Growing the UK's global share of international students

1. Benefits international students bring to the UK

Every 7 non-UK undergraduates studying at a Russell Group university generate £1 million of impact for the UK economy. In addition to their significant economic benefit, international students help ensure our universities can deliver broad, high-quality academic programmes and support their world-class research.

International students bring wider benefits to our campuses by increasing social and cultural diversity, enriching the learning environment and helping home students develop internationally-relevant skills. International PhD students bring new ideas and expertise and help strengthen our universities' global research partnerships. International graduates are helping build a skilled workforce in the UK to support the delivery of the Industrial Strategy and those who return home become informal ambassadors, strengthening the UK's trade, research and diplomatic links and boosting our soft power across the globe.

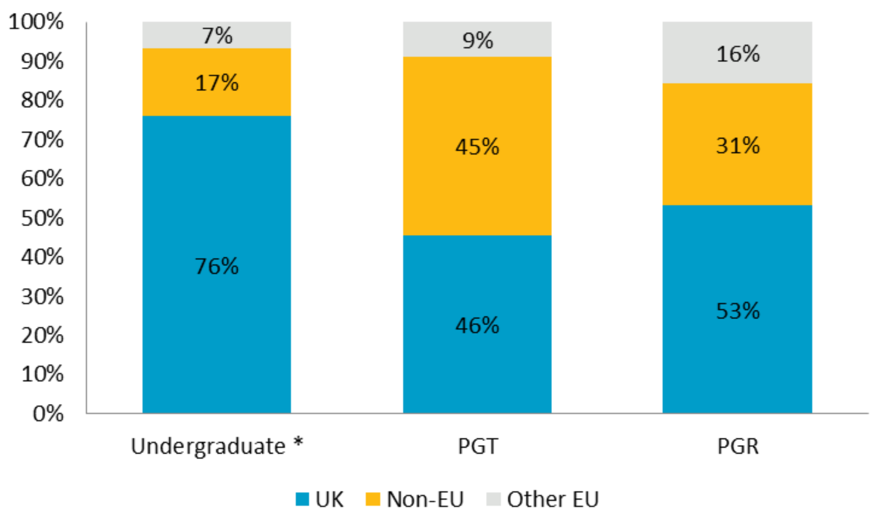
To secure these benefits in the long term, the UK needs an internationally competitive offer to ensure we continue to attract talented students from around the world and grow our share of the global market.

2. International students at Russell Group universities

The total net economic impact associated with the 100,000 non-UK domiciled students who started Russell Group universities in 2015/16 is £8.82 billion (£9.79 billion economic benefit, minus £0.97 billion public costs). This includes tuition fees, non-tuition fee expenditure, indirect and induced impacts (through supply chain and staff spending) and visitor spending.

There are 215,000 international students (non-UK EU and non-EU nationals) studying at Russell Group universities. Students domiciled overseas make up 30% of the overall Russell Group student population. Graph 1 shows that the proportion of first-year students domiciled overseas at our universities is higher on postgraduate taught (PGT) and postgraduate research (PGR) courses than undergraduate courses.

Graph 1: First-year students at Russell Group universities by level of study (2016-17)



* includes foundation courses

Some courses have a higher than average proportion of international students, including STEM subjects such as engineering, computer science and maths, which are strategically important to the UK. These students enable our universities to deliver a broad, high-quality academic programme. Without them, some courses may not be financially viable, which would impact on choice available to domestic students.

3. Global market

The number of students worldwide choosing to study in another country doubled between 2000 and 2010. This growth is expected to continue, with the number of globally-mobile students reaching 8 million by 2025. There is therefore a significant opportunity for the UK to capitalise on its globally-excellent universities and grow its share of international students.

However, although the number of international students at Russell Group universities continues to grow modestly, this rate of growth is still tracking below the average rate of expansion in globally-mobile student numbers.[1] UK sector-wide analysis shows there was a 1% drop in non-EU students in 2016/17, which followed a year of no growth. Overall, the slower pace of growth has impacted on the UK's market share. In each year from 2011 to 2014, the UK lost market share against the US, Canada and Australia.

To position the UK as a dynamic and outward-looking nation, Government should implement measures that will enable the UK to secure growth in its share of the international student market.

4. A competitive offer for international students

The Government has set out an important ambition to strengthen global partnerships and trade. Building on our research and education partnership around the world will be key to achieving this. Importantly, Government has set out a £30 billion education export target to be achieved by 2020. Given international students studying in the UK made up over 80% (£11 billion) of higher education exports in 2015, growing their number will be important.

Perception of their welcome and ability to secure a student visa, as well as the opportunities available to work after their studies, are key considerations for prospective students. The UK should ensure it has a competitive offer for international students and immigration rules should also enable companies across the UK to benefit from skilled international graduates. These aims could be achieved by:

(a) Expanding post-study work opportunities to enable graduates to search for and gain work experience in the UK for up to two years after their studies.
(b) Simplifying the Tier 1 Graduate Entrepreneur route to enable individuals to apply directly for a 24-month visa, improving their ability to secure business investment.
(c) Streamlining the Tier 4 application to minimise administrative burden on students and the Home Office (for example, as is being piloted successfully with masters students at some universities).
(d) Ensuring proportionate compliance requirements and appropriate monitoring to minimise burden on institutions and avoid international students being subject to unnecessary surveillance.
(e) Enabling all regions and a greater range of companies to benefit from international graduate talent. This should include lowering the new entrant threshold under Tier 2 to £19,500.

We support the approach taken in the UK-EU Withdrawal Agreement on citizens' rights, which will protect the rights of EU students arriving during the end of transition. EU students are integral to our universities and we want to see Government support an approach enabling as near frictionless mobility of people as possible between the UK and EEA, including students, academics and other research workers, after the transition period ends on 31st December 2020.

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[1] UNESCO Institute of Statistics Education database. Growth in the number of globally mobile students from 2014-2015 was 6%. This compares to 5% growth in non-UK students at RGUs over the same period.