

# MIP EDUCATION INSIGHT

## 2018 IN REVIEW



Australian Government  
Australian Trade and Investment Commission



### 2018 FULL YEAR KEY RESULTS

- 693,750 international students in Australia, an increase of 11.4 per cent year-on-year (+70,818). Growth in 2017 was 12.6 per cent (+69,869)
- Total enrolments grew by 10.1 per cent to 876,399 (+80,269) following 12.2 per cent growth in 2017.
- Commencements (new enrolments) increased by 6.6 per cent to 482,521 (+29,930) following 10.2 per cent growth in 2017

### TOP MARKETS BY ENROLMENTS

Rank by 2018 enrolments	2018 enrolments	% change on 2017	Market share	Share of increase
1. China	255,896	10.9%	29.2%	31.4%
2. India	108,292	24.5%	12.4%	26.6%
3. Nepal	52,243	48.4%	6.0%	21.2%
4. Brazil	40,864	12.3%	4.7%	5.6%
5. Malaysia	33,730	3.2%	3.8%	1.3%
6. Korea, South	30,037	-3.0%	3.4%	-1.2%
7. Vietnam	29,989	-1.3%	3.4%	-0.5%
8. Thailand	27,794	-9.0%	3.2%	-3.4%
9. Colombia	26,211	21.5%	3.0%	5.8%
10. Indonesia	20,895	4.7%	2.4%	1.2%
Other markets	250,448	4.0%	28.6%	12.0%
<b>Total</b>	<b>876,399</b>	<b>10.1%</b>	<b>100.0%</b>	<b>100.0%</b>

China continues to be the largest market and top contributor to enrolment growth in volume. India and Nepal's combined increase was larger than China's.

Markets outside of the top 10 who contributed to the total increase in enrolments included Sri Lanka (3.2 per cent of total increase), Philippines (2.5 per cent), Mongolia (1.8 per cent), Chile (1.5 per cent) and Pakistan (1.3 per cent).

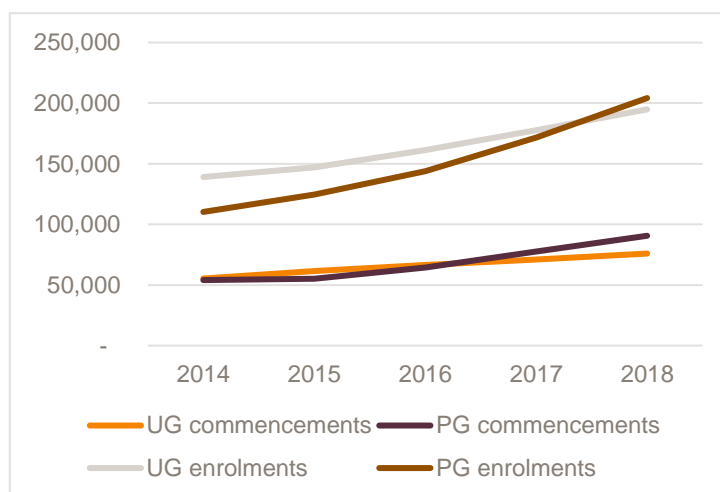
Korea, Vietnam and Thailand all experienced slight declines in enrolments. *See more info in emerging trends on next page*

### ENROLMENTS BY SECTOR

Sector	2017 enrolments	2018 enrolments	2017 % change on 2016	2018 % change on 2017
Higher Ed	349,152	399,078	14.3%	14.3%
VET	216,123	244,287	15.9%	13.0%
ELICOS	155,212	156,369	3.3%	0.7%
Non-Award	49,979	49,864	13.5%	-0.2%
Schools	25,664	26,801	10.4%	4.4%
<b>Total</b>	<b>796,130</b>	<b>876,399</b>	<b>12.2%</b>	<b>10.1%</b>

All sectors except Non-Award experienced growth in enrolments during the year, however higher education was the only sector where growth did not slow.

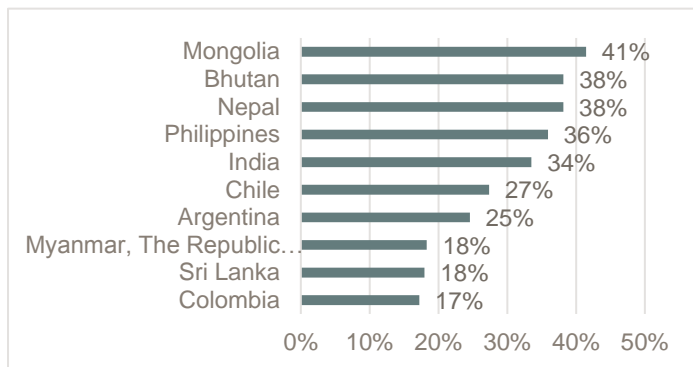
Higher education growth is largely due to postgraduate. Total postgraduate (PG) enrolments overtook undergraduate (UG) enrolments during 2018, this happened for commencements during 2017



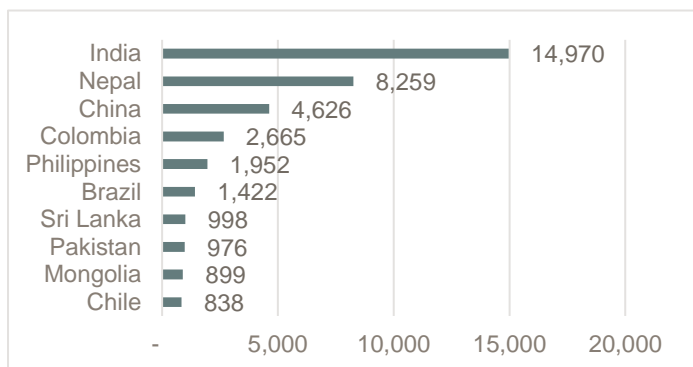
VET growth for 2018, although slightly lower than 2017, remains strong at 13 per cent. Schools and ELICOS enrolments are slowing but still positive.

Non-Award experienced a small decline overall, due to a 1.4 per cent decrease in foundation courses. Non foundation non-award (study abroad and exchange) increased by 0.5 per cent.

## TOP 10 FASTEST GROWING MARKETS BY COMMENCEMENTS



## TOP 10 MARKETS BY INCREASE IN COMMENCEMENTS 2018



## EMERGING MARKET TRENDS

### Rise of South Asia

South Asia is a high growth region for international student recruitment due to factors that are common to India, Sri Lanka, Pakistan and Nepal; including, growth of middle class, increases in disposable household income and limited places available within the high quality institutions in home countries. Middle class families in these countries aspire global future careers and believe that studying abroad will be an investment towards that future.

Australian Institutions are highly active in South Asia markets with the tempo of visits and partnerships increasing over the last 18 months in particular. Country specific factors generating demand include interest in India moving away from US & UK; in Sri Lanka, a strong Australian brand and disjoint between state university places and those students leaving high school; and in Pakistan growing brand recognition of Australia as a quality supplier of education with pathways options.

### Continued growth from Latin America

There was uncertainty in Brazil around the 2018 election, and many young people sought a future abroad, and often delayed returning to Brazil until conditions improved – this can be seen in the decline in offshore visa grants and increase in onshore visa grants.

Colombia remains a strong growth market due to a relatively good exchange rate in Australia compared to the US, improved interest rates in Colombia, high visa grant rates, increased agent activity and low English proficiency. Many Australian providers are offering scholarships in search of diversification. Colombians value the ability to work whilst studying, as well as word of mouth from peers who have studied in Australia before.

Argentinean students remain one of the most mobile in Latin America – total enrolments have increased by 350 per cent between 2013 and 2018 to a total of 1,260.

### Thailand and Vietnam experienced declines during the year while Indonesia and Philippines grew

Indonesia was one of two top ten markets that grew faster in 2018 than in 2017. VET continues to be the most popular sector, enrolments grew by 5 per cent after a decline in 2017. Higher education growth was stable at around 6 per cent, while ELICOS remains in decline. The [Indonesia-Australia Comprehensive Economic Partnership Agreement](#) was signed on 4 March 2019, and provides greater certainty for service providers to enter and operate in Indonesia.

The Philippines was one of the fastest growing markets during 2018 due to a growing young middle class, strong economic growth, high unemployment and schools reform - the first cohort of students who completed 12 years (previously 10 years) graduated in April 2018. The number of agents operating in the Philippines has increased rapidly since 2006. Australia is now on par with the US as the first choice for undergraduate study.

Thai enrolments declined in all sectors in 2018 due to a number of factors including a low birth rate, ageing population and competition both domestically and globally. Many private ELICOS providers now operate in market and agents are promoting the UK and New Zealand due to ease of visa processing.

Vietnam's decline is due to falls in VET and ELICOS. Vietnamese students are favouring packaged ELICOS over standalone, while there is increased interest in learning Korean and Japanese. There is strong competition from both Japan and Canada in VET due to favourable work rights both during study and post study.

## STUDENT VISA DATA TRENDS

Total primary student visa grants **increased by 9.9 per cent to 328,150** in the 2017-18 financial year and by **9.5 per cent growth to 159,823** for the second half of 2018.

Sector, sorted by July-Dec 2018 growth in grants	2017-18 % change on 2016-17	July-Dec 2018 % change on July-Dec 2017
VET	18.9%	21.5%
Postgraduate Research	0.6%	14.4%
Higher Education	12.7%	8.7%
Independent ELICOS	-4.4%	3.3%
Non-Award	1.5%	-4.2%
Schools	-8.7%	-16.3%
<b>Total</b>	<b>9.9%</b>	<b>9.5%</b>

Strong grant growth was recorded for many of the **top 20 markets** for the July to December 2018 period:

- Philippines; 123 per cent increase to 3,748 grants
- India; 56 per cent to 24,700
- Nepal; 49 per cent to 10,859, and

Growth in grants from markets **outside of the top 20** included:

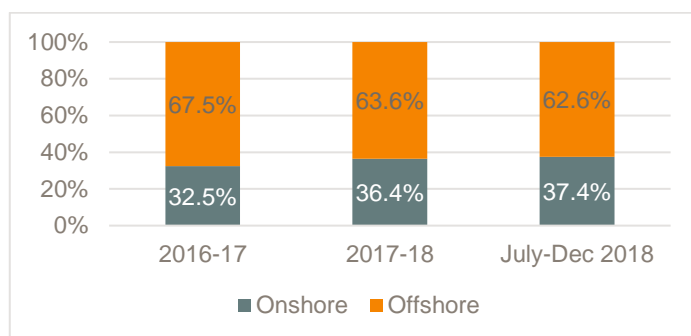
- Mongolia; 92 per cent increase to 1,053 grants
- Myanmar; 53 per cent to 307
- Bhutan; 45 per cent to 532, and

**Independent ELICOS grants have increased by 3.3 per cent in the second half of 2018, coming off a 4.4 per cent decline in the same period in 2017**

- Colombia up 34% to 3650, overtaken Brazil (-21 per cent) for grants. Without this increase total Independent ELICOS grants would have declined by 2.2 per cent.
- Mongolia up 52 per cent to 624, Spain up 46 per cent to 1,512 and Thailand up 21 per cent to 1,813
- Largest declines were from Brazil (decrease of 21 per cent / -918 grants) and Taiwan (decrease of 25 per cent / -118 grants)
- QLD accounted for the largest share of the increase (+624 / 13 per cent), while VIC and WA had declines (-3 per cent and -11 per cent).

**Schools grants for the July to December 2018 period were down by 16.3 per cent, largely due to a 38 per cent decline from China.** Without China, the overall decline would be reduced to 1 per cent. Grants from the 2<sup>nd</sup> largest schools market, Vietnam, increased 13 per cent.

## SHARE OF TOTAL STUDENT VISA GRANTS BY LOCATION



Onshore visa grants continue to grow at faster rates than offshore (See [MIP article](#)). While China still has the largest share of total student visa grants, offshore grants – generally to first time students - from India and Nepal combined have overtaken offshore Chinese grants.

## COMPETITOR UPDATE

Despite enrolment growth slowing to 10.1 per cent and commencement growth to 6.6 per cent during 2018, Australia's performance remains strong compared to the US and UK, while Canada had another record year of growth.

The Open Doors report showed that international higher education student numbers in the **United States increased by 1.5 per cent to 1.09 million in 2017-18**. Chinese student enrolments increased by 3.6 per cent, Nepal by 14.3 per cent and Brazil by 11.7 per cent. New student enrolments decreased by 6.6 per cent, the second consecutive year of decline (Source: [ICEF Monitor](#))

**Canada reached 572,415 international students as at 31 December 2018, a 20 per cent increase on 2017** (Source: [CBIE](#)). India surpassed China as the top country of origin.

**UK International university enrolments increased by 4 per cent to 458,490 in 2017-18**, following a 0.9 per cent increase in 2016-17. Indian enrolments recovered from a decline in the previous year, Chinese enrolments increased and EU enrolments declined. Nigerian enrolments have decreased by 42 per cent since 2013-14 (Source: [ICEF Monitor](#)).

**Sources:** Department of Home Affairs, [Study in Australia Statistics](#), Department of Education and Training international enrolment data via Austrade's [Market Information Package](#)