China Market
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Business Development Manager – Education, TIQ Shanghai Office
IETU Market Briefing

- China Market Settings
- Key Projects & Activities
- Market Trend & Student Statistics
- Competitor Analysis
- Opportunities & Challenges
- Business Planning
Quick Facts

1. Population:
   - 1.3+ billion
   - Urban versus Rural
   - Ageing Society & Smaller Size of Family

2. Cities & Regions

3. Disposable Income versus Consumer Price Index
Consumption Facts

1. BCG Report
   - trend driven by...
   - high-income family

2. Tourism
   - 116 million people
   - 164 billion USD

3. Online Shopping
   - 11/11/2014
   - CNY 57.1 billion

<table>
<thead>
<tr>
<th>City/Province in China</th>
<th>Capital City</th>
<th>GDP per capita (USD $)</th>
<th>equivalent of</th>
<th>Ranking in the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tianjin City</td>
<td>municipality</td>
<td>16,085</td>
<td>Lithuania</td>
<td>44</td>
</tr>
<tr>
<td>Beijing City</td>
<td>municipality</td>
<td>15,052</td>
<td>Seychelles</td>
<td>48</td>
</tr>
<tr>
<td>Shanghai City</td>
<td>municipality</td>
<td>14,551</td>
<td>Russia</td>
<td>49</td>
</tr>
<tr>
<td>Jiangsu Province</td>
<td>Nanjing</td>
<td>12,049</td>
<td>Gabon</td>
<td>57</td>
</tr>
<tr>
<td>Zhejiang Province</td>
<td>Hangzhou</td>
<td>11,055</td>
<td>Libya</td>
<td>60</td>
</tr>
<tr>
<td>Guangdong Province</td>
<td>Guangzhou</td>
<td>9,453</td>
<td>Surinam</td>
<td>67</td>
</tr>
<tr>
<td>Fujian Province</td>
<td>Fuzhou</td>
<td>9,344</td>
<td>Surinam</td>
<td>67</td>
</tr>
<tr>
<td>Hubei Province</td>
<td>Wuhan</td>
<td>6,882</td>
<td>Maldives</td>
<td>80</td>
</tr>
</tbody>
</table>
Education Facts

1. Education System

I. Higher Education
   i. Postgraduates
      Doctor’s Degree
      Master’s Degree
   ii. Undergraduate in Regular Higher Education Institutions
       Normal Courses
       Short-cycle Courses
   iii. Undergraduate in Adult Higher Education Institutions
       Normal Courses
       Short-cycle Courses
   iv. Students Enrolled in Other Formal Programs
       Master’s Degree Programs for On-the-job Personnel
       Web-based Undergraduates

II. Secondary Education
   i. Senior Secondary Education
      ❖ Senior Secondary Schools
         ▪ Regular Senior Secondary Schools
         ▪ Combined Secondary Schools
         Regular High Schools
         12-Year Schools
      ▪ Adult High Schools
      ❖ Secondary Vocational Education
   ii. Junior Secondary Education
      ❖ Junior Secondary Schools
         ▪ Regular Junior Secondary Schools
         ▪ 9-Year Schools
         ▪ 12-Year Schools
         ▪ Combined Secondary Schools
         ▪ Vocational Junior Secondary Schools
         ▪ Adult Junior Secondary Schools

III. Primary Education
   i. Regular Primary Schools
      ❖ Primary Schools
      ❖ 9-Year Schools
      ❖ 12-Year Schools
   ii. Adult Primary Schools
      ❖ Literacy Classes

IV. Correctional Work-Study Schools
V. Special Education Schools
## Education Facts

### 2. Education Data

<table>
<thead>
<tr>
<th>Sector</th>
<th>Student age</th>
<th>Enrolment Number</th>
<th>Number of institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education</td>
<td></td>
<td>32,738,824</td>
<td>2,542</td>
</tr>
<tr>
<td>Postgraduates</td>
<td></td>
<td>1,793,953</td>
<td></td>
</tr>
<tr>
<td>Undergraduate in Regular HEIs</td>
<td>Age 18-22</td>
<td>24,680,726</td>
<td></td>
</tr>
<tr>
<td>Undergraduate in Adult HEIs</td>
<td></td>
<td>6,264,145</td>
<td></td>
</tr>
<tr>
<td>Secondary Education</td>
<td></td>
<td>88,582,754</td>
<td>80,797</td>
</tr>
<tr>
<td>Senior Secondary Education</td>
<td>Age 12-14</td>
<td>43,699,228</td>
<td></td>
</tr>
<tr>
<td>Junior Secondary Education</td>
<td>Age 15-17</td>
<td>44,883,526</td>
<td></td>
</tr>
<tr>
<td>Primary Education</td>
<td>Age 6-11</td>
<td>94,848,050</td>
<td>235,369</td>
</tr>
<tr>
<td>Pre-school</td>
<td>Age 3-5</td>
<td>38,946,903</td>
<td>198,553</td>
</tr>
</tbody>
</table>

Chart I
Education Facts

2. Education Data

<table>
<thead>
<tr>
<th></th>
<th>2012 (million)</th>
<th>2013 (million)</th>
<th>2014 (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student number in senior high school</td>
<td>8.45</td>
<td>↓ 8.23</td>
<td>↓ 7.97</td>
</tr>
<tr>
<td>Student number in secondary vocational school</td>
<td>7.54</td>
<td>↓ 6.75</td>
<td>↓ 6.29</td>
</tr>
<tr>
<td>Student number in universities</td>
<td>6.89</td>
<td>↑ 7.00</td>
<td>↑ 7.21</td>
</tr>
<tr>
<td>Total number of the year</td>
<td>22.88</td>
<td>↓ 21.98</td>
<td>↓ 21.47</td>
</tr>
</tbody>
</table>

Chart II

3. Joint Program (Year 2013)

- 577 universities, 1979 programs, enrolment & graduate
Education Facts

4. Market Feedback on International Education

- Features of Students’ Family
  - education background / career / income
- EIC Research on Consumer Behaviour
  - international travel versus international education
  - ranking
  - students’ concern
  - returned students influenced prospective students
Our Footprint...
MARKET TRENDS

• Education Reform

  1. Gaokao
     @ Academic stream vs Technical & skills stream
     @ Socialization of English test
  2. Vocational education
     @ Increase pathways and establish a credit transfer system
     @ Employment focus

• “Go early and younger”

  @ More students go for undergraduate and school
  @ Higher international exposure of new generation parents
  @ Short term study experience – try before you buy
MARKET TRENDS

• The number of Chinese students returning home after study abroad is increasing

• Employability and career focus

• Students are part of the decision-making

• Two-way flow for collaborations

The number of Chinese students returning China between 2009 and 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Returnee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>107,000</td>
</tr>
<tr>
<td>2010</td>
<td>135,200</td>
</tr>
<tr>
<td>2011</td>
<td>186,200</td>
</tr>
<tr>
<td>2012</td>
<td>272,900</td>
</tr>
<tr>
<td>2013</td>
<td>350,000</td>
</tr>
</tbody>
</table>

STUDENTS STATISTICS

• China’s study abroad market is still growing
• 459,800 Chinese students study abroad in 2014
• An increase of 11.9% on 2013
• Marjority of the students go for USA, UK, Australia and etc

CHINESE STUDENTS IN AUSTRALIA

- 152,898 Chinese students by Dec 2014 (Enrolment data)
- An increase of 8% on 2013

- Schools, ELICOS and Non-award sectors have double-digital growth

<table>
<thead>
<tr>
<th>Sector</th>
<th>2013</th>
<th>2014</th>
<th>Growth on Dec 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education</td>
<td>86,998</td>
<td>90,306</td>
<td>4%</td>
</tr>
<tr>
<td>VET</td>
<td>12,743</td>
<td>13,158</td>
<td>3%</td>
</tr>
<tr>
<td>Schools</td>
<td>7,447</td>
<td>8,386</td>
<td>13%</td>
</tr>
<tr>
<td>ELICOS</td>
<td>27,679</td>
<td>32,855</td>
<td>19%</td>
</tr>
<tr>
<td>Non-award</td>
<td>6,125</td>
<td>8,193</td>
<td>34%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>140,992</td>
<td>152,898</td>
<td>8%</td>
</tr>
</tbody>
</table>

Data source: Austrade International Education Data
CHINESE STUDENTS IN QUEENSLAND

- 17,834 Chinese students in Queensland by Dec 2014
- Represents 12% market share in Australia
- 2/3 Chinese students study in higher education
- A potential increase in schools, ELICOS and non-award

Chinese students market share in Australia (Dec 2014)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2014</th>
<th>2015</th>
<th>Growth on Feb 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education</td>
<td>7,137</td>
<td>7,238</td>
<td>1.4%</td>
</tr>
<tr>
<td>VET</td>
<td>817</td>
<td>959</td>
<td>17.4%</td>
</tr>
<tr>
<td>Schools</td>
<td>432</td>
<td>610</td>
<td>41.2%</td>
</tr>
<tr>
<td>ELICOS</td>
<td>1,480</td>
<td>1,686</td>
<td>13.9%</td>
</tr>
<tr>
<td>Non-award</td>
<td>162</td>
<td>218</td>
<td>34.6%</td>
</tr>
</tbody>
</table>

Chinese students enrollment data in Queensland

By Feb 2015
COMPETITOR ANALYSIS

United States
- Strongest player - the most popular destination with 7 consecutive years of double-digital increases
- Pro: Favourable visa policy, higher university ranking, various scholarship and so on
- Con: Safety issue, too aggressive

United Kingdom
- Extensive promotion – Great Britain Campaign: Everything is great
- Pro: shorter study duration, high market awareness of universities, new visitor visa policies
- Con: Tighten post-study work permit

Canada
- Closest competitor
- By 2022, double the number of international students to 450,000
- Pro: favourable work and immigration policies, promising job opportunities
- Con: Weather

Others
- New Zealand – “Think New” Affordable costs, favorable immigration policy, low English requirement
- Asia: Japan, Korea and Singapore Similar social context
- Europe: favourable costs vs economy downtown
Opportunities and Challenges

• China’s study abroad market is healthy growing
• China-Australia Free Trade Agreement
• Go earlier and younger
• Mini study abroad / short-term study
• Collaboration in emerging areas, including aged-care, early-child education, nursing, automation, transportation, food and etc
• Depreciation of Australia dollar

• The high-administrative business environment
• Extensive market promotion from competitors
• Popularity of in-country international programs
• Chinese sensitivity to rankings
• Employability and career focus
• Banned on Facebook, Twitter and YouTube
• Seek the balance of “Go out” and “Bring in”
FOR NEXT YEAR...

Sion-Australia TAFE forum in Sept
EIC vocational education fair in Nanjing
Ningbo Education Bureau sister-school and nursing training needs
Ningbo International Education Park
Business schools new initiative with CPA in Nov
Teaching show case