

11 December 2017

APPEAL OF UNIVERSITY ABROAD IN INDIA STRONGER THAN EVER

According to new figures released from *Higher and higher*, HSBC's latest report in The Value of Education series, globalisation of higher education shows no sign of stalling. The study of over 8,000 parents across 15 countries and territories found that more than two-fifths (42%) would consider sending their child to university abroad, compared to 35% in 2016 – a seven percentage point (pp) increase.

Ambitious parents in Asia are boosting the trend: India (62%, +15pp), Indonesia (61% +1pp), China (59%, +15pp), Hong Kong (52%, -2pp), Malaysia (51%, +8pp), and Singapore (47%, +4pp).

Country	% of parents from this country who would consider university education abroad for their child	
	2017	2016
Average	42%	35%
UAE	64%	58%
India	62%	47%
Indonesia	61%	60%
China	59%	44%
Hong Kong	52%	54%
Malaysia	51%	43%
Singapore	47%	43%
USA	43%	29%
Mexico	43%	31%
Taiwan	37%	38%
Egypt	36%	10%
Canada	27%	21%
France	25%	16%
UK	22%	22%
Australia	17%	16%

This echoes OECD data that highlights that Asian students account for 53% of all students studying abroad worldwide¹. According to HSBC's partner, the Institute of International Education (IIE), China is the leading country of origin for international higher education students, sending an estimated 801,000 abroad, with India (182,000) and Malaysia (64,000) also exporting significant numbers.

Parents in Asia appear to be much more focused on the competitive advantage an overseas university can offer their child:

¹ OECD Education Indicators in Focus 14, July 2013

- Parents in Malaysia are most likely to consider the quality of teaching on offer (67% - vs. only 30% in the UK, 27% in Australia and 19% in the USA)
- Parents in Indonesia and Malaysia are most likely to consider the specific courses available for their child (both 61% - vs. 23% in Australia and the UK and 21% in the USA)
- Parents in Indonesia are also most likely to consider the ability of the university to open up job opportunities for their child (58% - vs. 41% in the USA, 32% in Australia and 28% in the UK)

Despite a common idea that international students would stay in their host country after graduating, parents' top expectation (35%) is that their child would search for full time employment at home. Only 9% would like their child to search for full time employment in the country where they have completed their university education.

Top destinations for university abroad

Parents see the main benefits of a university education abroad as being to help their child gain international work experience (49%), develop foreign language skills (49%) and to be exposed to new experiences, ideas and cultures (48%).

Overall, the USA is the most considered international destination by parents for their child's university education (47%), ahead of Australia, the UK, Canada, Germany and France.

- Parents in Taiwan and China are most likely to consider the USA (70% and 61% respectively)
- Parents in Malaysia and Indonesia lean more towards Australia (67% and 65%)

Data from the Institute of International Education shows that alongside traditional destinations for international students such as the USA, the UK or Australia, destinations in Asia are becoming more popular:

Country	Inbound students in 2016	Outbound students in 2016
Australia	292,352	31,912
China	442, 773	801,187
Hong Kong	31, 955	34,542
India	42,420	181,872
Indonesia	NA	NA
Malaysia	60,244	64,480
Singapore	48,938	24,135

Cost and value of international education

The majority of parents (73%) considering university abroad for their child expect to make a significant financial contribution, and estimate the overall average cost of an undergraduate and postgraduate degree abroad to be USD157,782 (USD71,580 for undergraduate and USD86,202 for postgraduate)*. Many parents (45%) would go further and consider buying a property in the country where their child is studying.

Estimated overall cost of a university education abroad:

Parents in		Undergraduate abroad in USD	Postgraduate abroad in USD	Full university abroad (undergraduate + postgraduate) in USD
Average		71,580	86,202	157,782
Australia		NA	NA	NA
China	China	56,717	41,703	98,420
	PRD only	48,049	40,846	88,895
	Excl. PRD	67,361	42,758	110,120
Egypt		NA	NA	NA
France		NA	NA	NA
Hong Kong		131,638	237,454	369,092
India		42,625	41,590	84,215
Indonesia		29,339	25,795	55,134
Malaysia		59,054	67,774	126,828
Mexico		39,432	33,109	72,541
Singapore		164,313	115,377	279,689
Taiwan		92,315	118,887	211,203
UAE		59,509	193,465	252,974
UK		68,304	47,760	116,064
USA		60,666	47,701	108,367

More generally, spending on education is particularly resilient in Asian countries. For 44% of parents in India and 42% in China, paying for their child's education is their most important financial commitment.

Trista Sun, HSBC's Global Head of International and Cross Border, said:

"HSBC's report shows that the number of parents, especially in Asia and UAE, who are ready to invest in an overseas university education for their child's skills and employability continues to grow. With an undergraduate's total cost expected to be around USD72,000 on average, the investment is financially significant for parents. Additionally, 45% would consider buying a property in their child's country of study. Parents need to plan ahead and look at all the implications of funding international education.

"With 39% of parents having specific universities abroad in mind for their child, their investment goes beyond financial. They spend a lot of time and energy to help their child build their academic

profile and other credentials in order for them to meet the entry requirements at prestigious universities.”

With the power of its global network, HSBC can support customers with their international financial needs in four of the top 5 destinations for higher education abroad. Whether it is setting up a bank account before they arrive in a new country, or welcoming them to settle in, HSBC offers a package of products and solutions to ease their journey abroad. In addition, HSBC is partnering with key players in the education ecosystem – education agencies, secondary schools, language schools, universities, visa services, students associations – to provide support to families beyond banking services.

Practical steps for parents

- Consider the benefits of university education abroad: It can help your children to be independent and enhance their job prospects.
- Be realistic about the costs: Make sure to plan for all the implications including higher tuition fees, international travel, accommodation, day-to-day expenditure and exchange rate fluctuations.
- Start planning early: Early planning and saving for education can help your children fulfil their potential and limit the strain on family finances. Seeking professional advice can help you plan and make better informed choices.
- If buying property abroad: Choose a mortgage plan that is most suitable for your needs. Consider the interest rate, repayment period, setting-up fees, early repayment flexibility and cancellation fees. Be aware of the tax and foreign exchange implications.

Practical steps for students

- Learn about your new country, its culture and customs before you go.
- Sign up to classes or training your university may offer to help you navigate your new surroundings.
- Speak to recent graduates who studied abroad, their first-hand experience can help you adapt quicker.
- Explore your new country and be open to making new friends.
- Get involved in campus activities beyond academics, taking advantage of the many clubs, sports, interest groups and social events to mix with the diverse student population.

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Notes to editors:

*** Estimated cost of university education abroad (methodology)**

Parents who would consider university education for their child in a different country to where they reside were asked to estimate how much they think it would cost in total each year to fund an undergraduate and postgraduate degree abroad. They were asked to consider all expenses associated with their child studying at university abroad including tuition fees, accommodation, education books/equipment and food.

These average yearly costs were multiplied by three years for an undergraduate degree and two years for a postgraduate degree, to derive the estimated overall cost per country of studying at university abroad.

The global average cost was calculated by averaging the cost estimated by each respondent, excluding those from countries where the sample size was too low.

The exchange rates used are based on the NZForex 2016 average yearly rate.

The Value of Education

The Value of Education is an independent consumer research study into global education trends, commissioned by HSBC. *Higher and higher*, the fourth report in the series, was published in June 2017 and represents the views of 8,481 parents in 15 countries and territories around the world: Australia, Canada, China, Egypt, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, UAE, UK and USA.

The findings are based on a sample of parents with at least one child aged 23 or younger currently (or soon to be) in education, drawn from nationally representative online panels in each country or territory. At least 500 parents (including 150 with a child at university or college), were surveyed in all countries. In the UK, 1,001 parents (including 202 with a child at university or college) were surveyed. In China, 946 parents (including 504 from the Pearl River Delta region) were surveyed.

Unless otherwise stated, the survey figures cited in this press release are based on parents who have a child in either pre-primary, primary or secondary education and would consider sending them to university abroad. In some instances, variances between 2016 vs 2017 data have been shown for information purposes only and may not represent statistically significant increases / decreases.

The research was conducted online by Ipsos MORI in February 2017, with interviews in Egypt conducted face-to-face.

Institute of International Education (IIE)

HSBC has partnered with the Institute of International Education (IIE), one of the world's largest and most experienced international exchange organisations, which aims to advance international education and access to education. The IIE has contributed additional data and insights from multiple sources, including its annual Open Doors report on international higher education students coming to the US and Project Atlas – a collaboration with agencies in other markets to collect equivalent data. The IIE has also provided researched data from additional third party sources such as UNESCO and the OECD. Figures reflect the most recent data available by Project Atlas country and data partners at the time of publication. For further information on the IIE and its research, visit: www.iie.org/

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