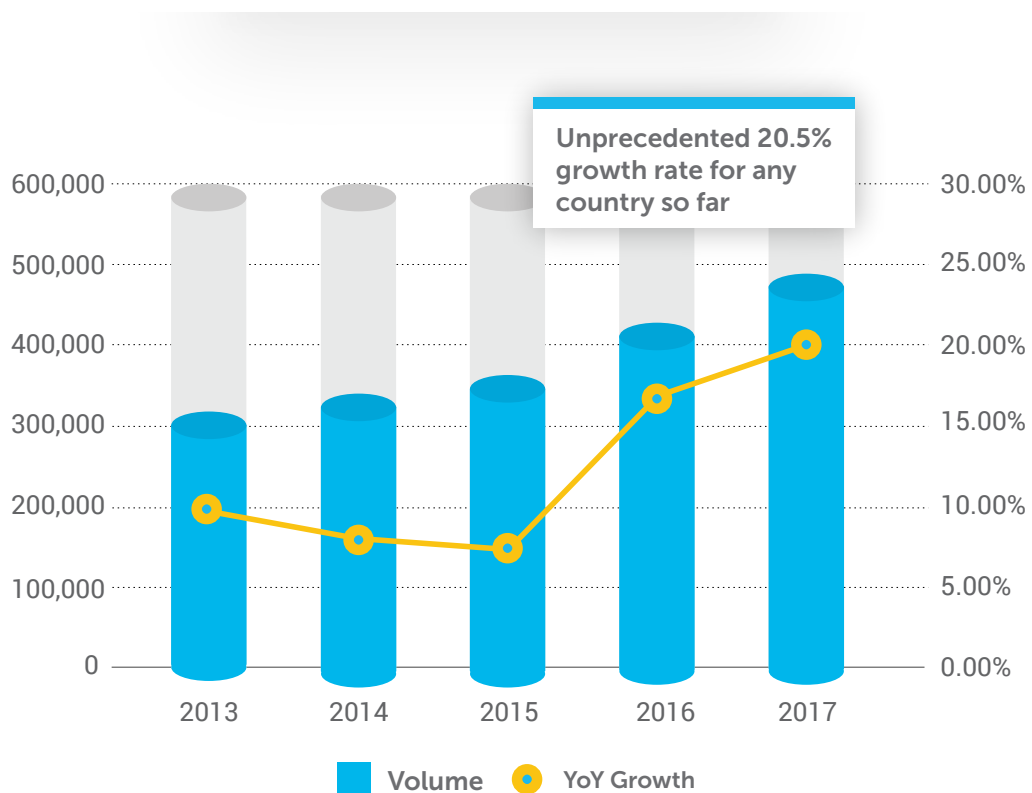
Clearly, Canada's gains are coming at the expense of the US (because Australia growth rates haven't dropped with Canada's gain). The falling growth rate in US is correlating strongly with Canada's momentum in the past few years.

In the past 5-years, 2012-2017, Canada has grown at a rate of 12.5% CAGR, which is the highest among the top international destination countries where English is the primary language (Mainly English-Speaking Destination Countries, or MESDC)

It's a very recent phenomenon, so everyone will be closely watching Canada's ability and willingness to sustain this growth rate.

While 2018 numbers are yet to come out, at MMA, we are projecting the numbers to be higher.

Canada's Growth Spike



Germany + China almost as much as US

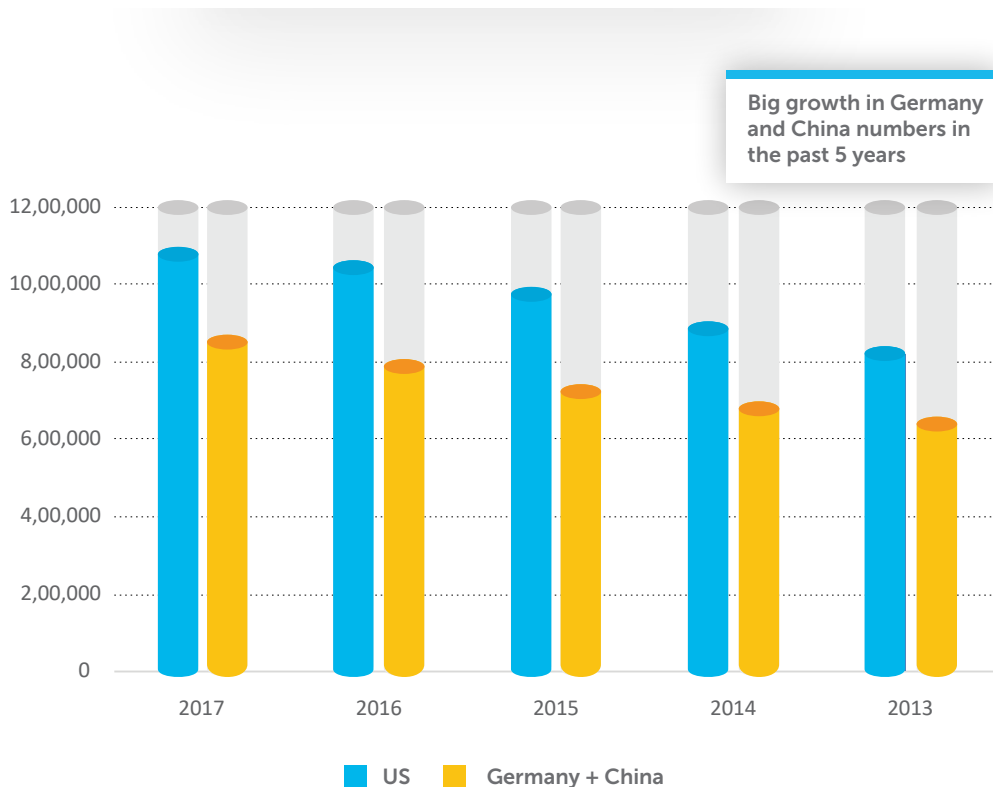


Yes, almost – Germany and China international student numbers add up to nearly 850,000 students, which is just short of the 1mn students in the US.

One way to understand this trend is that students are definitely exploring new options, and international mobility continues to rise across countries. In the past 4 years, total international students in the top countries (US, Australia, Canada, UK, Germany, China and New Zealand) have grown from 2.8mn to 3.8mn students – over 1mn students added between 2013 to 2017.

China particularly has been adding numbers at a rapid clip, and this was the second-year for China with double-digit growth rates (10.6% in 2016). In fact, last year, China went past UK for the first time, which has very clearly adopted a path at keeping its numbers steady at about 450,000 for the past few years now.

Top non-MESDC countries vs US student volume





New Zealand joins UK in the slow lane

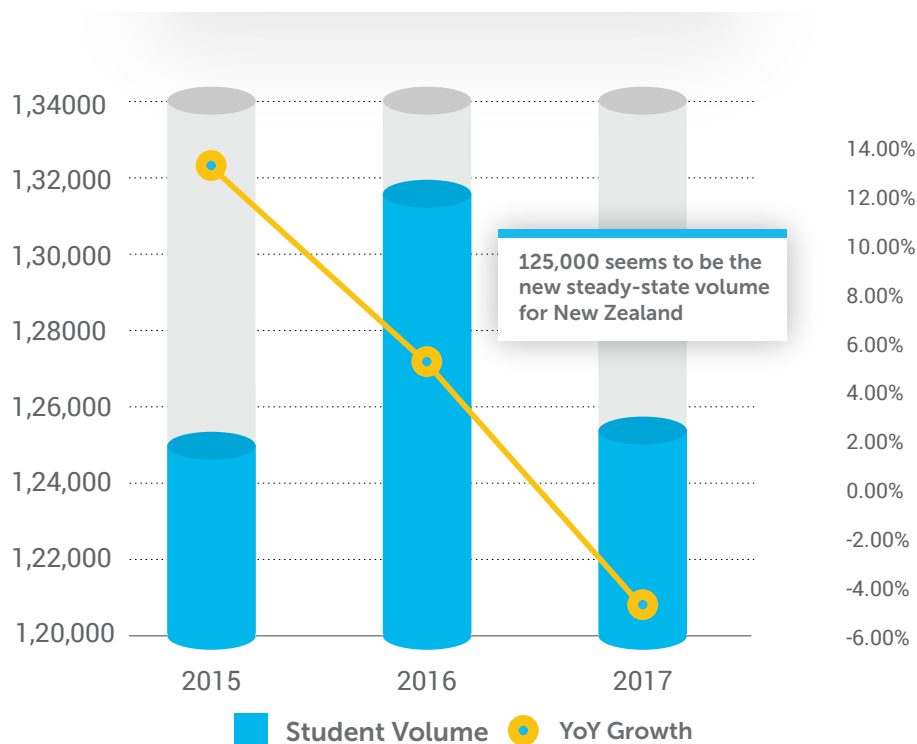
New Zealand might be settling down to a lower equilibrium, of about 125,000 new international students in a year. At least that is what the last three years trend-line seems to suggest. In 2017, its numbers actually reduced, from about 131,600 to about 125,400, which is very similar to its 2015 levels. The data for next couple of years will be critical to confirm the trendline.

UK decided a few years back to cut down on its international students growth rate, and since 2011, its new international student numbers have hovered between 425,000 to 450,000. 2017 was no different, with 442,000 added in the year.

These global trends obviously spell out the overall outcomes for the Indian international mobility market also. And yet, as always, the India-specific trends are just as insightful in their own right.

Let's study those.

New Zealand



INDIA MOBILITY TRENDS 2018

PART B



US: 200,000 barrier still to breach

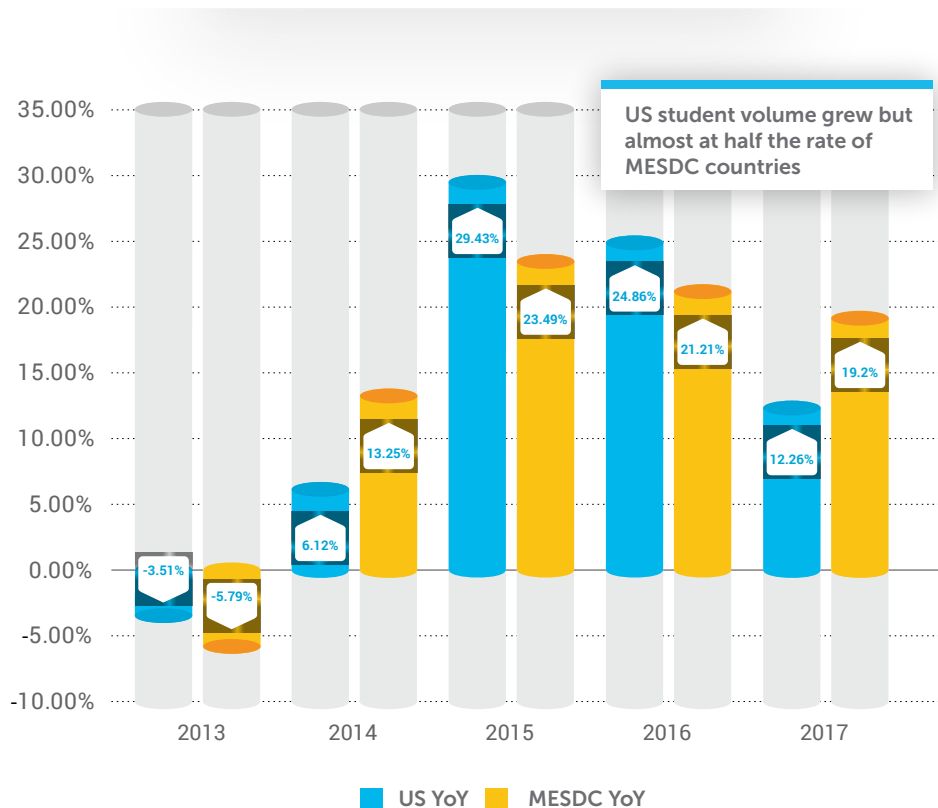
If the growth momentum had continued for the US market, as it has been in 2015 and 2016, Indian students to US would have crossed two hundred thousand. But the actual numbers were 186,267 – in other words, the growth rate from India also came down from a high 24.9% in 2016, to less than half, at 12.3%.

Factors that have driven the overall international student numbers down in the US is also why more Indians are looking at options beyond the US – the environment is not perceived as friendly, there is an element of ambiguity and so Indian students are exploring other options actively.

One way to compare US performance is to look at overall growth rate in MESDC countries in international students. MESDC numbers grew at 19.2% last year, while US, which is the largest component among MESDC countries, grew by 12.3%.

Based on our estimates, the momentum in 2018 is weaker, and we don't expect US numbers to reach two hundred thousand students in 2018 either.

US growth vs MESDC growth



Canada beats Australia – by a wide margin

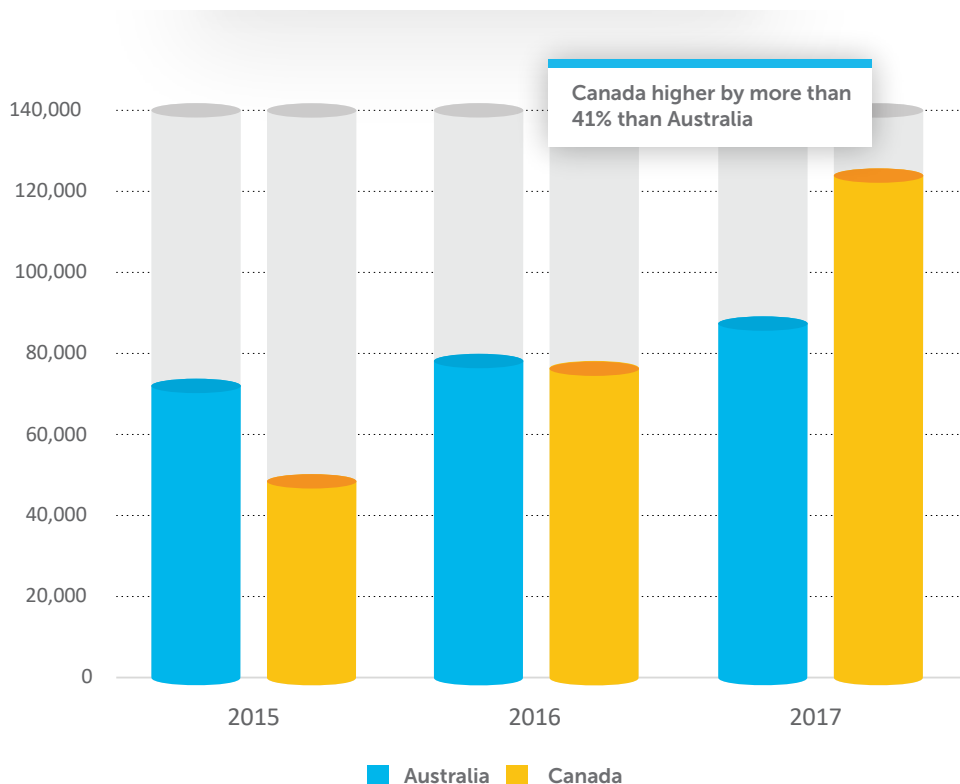


That's probably going to be the biggest development in international mobility market in India for sometime. Canada numbers in 2017 surged ahead to 123,940, which was 41% higher than Australian numbers.

Another way to understand how significant is this development: Canada's market share among MESDC countries from India is now 28.5%, Australia hasn't been able to grow beyond 25% in the past few years, even after it started regaining momentum.

Canada's market-share suggests how strong a destination country preference it has become in recent years. In 2016, it gained market-share from Australia and other smaller destinations, but this year, it grew more at the cost of US. The US market-share dropped from 45.5% to 42.8% in 2017.

Canada beats Australia by a wide margin





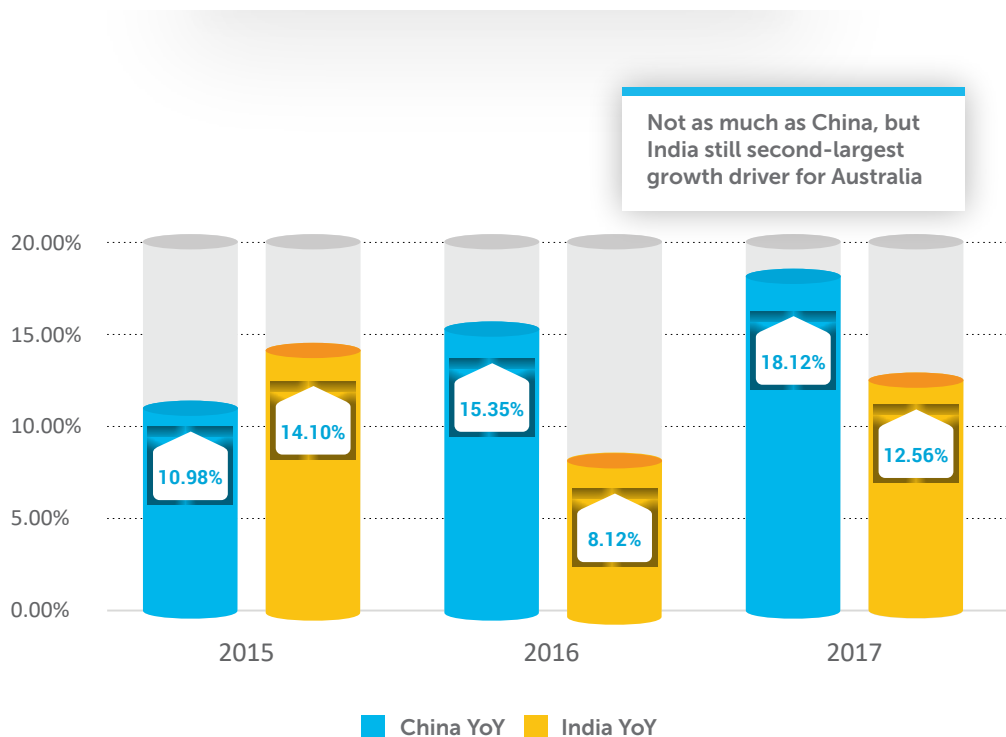
India still among the top growth drivers for Australia

Australia's growth is more homogenous now, across source countries – and at the same time, India is a major driver of international student volumes to the country. The growth rate from India jumped higher from 8.1% to 12.5%.

China, of course, is the biggest segment of international students in Australia, followed by India. Together, these two countries improved their students' percentage out of all international students' intake in Australia from 38.5% in 2016 to almost 40% in 2017.

No doubt the momentum to Australia is not stronger because Canada has emerged as a hot favorite after the US among students in India.

India as second-largest growth driver



China, Germany continue to make inroads



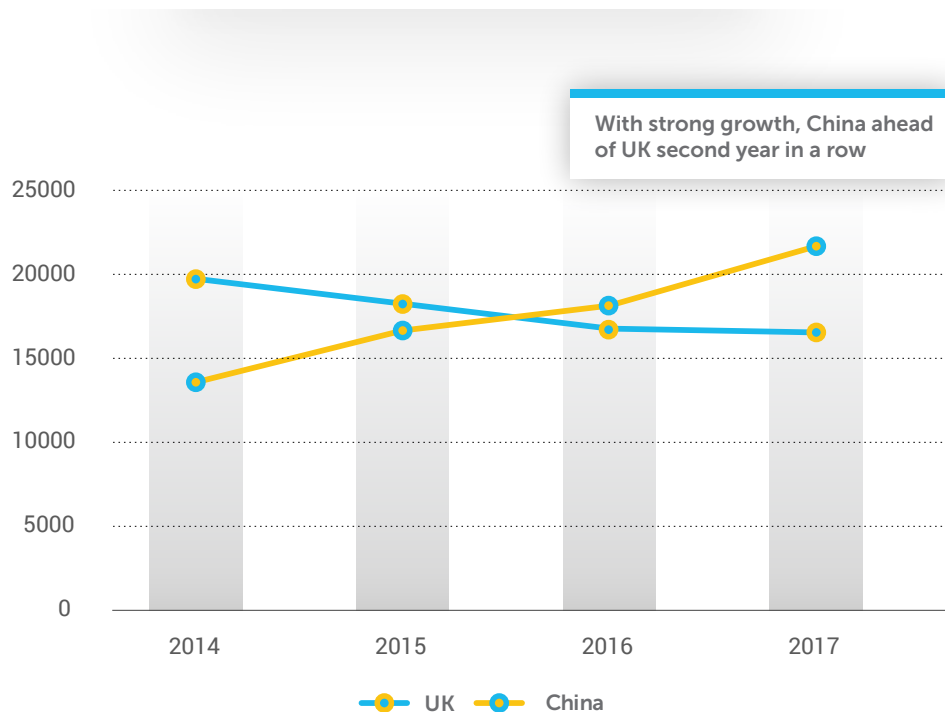
In 2016, Indian students to China overtook the numbers to the UK. And China continued to pull ahead in 2017, with 21,700 Indian students there compared to 16,550 in the UK.

Another country which is slated to overtake UK is Germany. It attracted over 15,500 students from India, which is less than a 1,000 students to UK.

Both these developments are significant for two reasons. One, both countries are non-English speaking countries. Two, both countries don't attract Indian students for potential employment opportunities post their studies – so these two countries are emerging as a strong choice among Indian students primarily as places of higher education learning.

That's going to eat into UK numbers more in the coming years.

China vs UK





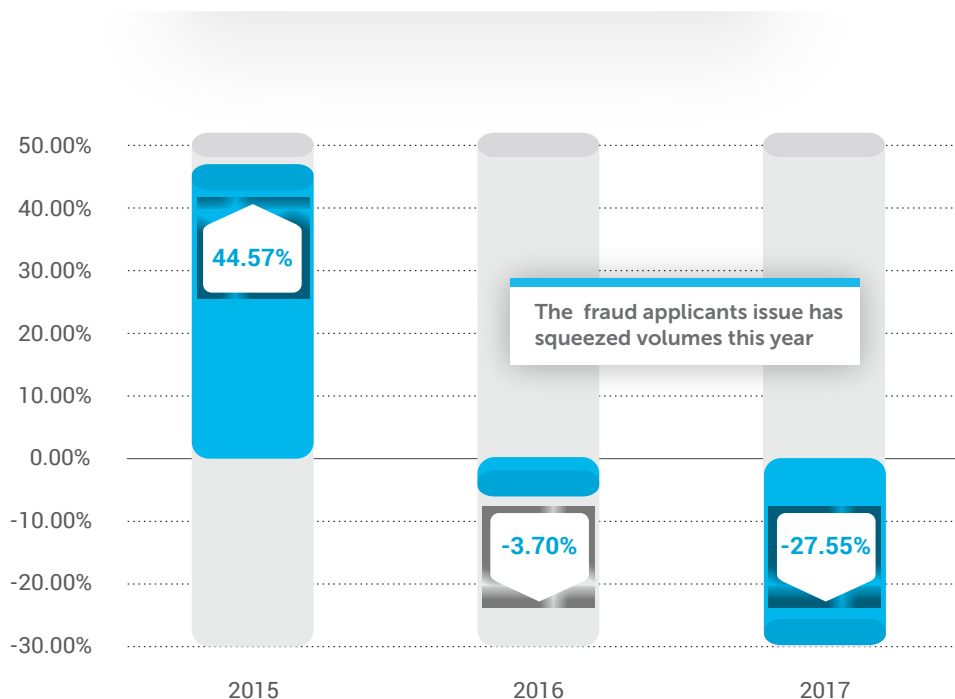
New Zealand drops by nearly 28% in 2017

New Zealand had started losing momentum in 2016 with 3.7% drop over the previous year, but that trend really picked pace in 2017. At about 20,400, Indian student numbers to New Zealand dropped back to 2014 volume.

The big question: will this drop continue? Our estimate is that the country will continue to feel the pressure in 2018 and perhaps the next year too – primarily because of the Canada factor. Canada is not as far as New Zealand geographically from India, and it is now being preferred even over Australia. So the spillover volumes from Australia that it used to get, will reduce as Australia volumes also slow down. Couple these factors with a revised international education strategy by the country to focus on quality education and student satisfaction and it looks like New Zealand will flatten in coming years.

So Canada has rocked many boats this year. Let's see what the next year brings!

New Zealand free falls



Summary



1. Canada is the hot new leading destination from India, beating Australia to the number two position by a wide margin. This aggressive growth was also evident in student volumes to Canada from the rest of the world.

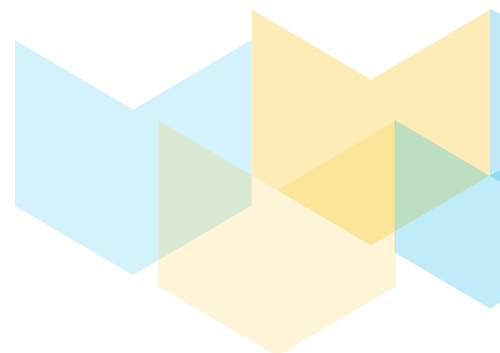
2. Australia continues to strengthen its position as the global number 2 destination country after the US. So Canada's gains are coming at the expense of US, not so much Australia.

3. There are a new set of emerging leaders who will challenge leaders, especially the US, in the years to come. Germany and China are wooing larger numbers of international students every year.

4. New Zealand volumes from India dropped significantly last year, both due to stricter admission scrutiny by New

Zealand institutions after rising cases of fraud applicants – and the market shift towards Canada.

5. The US, despite being the market leader, is not where the action was. It's numbers still grew, but by a paltry amount. So at the very least, US growth is flagging currently.





KEY RECOMMENDATIONS FOR INDIA MARKET

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

Build local presence as competition is intensifying

Students globally, and in India, are looking at a wider set of options now. Non-MESDC countries are the new challengers in town. So as country-level competition intensifies, universities from MESDC countries will need to put more marketing dollar per student to maintain their current trajectory.

To protect their turf, universities and colleges need to build and expand their local presence now. Relying on international recruiter visits and dependence on agent channel will not help improve marketing in the heightened competitive market.

For those who don't have local presence, it is imperative now to set up own office or have an in country representative.

Invest in agency management for better applicant quality

Countries that are seeing a surge in volumes (Canada, Germany, China) have also begun grappling with quality issues (fraud applications, poor quality of applicants, second year drop-offs etc)

It's not prudent to depend only on agents (with bi-annual international recruiter visits) to get quality applicants. The volumes are rising, but ensuring quality is becoming more and more challenging for international institutions.

For those who are looking at higher quality of students, there is no getting away from reaching out to students directly. That target student is relying lesser and lesser on agents.

A local presence, with a higher focus on direct outreach, along with investing in agency management is the right marketing strategy to go with.

Build stronger local brand through richer interactions

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

Institutions who seek more opportunities for richer interactions – webinars, school counselor interactions, school visits and highly targeted digital marketing – build a stronger brand. But again, this brand building requires local outreach team.

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



Appendix



SOURCES AND PUBLICATIONS

Global

1. Global Flow of Tertiary Level Students, UNESCO Institute for Statistics

USA

- IIE Open Doors 2017

Australia

1. Australian Government Department of Education; International Student Enrolment Data 2017

Canada

- 1 IRCC Facts and Figures 2017
2. Prime Minister, Government of Canada

UK

1. Higher Education Statistics Agency - 2017

New Zealand

1. New Zealand: International fee-paying students by country of citizenship and sector, 2017

Others

1. Germany: DAAD
2. China: Ministry of Education
- 3 IIE – Project Atlas
4. UNESCO - UIS:
5. India: Ministry of External Affairs





M. M. ADVISORY

Specialists for studying in Canada

MMA Services | New Delhi | India

Tel: +91.11.4125.5221 | **Email:** research@mdotm.in

www.mdotm.in