

The UK in the global student market: second place for how much longer?

Simon Marginson

19 July 2018

▪ Introduction

Until recently, the UK was the second most popular destination globally for international students. However, there has been little growth in the number of international students entering the UK since 2012. Recent data show that the gap between the UK and other countries is shrinking and the UK may soon fall to third place.

▪ Overall position: the top 10 export nations

The most recent UNESCO Institute of Statistics data on incoming international students are for 2016, although the UK data stop at 2015. Table 1 lists the 10 leading countries, in incoming international tertiary students, between 2011 and 2016. The table shows that the UK retained second place at world level in 2015, after the United States. The rate of growth in 2011-15 was more rapid in the US than the UK due to the Obama Government's open-door policy. In 2011-15 the numbers entering the US rose by 198,000 (an increase of 27.9 per cent), while the UK numbers rose by 11,000 (an increase of 2.6 per cent).

At world level 80 per cent of all tertiary students are in degree programmes, nearly all of them in universities, although the ratio varies by country. Among international students the proportion studying for degrees is higher than it is for all students.

Table 1. Incoming international students from all parts of the world, all sectors of education in the 10 leading countries in international education: 2011-2016

	2011	2012	2013	2014	2015	2016
United States	709,565	740,482	784,427	842,384	907,251	
United Kingdom	419,946	427,686	416,693	428,724	430,687	
Australia	262,597	249,588	249,868	266,048	294,438	335,512
France	268,212	271,399	228,639	235,123	239,409	
Germany			196,619	210,542	228,756	
Russia	165,910	173,627		213,347	226,430	243,752
Canada	120,960	135,187	151,244	164,274	171,603	189,573
Japan	151,461	150,617	135,803	132,685	131,980	
China	79,638	88,979	96,409	108,217	123,127	137,527
Malaysia				99,648	111,443	124,133
WORLD	3,961,201	4,046,274	4,179,758	4,412,981	4,697,230	4,854,346

Gaps = data not available.

Source: UNSECO Institute for Statistics, <http://data.uis.unesco.org/#>

It might appear that the UK remains in comfortable second place despite its low growth in student numbers since 2011. But the UK's global position is not comfortable. This is clear when post-2015 data are considered, and especially when the European and non-European markets are separated.

- The surge in Australia in 2016 in Table 1, and the stasis in the UK, means the gap between the UK and Australia narrowed in 2016. Further, Australian Education International states that in 2017, international students in Australian higher education increased by 14.7 per cent¹ and high growth in Australia has continued into 2018. In 2015, the UK received 136,000 more students than Australia. But when full figures for 2018 are available they will show that if the UK is still ahead of Australia, the gap is only slight. In fact, Australia may have already passed UK.
- The UK's global position is heavily dependent on its EU student enrolment (Table 2). After Brexit the number of EU students entering the UK will fall sharply.
- In the 'rest of the world' category, which will be all-important for the UK after Brexit, the gap between the UK and Australia shrank between 2012 and 2015; and it looks certain that once the full UNESCO data are available for 2016, Australia will have passed the UK level, as hinted by Table 3 and Figure 1.

I will now examine each market, EU and non-EU.

¹ See https://internationaleducation.gov.au/research/International-StudentData/Pages/InternationalStudentData2017.aspx#Annual_Series

▪ Incoming student mobility from Europe

The UK's global number two position in 2015 rested on its strong position in Europe (Europe also enabled Germany to claim the global number five position). The UK was the leading attractor of European students. This was sustained by conditions now disappearing – pre-Brexit free movement within the EU and the provision of UK education to European students on the same tuition basis as UK students. After Brexit, European students will have to pay full cost international student fees, not UK fees, and will no longer be eligible for tuition loans, meaning they pay up front in the year of study.

If the number of international students entering the UK drops sharply after Brexit then Germany is the nation most likely to see increases in numbers, followed by the Netherlands (currently the world number 11) and France.

Table 2 shows the global top 10 in terms of incoming students from Europe:

Table 2. Incoming international students *from Europe only*, tertiary education in the 10 leading countries in international education: 2011-2016

	2011	2012	2013	2014	2015	2016
United Kingdom	129,564	133,398	127,627	139,210	129,129	
Germany			77,686	89,470	95,275	
United States	69,077	69,455	69,797	70,823	66,494	
France	58,967	59,968	45,947	47,605	51,248	
Russia	53,255	48,235		44,529	49,144	46,546
Canada	13,788	16,140	18,686	21,411	23,145	25,311
Australia	10,921	10,035	10,837	10,523	11,395	14,160
Japan	4033	3566	3948	4062	3872	
Malaysia				1122	944	1072
China						
WORLD	829,303	850,635	868,065	915,382	938,170	963,472

Gaps = data not available.

Source: UNSECO Institute for Statistics, <http://data.uis.unesco.org/#>

▪ Incoming student mobility from the rest of the world

The trends in the rest of the world show Australia moving closer to the UK's position after 2013. Canada is further back. Numbers entering France have fallen sharply since 2012. Russia has seen marked growth in students entering from Central Asia.

Table 3. Incoming international students from *rest of the world* (the world minus Europe), tertiary education in the 10 leading countries in international education: 2011-2016

	2011	2012	2013	2014	2015	2016
United States	640,488	671,027	714,630	771,561	840,757	
United Kingdom	290,382	294,288	288,766	289,514	301,558	
Australia	251,676	239,533	239,031	255,525	283,043	321,352
France	268,212	271,399	228,639	235,123	239,409	
Russia	112,655	125,392		168,818	177,286	197,206
Canada	107,172	119,047	132,558	142,863	148,458	164,262
Germany			118,933	121,072	133,481	
Japan	147,428	147,051	131,855	128,623	128,108	
Malaysia				98,526	110,499	123,061
China						
WORLD	3,131,898	3,195,639	3,311,693	3,497,599	3,759,060	3,890,874

Gaps = data not available.

Source: UNSECO Institute for Statistics, <http://data.uis.unesco.org/#>

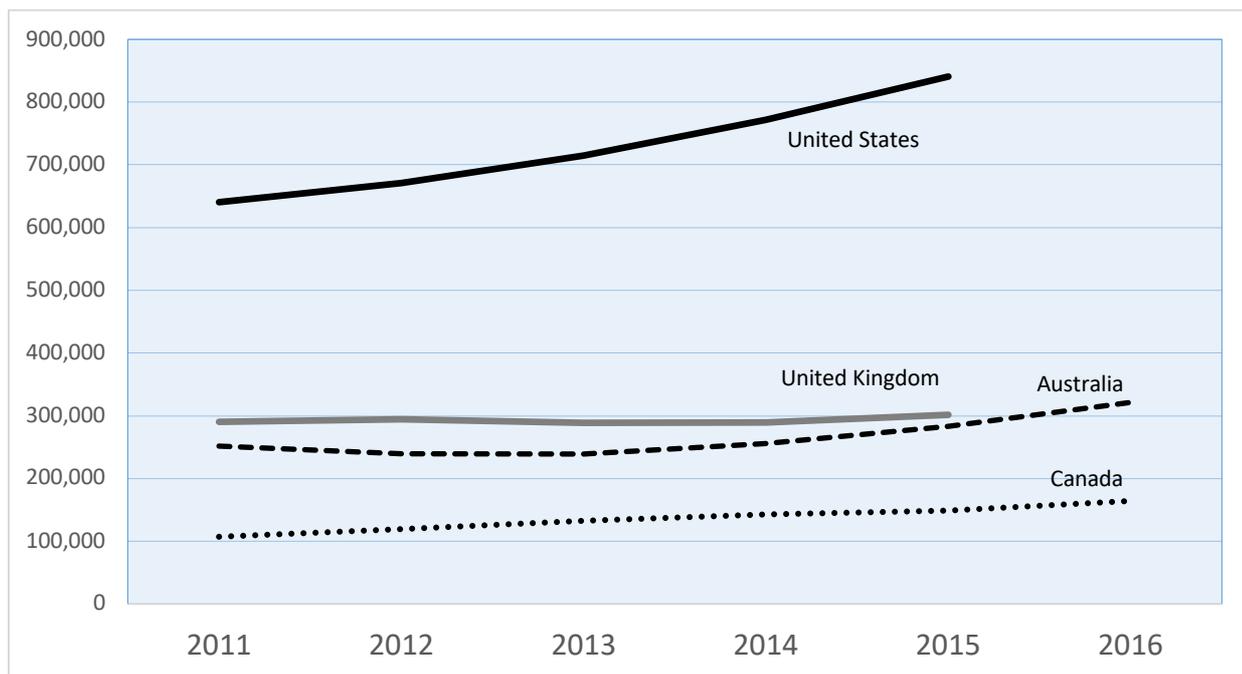
UK HESA data show that in the most recent four years, between 2012-13 and 2016-17, the number of EU students entering the UK increased by 7.6 per cent, while the number of non-EU international students increased by just 2.7 per cent. In fact, in the two years between 2014-15 and 2016-17 the number of non-EU students fell from 312,010 to 307,540.²

This trend in the UK's own data confirms that when UNESCO's figure for rest of the world (non-European) entry into the UK in 2016 is added into Table 3, that figure will fall below the 2015 level. In 2016, rest of world entry into the UK will be well below the 2016 figure for Australia (the data for Australia are already available and included in Table 3).

Figure 1 shows trends in the rest of the world (non-European) market in graphical form, for the four English speaking countries. Australia crosses the UK line in 2016. It will go further ahead in 2017 and 2018, given that it has maintained annual growth rates of 12-15 per cent.

² <https://www.hesa.ac.uk/data-and-analysis/students/where-from>

Figure 1. Incoming international students from *rest of the world* (the world minus Europe), tertiary education in United States, UK, Australia and Canada: 2011-2016



Source: UNSECO Institute for Statistics, <http://data.uis.unesco.org/#>

Although Canada remains well behind the UK, the gap is beginning to close. Canada had just one third of the UK's 'rest of world' international student enrolment in 2011 but had reached nearly half of the UK level in 2015, and the Canadian enrolment from the rest of the world increased by another 10.6 per cent in 2016 while the UK's enrolment was falling. Canada has a target of 450,000 international students, nearly all of whom will come from the rest of the world.

Growth in international students entering the United States has slowed down in the Trump era. The Institute of International Education data³ show that between 2015-16 and 2016-17, total international students in the US increased by 3.4 per cent, compared to successive increases in the previous three years of 8.1, 10 and 7.4 per cent. Canada is likely to be a principal beneficiary of the slowdown in growth of international students entering the US.

³ <https://www.iie.org/Research-and-Insights/Open-Doors/Data/International-Students/Enrollment>

▪ In summary

In summary, the news is not at all good for international education in the UK, which is no longer the unchallenged number two country after the United States. After more than half a decade in which UK migration politics and Home Office regulation have conspired to hold international student numbers in a flatline trend:

- (1) The UK is the world's leading nation in educating international students from Europe at tertiary level, but its leading position is about to be decimated by Brexit's effect on tuition prices.
- (2) It looks certain that Australia has now gone well past the UK in its numbers of international students from outside Europe, and this will be confirmed when the UNESCO data for 2016, 2017 and then 2018 become available.
- (3) In terms of total international student numbers in tertiary education, Australia may have surpassed the UK in 2018, and if not will almost certainly do so in 2019. The UK will be number three.

Professor Simon Marginson is Director of the Centre for Global Higher Education and Professor of International Higher Education at the UCL Institute of Education.

Email: s.marginson@ucl.ac.uk