



Global value

The value of UK education and training exports: an update
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Introduction

The project that has given rise to this report represents an update to the project sponsored by the British Council,¹ which gave rise to the report by Johnes (2004). The previous report focused on the value of education and training exports to the UK in the academic year 2001–02. The use of new data collection instruments within the higher education sector will provide the UK government and the British Council with an updated picture of the revenues associated with educational exports.

¹ Sponsors of the 2004 project also included Trade Partners UK and the Department for Education and Skills (now the Department for Innovation, Universities and Skills).

² New methodologies or data sources provided in some sections mean that our figures are not directly comparable with the previous report.

In essence our methodology replicates that used in the previous study of Johnes (2004). We cover tuition fees and living expenses from international students, hence classed as exports, in both the higher and further education sectors. We also consider exports of consultancy services, training services and sales of educational materials.

For ease of comparison with academic year 2001–02, i.e. to examine possible areas of growth, the structure of this report follows that of the previous study.² Wherever possible, separate sections provide information relating to the figures for 2002–03 and 2003–04.



Aims

The aims³ of this project are to:

- follow the established methodology of the previous study (2004) in order to estimate the value of educational exports to the UK in the academic years 2002–03 and 2003–04
- provide in various sections, wherever possible, a breakdown of the total UK education and training export figures into the export income attributable to each respective government region
- increase our knowledge of the extent of UK provision of transnational higher and further education, incorporating distance learning, by means of survey methods
- provide recommendations.

³ Agreed at the clarification meeting.



Summary

Table 2 provides a summary of results.

These results imply a conservative total value of the exports of education in 2002–03 of £7,681.6 million. Including private sector training, consultancy and educational-related goods and services the total value of exports for the industry amounts to £25,909.6 million.

In 2003–04 our results imply a conservative total value of the exports of education of £8,640.2 million. Including private sector training, consultancy and educational-related goods and services the total value of exports for the industry amounts to £27,771.5 million.⁴

Direct comparison of the figures in each section with those in the corresponding sections in the previous study is not always possible, indeed may be misleading, for a number of reasons, which include changes to data collection methods, new information made available, special surveys undertaken and different sampling frames.

It is possible, however, to examine directly the growth in each sector that occurred over the period 2002–04. High-growth sectors are higher education tuition fees and higher education other spending with growth over the 12 months from 2002–03 to 2003–04 of 14.8 per cent and 19.5 per cent respectively. The highest growth sector we have identified is that of exports of independent primary and secondary education with a growth rate over the 12-month period of 27.5 per cent.

The export income from each of the government regions of the UK has been estimated in the applicable sections of the report. Table 1 below reveals the total (EU and non-EU), tuition fee income

from overseas students in each region. The growth in income attributable to each region is clearly visible.

In Table 3 we present the regional tuition fee income using the HESA report of non-EU student income along with our calculation of EU student income. These figures imply a reduction in income compared with the previous year, hence supporting our calculations for 2003–04 above. We also note that the number of international students increased by over 34 per cent between 2001–02 and 2003–04 (from 235,174 to 315,935). If the proportion of undergraduate and postgraduate students, along with prices, had remained constant over this two-year period this would imply a figure for non-EU student fees of approximately £1,670 million against the £1,526 million reported by HESA.

Table 1	2003–04
Region	Tuition fees £ million
London	432,384,344
South East	188,126,123
South West	78,893,069
East	105,510,941
Yorkshire/Humber	127,118,367
East Midlands	101,544,940
West Midlands	101,455,558
North West	134,176,452
North East	60,186,610
Northern Ireland	17,253,308
Scotland	127,924,505
Wales	51,389,012

The figures in Table 1, when added to our calculations for the remaining sections of the report, imply a total value of exports amounting to £27,191.2 million.

⁴ The value of educational exports as reported here is based on the value estimated by Lenton (2007). This value includes an estimate of income from international student fees that differs from the official published HESA figure. Whereas Lenton (2007) estimates international student fee income at £1.89 billion for 2003–04, HESA reports a figure of £1.28 billion. The equivalent values for 2002–03 would be £1.63 billion (Lenton) and £1.09 billion (HESA).

Table 2

Sector	2002-03 £ million	2003-04 £ million
Higher education: tuition	1,835.0	2,106.3
Higher education: other spending	2,208.9	2,639.5
Transnational higher education	190.7	195.9
Other higher education	839.7	882.8
Further education: tuition <i>excluding ELT</i>	44.2	46.3
Further education: other spending <i>excluding ELT</i>	470.0	499.0
Other further education	672.1	659.4
English language teaching: tuition and other	1,006.6	1,098.9
Examination/professional bodies	168.0	198.0
Independent primary and secondary	246.4	314.1
Private sector training	1,352.5	1,391.7
Publishing	1,343.0	1,409.0
Educational equipment	519.6	535.2
Consultancy	14,352.0	15,117.0
Broadcasting	660.9	678.4
Total	25,909.6	27,771.5

Table 3

Region	2002-03 £ million	2003-04 £ million
London	419,426,705	484,658,343.78
South East	260,930,139	297,541,122.52
South West	113,470,043	141,350,068.86
East	109,368,352	126,053,941.09
Yorkshire/Humber	148,845,445	180,822,366.88
East Midlands	127,948,179	135,117,940.30
West Midlands	170,241,910	193,020,558.04
North West	171,356,922	182,092,452.42
North East	103,356,162	122,803,609.48
Northern Ireland	21,450,555	22,846,080.00
Scotland	161,451,310	186,495,505.00
Wales	71,595,574	78,661,011.63

Previous work

The study of Johnes (2004) of which this is an update provided the following figures for the academic year 2001–02:

Table 4

Sector	2000–02 £ million
Higher education: tuition	1,257.8
Higher education: other spending	1,863.6
Transnational higher education	99.1
Other higher education	796.4
Further education: tuition <i>excluding ELT</i>	38.9
Further education: other spending <i>excluding ELT</i>	303.9
Other further education	277.0
English language teaching: tuition and other	1,312.4
Examination/professional bodies	151.0
Independent primary and secondary	217.8
Private sector training	1,850.0
Publishing	931.0
Educational equipment	505.0
Consultancy	11,793.0
Broadcasting	660.4

⁵ Susan Bullivant (1998), *The value of education and training exports to the UK economy*, Department for Education and Employment research report RR83.

⁶ Elizabeth Rylance-Watson and Associates (1999), *UK Exports of Training Expertise*, report to the Department for Education and Employment.

Johnes (2004) represents the first major study of the value of education and training exports in its broadest sense since the turn of the millennium. A broad definition of education and training exports was taken in this study, which includes not only the income from education fees and expenditures but also exports of consultancy services (which are essentially exports of human capital, or expertise) and various goods, such as, published works or educational equipment.

Bullivant (1998) produced the first refined estimates of the export value of education in her report for the then Department for

Education and Employment.⁵ Bullivant estimated exports of education and training to be worth in the region of £6.5 billion in 1997.

Rylance-Watson (1999) produced estimates of the value to the UK from exports of training services.⁶ The methodology adopted by Rylance-Watson was to conduct a special survey of over 400 organisations that were either currently exporting training services or interested in doing so.

Reference will be made to some of the methods used by Rylance-Watson and Bullivant in arriving at these figures.



Methodology and results

In this section, each category of education and training exports will be studied in turn. The data on exports and the methods used to obtain these data are explained for each category. Where possible the figures for each of the two years under consideration are reported separately and also where possible, regional figures are provided.

⁷ Available from www.publishers.org.uk.

Educational materials and equipment

Books, journals and software

At the time of this study, the Publishers Association was in the process of producing the first of its new annual publications. This first issue covers the sales for the years we required. However, the Association is bound by strict confidentiality regulations with the publishers and were therefore unable to provide us with any information prior to publication.

The MQ10 UK Trade in Goods Analysed in Terms of Industries reports exports of related goods, although these are broader than the academic and related categories used by the Publishers Association. For 2002–03 figures are given as books (£1,294 million) plus journals (£535 million) plus other publishing (£146 million). The figures for 2003–04 are (£1,339 million) plus (£596 million) plus (£137 million), respectively. According to the Publishers Association, in 1999, academic and school/ELT publications accounted for 68 per cent of all exports of published goods as reported in the previous report. Assuming that this ratio has remained constant over time then exports of educational-related publications in 2002–03 would be £1,343 million and in 2003–04 would be £1,409 million. Information on UK book industry statistics⁷ gives the increase in book exports

alone over the period 2002–03 to 2003–04 to be 4.1 per cent. If we apply this percentage to the total 2002–03 figure calculated above we produce a figure of £1,398 million. This is extremely close to, and provides a check on, our 2003–04 figure.

Equipment

The MQ10 UK Trade in Goods Analysed in Terms of Industries reports exports, of related goods, for 2002–03 (and 2003–04) of chairs and seats and other office and shop furniture as £399 million (£460 million) plus office machinery £755 million (£831 million) plus computers and process equipment £8,893 million (£8,028 million). These figures are broader than those covered by the British Educational Suppliers Association (BESA), because they are not all directly exported for educational purposes. These figures are lower than those reported in 2001–02.

BESA informed us that the mix of their exports of educational-related goods has changed over the past two years, with less heavy equipment but more ICT demanded in the sector. However, they report that the annual total value of exports in this sector has remained fairly static since 2001–02. Therefore, this suggests the 2002 figure of £505 million plus an allowance for inflation. This yields figures of £519.6 million in the year 2002–03 and £535.2 million in the academic year 2003–04.

Higher education

Higher education tuition fees

Following the methodology of the previous study we performed a separate analysis of international students from areas outside the EU and of non-UK EU students. The former pay an international student fee, which is markedly different from the EU student fee

(see www.ukcisa.org.uk). The dataset provided to the British Council by the Higher Education Statistics Agency (HESA) gives the numbers of overseas non-EU and EU students at each higher education institution. From the data provided we are able to identify the numbers of students in each government region and hence calculate the value of exports in each of the 12 regions.

Non-EU overseas students

The British Council data provided by HESA present student numbers by level – undergraduate (UG), taught postgraduate (PGT) and research postgraduate (PGR) – by subject area (clinical, laboratory, classroom, MBA), and separately for students at each institution in the UK. Tuition fees charged to students in each of these categories (level, subject) are available from Universities UK – *Survey of Tuition Fees for International Students*.

Academic year 2002–03

In 2002–03 income from UG, PGT and PGR is, respectively, £834.4 million, £620.8 million, and £249.2 million. This yields a gross total of £1,704.4 million as fee income from non-EU students.

The gross figure above must be adjusted because some students qualify for scholarships at national, university, or departmental level. Awards of some £44 million are accounted for by Chevening Scholarships, and some £13.3 million by the Commonwealth Scholarship and Fellowship Plan. In addition, Universities UK administered the Overseas Research Students Award Scheme (ORSAS) scholarships,⁸ which amounted to £14.2 million in 2002–03.

Chevening scholars also typically receive a 20 per cent fee waiver from the host institution; assuming that scholars are distributed across disciplines on taught postgraduate courses *pro rata* to total overseas enrolments, this fee waiver amounts to a total of £4.2 million. Deducting these various scholarships from the total fee income yields the net value of exports due to non-EU student tuition fees, which therefore amounted to £1,628.7 million. Data on scholarships provided at institution or departmental level cannot easily be collated. However, the total impact of these fee waivers is found to be quite small (about one per cent of the total level of fee income). Following the previous methodology that highlights the difficulty of collating good-quality comprehensive data on such scholarships, we make no deduction for these. The total figure is much higher than that calculated in the previous year, which we believe is due to not only a large increase in the numbers of overseas students entering the UK⁹ this year but also because the methodology of data collection by HESA has changed.¹⁰ Previously, the data recorded only those students who commenced their programme of study at the beginning of the academic year. The new methodology, however, records all students entering on courses throughout the academic year.¹¹ The new method of data collection adopted by HESA is favoured as it gives a clearer picture of income from educational fees.

The division of the above figures on tuition between the constituent regions of the UK is illustrated in Table 5 (see Appendixes for data on student numbers in each of the regions):

⁸ From 2005 the ORSAS scholarship is administered by the four UK higher education funding bodies: HEFCE; Department for Employment and Learning; HEFCW; SHEFC.

⁹ There was a massive increase of 50 per cent in the number of overseas postgraduate taught students.

¹⁰ The 2002–03 data are available in both formats. The new methodology was adopted here as it reflects true income from fees and also all future years' records adopt this framework.

¹¹ The difference in student numbers between the collection methodologies is 14,155 undergraduates, 12,975 postgraduate taught and 4,045 postgraduate research numbers.

Region	Undergraduate	Taught postgraduate	Research postgraduate
London	193.0	145.1	39.7
South East	119.3	80.0	31.1
South West	45.7	39.6	16.7
East	45.1	24.3	29.6
East Midlands	52.0	41.7	21.8
West Midlands	76.1	63.0	16.5
Yorkshire/Humber	62.7	54.3	20.4
North East	46.0	35.8	14.8
North West	87.9	50.1	22.0
Wales	25.8	28.3	8.8
Scotland	74.0	53.4	24.5
Northern Ireland	6.9	5.3	3.3

From the institutional information provided in the Chevening and Commonwealth figures, scholarships can be deducted from the regional totals on a *pro rata* basis so that net income from tuition fees of non-EU students in 2003–04 are as follows:

London (£358.9 million); South East (£221.3 million); South West (£96.7 million); East (£95.1 million); East Midlands (£111.6 million); West Midlands (£149.3 million); Yorkshire and Humber (£133.7 million); North East (£92.7 million); North West (£154 million); Wales (£59.1 million); Scotland (£144.3 million); Northern Ireland (£11.7 million).

Academic year 2003–04

In 2003–04 income from UG, PGT and PGR is, respectively, £923 million, £774.4 million, and £272.7 million. This yields a gross total of £1,970.1 million as fee income from non-EU students.

Awards of some £44.3 million are accounted for by Chevening Scholarships, and some £16.8 million by the Commonwealth Scholarship and Fellowship Plan. In addition, Universities UK administered the Overseas Research Students scholarships,¹² which amounted to £14.9 million in 2003–04. The Chevening scholars' 20 per cent fee waiver from the host institution, assuming that scholars are distributed across disciplines on taught postgraduate courses *pro rata* to total overseas enrolments, amounts to a total of £4.4 million. Deducting these various scholarships from the total fee income yields the net value of exports due to non-EU student tuition fees, which therefore

amounted to £1,889.7 million.¹³ This increase of approximately 16 per cent on the previous year is qualified by an identical increase in the number of overseas postgraduate taught students and a 14 per cent increase in overseas undergraduate numbers.

The division of the above figures on tuition between the constituent regions of the UK is illustrated in Table 6 (see Appendixes for data on student numbers in each of the regions).

From the institutional information provided in the Chevening and Commonwealth figures, scholarships can be deducted from the regional totals on a *pro rata* basis so that net income from tuition fees of non-EU students in 2003–04 are as follows:

London (£419.9 million); South East (£255.5 million); South West (£122.3 million); East (£113.3 million); East Midlands (£122.2 million); West Midlands (£170.1 million); Yorkshire and Humber (£164.6 million); North East (£111.9 million); North West (£164.5 million); Wales (£66.7 million); Scotland (£166.4 million); Northern Ireland (£12.2 million).

Non-UK EU students

Academic year 2002–03

Data on student numbers have been compiled from the HESA dataset, by level (UG, PGT, PGR), subject area (clinical, laboratory, classroom, MBA), and separately for students at institutions in each of the constituent regions of the UK. Tuition fees at undergraduate level amounted to £1,100 in 2002–03. In England, Wales and Northern Ireland, there were 54,960 non-UK EU undergraduates in 2002–03, yielding fee income of £60,456,000. However, fees are

¹² From 2005 the ORSAS scholarship is administered by the four UK higher education funding bodies: HEFCE; Department for Employment and Learning; HEFCW; SHEFC.

¹³ We note that the HESA figure this year is lower than ours but we are confident with our calculations; the discrepancy may be owing to the fact that British Council figures include entrants throughout the year. In the 'Summary' section we present an alternative overall figure for educational exports using the HESA figure and explain why we believe our calculations are upheld.

Table 6

	£ million		
Region	Undergraduate	Taught postgraduate	Research postgraduate
London	216.3	179.0	44.8
South East	132.5	100.0	32.7
South West	55.1	53.6	19.2
East	53.9	31.6	31.7
East Midlands	53.5	49.1	23.7
West Midlands	77.9	80.5	18.1
Yorkshire/Humber	74.6	72.0	22.0
North East	53.3	46.0	16.6
North West	88.6	58.6	23.8
Wales	30.8	30.8	9.3
Scotland	79.3	67.9	27.1
Northern Ireland	7.2	5.4	3.7

means tested. The European team of the Department for Innovation, Universities and Skills (DIUS) provided information on fee remissions to non-UK EU students, in England and Wales, eligible by means testing. In 2002–03 some 12,180 students received full support and 3,041 partial support. If we assume that partial support amounted to £550 per person, the total value of fee remissions to non-UK EU students amounted to £15.8 million.¹⁴ The Education and Library Boards, in Northern Ireland, assess the eligibility of EU students for financial assistance. However, they do not make the distinction between UK and non-UK undergraduates. Therefore, following the methodology of the previous study we estimate the fee remissions in Northern Ireland as the average remission in England and Wales by the number of non-UK EU undergraduates in Northern Ireland. The average fee remission in England and Wales amounted to £288 and the number of non-UK EU undergraduates was 2,690 suggesting a fee remission for Northern Ireland of £774,720. The net value of fee income from non-UK EU undergraduates is therefore £44.6 million.

Tuition fees are not applicable to students entering higher education as EU undergraduates in Scotland. Repayment of the graduate endowment (which replaces fees in Scotland) is normally made through the Student Loans Company (SLC). The first cohort of students affected by the graduate endowment, became liable for repayment in April 2005. It is recommended that a relationship should be established with the SLC, in order that data on

repayments can be easily made available.

No data are collated concerning tuition fees paid by home/EU students on postgraduate programmes. A special online survey of higher education institutions was instigated in order to elicit this information. The survey was carried out by the British Council using their ConfirmIT survey software. The survey had a high response rate providing reliable information for postgraduate tuition fees. Based on information provided by responses up to 27 March 2006, the calculations for fee income from EU postgraduates are as follows:¹⁵ $4,715 \times 420 + 4,548 \times 9,910 + 8,625 \times (7,070+665) + 4,141 \times 11,820 + 2,085 \times 515 + 4,256 \times 5,910 + 3,779 \times 4,595 = \text{£}206.3$ million.

The figures calculated above may be disaggregated into the regions as illustrated in Table 3:¹⁶

Academic year 2003–04

Tuition fees at undergraduate level amounted to £1,125 in 2003–04. In England, Wales and Northern Ireland, there were 52,455 non-UK EU undergraduates in 2003–04, yielding fee income of £59,011,875. The information on fee remissions to non-UK EU students in England and Wales provided by the European team of the DIUS revealed that in 2003–04 some 10,356 students received full support and 2,664 partial support. If we assume that partial support amounted to £562.5 per person, the total value of fee remissions to non-UK EU students amounted to £13.1 million.

¹⁴ While undergraduate student numbers have increased over the previous year, the number of remissions granted decreased producing a smaller figure for remissions than that in 2001–02.

¹⁵ The numbers £4,715, £4,548, £8,625, £4,141, £2,085, £4,256 and £3,779 represent respectively the mean annual tuition fee charged for postgraduate taught students in clinical, laboratory, non-laboratory and MBA, and postgraduate research students in clinical, laboratory and non-laboratory subjects.

¹⁶ Undergraduate figures are net of remissions. Remissions in English regions and in Wales are estimated by the proportion of students in each of the geographic locations relative to the total number of students in England and Wales.

Table 7 **£ million**

Region	Undergraduate	Taught postgraduate	Research postgraduate
London	9.5	40.6	10.5
South East	8.1	24.2	7.4
South West	3.5	9.5	3.7
East	2.2	6.5	5.5
East Midlands	2.6	11.3	2.4
West Midlands	3.8	13.7	3.3
Yorkshire/Humber	2.7	9.5	3.1
North East	2.5	6.3	1.9
North West	4.2	9.6	3.6
Wales	3.3	7.4	1.8
Scotland	0.0	12.3	4.8
Northern Ireland	2.2	6.1	1.5

The average fee remission in England and Wales amounted to £264 and the number of non-UK EU undergraduates was 2,670 suggesting a fee remission for Northern Ireland of £704,880. The net value of fee income from non-UK EU undergraduates is therefore £45.2 million.

Based on information provided by responses to the online survey up to 27 March 2006, the calculations for fee income from EU postgraduates are as follows:¹⁷ $2,158 \times 520 + 4,589 \times 9,645 + 9,739 \times (7,015 + 650) + 4,377 \times 11,615 + 2,157 \times 565 + 4,391 \times 5,805 + 4,168 \times 4,555 = \text{£}216.6$ million.

The figures calculated above may be disaggregated into the regions as illustrated in Table 8.¹⁸

Other spending by overseas HE students

Academic year 2002–03

The Student Income and Expenditure Survey,¹⁹ estimates the average expenditure of full-time students in the academic year 2002–03 to be £6,897. The average expenditure represents an increase of 12 per cent on the previous academic year. This increase is partly explained by inflation and also by the greater increase in student numbers in the London region compared with other UK regions. The average expenditure of students attending London institutions is £7,835, over £1,000 above the average in other regions, which pulls up the national average. However, this

survey does not include overseas students and neither does it include postgraduates. Students are reported to spend 19 per cent on housing costs and 24 per cent on food. Grossing up these amounts of essential expenditure from the 30-week academic year to the full 52-week year yields an average annual figure of £5,141 for these essential items. Adding in the other expenditure included in the £6,897 presented above provides a total figure of £9,072 for a 52-week year in 2002–03.

The average student expenditure calculated can now be combined with our student numbers to derive our total expenditure. Following previous methodology we assume that on average a student from the EU spends 30 weeks in the UK and a student from outside the EU 52 weeks. However, before calculating this student expenditure we need to take into account the new method of data collection used by HESA, which includes those students whose course starts part of the way through the academic year. It would be erroneous to attribute full-year expenses to these students.

Fortunately for our purpose, HESA supplied student figures using both methodologies in the introductory year of 2002–03. Thus we have been able to exploit these data to discover the proportion of students who arrive part-way through the academic year. This applied to approximately seven per cent (7,335) of EU students and to approximately 16 per cent (31,175) of non-EU students. On

¹⁷ The numbers £2,158, £4,589, £9,739, £4,377, £2,157, £4,391 and £4,168 represent respectively the mean annual tuition fee charged for postgraduate taught students in clinical, laboratory, non-laboratory and MBA, and postgraduate research students in clinical, laboratory and non-laboratory subjects.


¹⁸ Undergraduate figures are net of remissions. Remissions in English regions and in Wales are estimated by the proportion of students in each of the geographic locations relative to the total number of students in England and Wales.

¹⁹ Available at www.dfes.gov.uk/rsgateway/DB/RRP/u013790/index.shtml.

Table 8

£ million

Region	Undergraduate	Taught postgraduate	Research postgraduate
London	9.7	43.7	11.3
South East	7.9	26.8	7.4
South West	3.7	11.3	4.0
East	2.3	4.7	5.8
East Midlands	2.3	7.9	2.6
West Midlands	3.8	15.7	3.5
Yorkshire/Humber	2.8	10.3	3.1
North East	2.5	6.4	2.1
North West	4.4	9.6	3.5
Wales	3.4	6.7	1.8
Scotland	0.0	14.9	5.3
Northern Ireland	2.3	6.7	1.7



closer inspection we find that by far the largest proportion of these students are enrolled on postgraduate taught courses. Therefore, we can assume that they are joining courses in the spring semester, typically January, hence would be in the UK for roughly 12 weeks less than those students who begin their course in the autumn semester.

The total expenditure by students is calculated as the number of full-year EU students (95,500) spending an average of £5,233.85 on goods and services, plus part-year EU students (7,335) spending an average of £3,140.30. This is then added to the total for non-EU students: 16,1870 full-year students spending an average of £9,072 on goods and services, plus 31,175 part-year students spending £6,978.50. This provides a total student expenses figure of £2,208.9 million for the year 2002–03.

Regional expenditure

The Student Income and Expenditure Survey 2002–03 breakdown by region provides figures for a 30-week total expenditure of £7,835 within London and £6,691 outside London. This produces figures for essential items of housing and food within London and outside London of £5,840 and £4,987 respectively. Adding in the other expenditure and grossing these figures up from 30 to 52 weeks gives full-year figures of £10,306 (London) and £8,801 (outside London).

Academic year 2003–04

The Student Income and Expenditure Survey was not conducted in the academic year 2003–04. Given the similar increase in the proportion of overseas students in the academic year 2003–04 on 2002–03 numbers²⁰ we estimate the average expenditure of students to be £7,725. Employing the methodology above we obtain a figure of £5,758 for essential items, and a 52-week total of £10,161.

The National Union of Students Welfare Unit (Information sheet 17) provides average expenditure figures for 2003–04. Living expenditure is reported as £8,640 and £7,523 inside and outside London respectively. These figures are for a 39-week year. Grossing these up to 52 weeks and then adding other

reported hidden costs other than fees, which are not accounted for elsewhere, provide a total yearly average expenditure of £11,002 (London) and £9,513 (outside London). London accommodates around 22 per cent of students. Taking this into account we obtain a UK average student expenses figure of £9,841.

The figures from the two sources are clearly in the same ballpark. We take the average of these figures as our estimated figure for student expenses in 2003–04, which is £10,001.

The total expenditure by students is calculated under the assumption that the proportions of part-year students have remained constant since 2002–03. Expenditure by students in 2003–04 is thus determined as the number of full-year EU students (93,265) spending an average of £5,770 on goods and services, plus part-year EU students (7,020) spending an average of £3,462. This is then added to the total for non-EU students: 18,1146 full-year students spending an average of £10,001 on goods and services, plus 34,504 part-year students spending £7,694. This provides a total student expenses figure of £2,639.5 million for the year 2003–04.

It should be noted that the increase of £430.6 million over the past 12 months is largely due to the increase in the number of non-EU overseas students (£390.6 million). It should also be noted that expenditures may be higher than that suggested above if, for instance, some students bring their families to the UK with them.

Regional expenditure

Taking the regional expenditure differences calculated for the year 2002–03 and adjusting for inflation (multiplying by 1.03), provides full-year average figures of £10,615 (London) and £9,065 (outside London).

Transnational provision of higher education

While under a single heading, the provision of transnational higher education (TNE) in the UK includes a diverse range of programmes, which include twinning arrangements, franchise agreements, joint programmes and distance learning programmes. It is important to distinguish the number of students in, and

²⁰ The increase in student numbers is greatest in London where students have higher expenditure.

the export income from, each of these programmes in order to identify areas of growth or decline. In order to do so we undertook a small-scale survey by post and telephone of the TNE provision of higher education institutions. We were able to elicit information on the type of provision, student numbers, fees paid and the proportion of the total income that finds its way back to the UK institution. The survey suggested that the income returned to the UK from twinning arrangements/joint programmes/franchises in 2002–03 was in the region of £500 per student, the income from programmes on overseas campuses in the region of £2,545 per student and the income from distance learning in the region of £2,023 per student. The corresponding figures for 2003–04 are £500, £2,706 and £2,040 per student, from twinning arrangements/joint programmes/franchises, overseas campuses and distance learners respectively.

The British Council estimates that there were some 204,900 students on UK TNE degree programmes in 2002–03 and 208,900 students on UK TNE degree programmes in 2003–04. This represents a significant growth in student numbers of over 46 per cent between 1997 and 2003.²¹ Indeed discussions with respondents to our survey revealed that student numbers on overseas campuses have increased significantly since 2004. The introduction of the 'Fresh talent' programme has been reported, by one institution in Scotland, as a catalyst in the massive increase in the uptake of programmes at their overseas institution in Kolkata. The survey figures suggest that in 2002–03 the total income from TNE was £190.7 million ($500 \times 14,8675 + 2,545 \times 5,000 + 2,023 \times 51,225$) and in 2003–04 the total income was £195.9 million ($500 \times 151,675 + 2,706 \times 5,000 + 2,040 \times 52,225$).

HESA has collected some information about UK programmes taken outside the UK for the academic years 2002–03 and 2003–04. This information was provided on a voluntary basis and therefore is not a complete picture of the whole of the UK. Although incomplete at the time of the study, the HESA data broadly confirm the British Council estimates.

The Observatory on Borderless Higher Education (www.obhe.ac.uk) analysed the available data in 2004 (Briefing note 18). The five major TNE markets are China, Singapore, Malaysia, India and Hong Kong. In 2004 these five markets are estimated to account for over 50 per cent of UK TNE provision with this proportion forecasted to increase significantly in future years.

It is strongly recommended that the sponsors work with the Observatory on Borderless Higher Education. This recommendation was made in the previous report but, as yet, has not been implemented.

The Education UK website of UK qualifications in Singapore revealed a database of 148 courses offered in Singapore. It also highlights Singapore's intention of attracting in the region of 150,000 international students by 2012, many of whom will be recruited to UK programmes.

The Council of Validating Universities and the Open and Distance Learning Quality Council were contacted for further information but to date have not responded to our correspondence.

Given the massive increase in the provision of, and obvious demand for TNE, it is strongly recommend that the sponsors should work with HESA to obtain a clear picture of the type of TNE provision supplied by UK institutions, the numbers enrolled, their respective fees and the proportion of income generated that is returned to the UK.

Visiting students to HE

Academic year 2002–03

The income generated by fee-paying visiting students has already been noted in this report. However, a small proportion of students are on exchange schemes, for example those enrolled on Erasmus programmes, and they are not recorded within the HESA records above. These students do not pay tuition fees, but their expenditure while residing in the UK must be treated as an export. Data supplied to us and restricted from the public domain reveal some 25,780 visiting students of which 18,046 students were on exchange programmes. However, these figures reflect student numbers

²¹ The 1997 total is taken from Benell P. & Pearce T., Institute of Development Studies (Sussex), working paper 75, available at www.ids.ac.uk/ids/bookshop/wp/wp75.pdf.

and not full-time equivalence, therefore we need to calculate their average length of stay.

Figures obtained from Erasmus reveal 16,986 overseas students resident in the UK were on one of their exchange programmes. The Erasmus exchange programmes vary in duration from three to 12 months. Information from Erasmus on the length of stay of students on their programmes reveals that the average stay is 6.75 months.

Assuming that the remaining students given in the HESA information are resident in the UK for 12 months, this suggests a total for student expenditure from visiting students to the UK of £96.3 million $((9,072/12)*6.75)*(16,986) + (1,060*9,072)$.

The Erasmus information gives a breakdown of students by country of study, therefore, providing a guide to the proportion of the total above allocated to each constituent country of the UK:

England £75.2 million; Wales £6.9 million; Scotland £11.6 million; Northern Ireland £2.6 million.

Academic year 2003–04

Data supplied to us and restricted from the public domain reveal some 25,705 visiting students were either visiting or on an exchange programme in the academic year 2003–04 of which 17,673 students were on exchange programmes.

Figures obtained from Erasmus reveal 16,618 overseas students resident in the UK were on one of their exchange programmes. It is interesting that all information sources reveal a slight reduction in the number of visiting and exchange students in this year. Following the methodology above we find the average length of stay is 6.75 months.

Assuming that the remaining students given in the HESA information are resident in the UK for 12 months, this suggests a total for student expenditure from visiting students to the UK of £104 million $((10,001/12)*6.75)*(16,618) + (1,055*10,001)$.

The Erasmus information gives a breakdown of students by country of study, therefore

providing a guide to the proportion of the total above allocated to each constituent country of the UK:

England £80.4 million; Wales £6.8 million; Scotland £14.1 million; Northern Ireland £2.7 million.

Research grants and contracts from overseas agents

Academic year 2002–03

Figures supplied by the Higher Education Statistics Agency (HESA) reveal an export income for the UK in 2002–03 from research grants and contracts of £348,185,000. These figures are provided for each institution and therefore we are able to derive a regional breakdown.²²

Information regarding overseas income from other services and other operating costs is unavailable for this year. However, a figure of £94.3 million is provided for other services in 2003–04 in the report by Professor Brian Ramsden, produced for Universities UK.²³ Taking this figure and deflating by approximately two per cent to allow for inflation suggests a figure of £92.4 million for 2002–03.

Finally, a figure of £81.4 million is estimated as income from overseas general operating income figures. This estimation is calculated as the figure for the year 1999–2000 provided in the Kelly, Marsh and McNicholl report produced for UUK,²⁴ inflated to 2002–03 prices.

The above figures from grants and contracts from overseas provide a total amount in 2002–03 of £522 million. The regional distribution of this figure is as follows:

Table 9	2003–04
Region	£ million
London	126.10
Yorkshire/Humber	36.61
South East	79.49
North East	19.84
South West	33.26
North West	37.37
East	38.71
Wales	15.47
East Midlands	25.81
Scotland	74.28
West Midlands	23.95
Northern Ireland	11.10

²² Data available at www.hesa.ac.uk/acuk/maninfo/2003-04/income.htm.

²³ Patterns of higher education institutions in the UK, fifth report. Available at <http://bookshop.universitiesuk.ac.uk>.

²⁴ Available at www.universitiesuk.ac.uk.

Academic year 2003–04

Figures supplied by the Higher Education Statistics Agency (HESA) reveal an export income for the UK in 2003–04 from research grants and contracts of £364,770,000. These figures are provided for each institution and therefore we are able to derive a regional breakdown.

The value of other services in 2003–04 found in the report by Professor Brian Ramsden produced for Universities UK is given as £94.3 million.

Finally, a figure of £83 million is estimated as income from overseas general operating income figures. This estimation is calculated as the figure for the year 1999–2000 provided in the Kelly, Marsh and McNicholl report produced for UUK, inflated to 2003–04 prices.

The above figures from grants and contracts from overseas provide a total amount in 2003–04 for the UK of £542.1 million. The regional distribution of this figure is as follows:

Region	2003–04 £ million
London	138.34
Yorkshire/Humber	35.63
South East	89.43
North East	20.22
South West	32.41
North West	39.59
East	39.54
Wales	16.65
East Midlands	24.92
Scotland	70.65
West Midlands	20.96
Northern Ireland	13.73

Expenditure of academic visitors to UK HEIs

In a report by Drummond Bone (2006) for Universities UK²⁵ the expenditure of academic visitors to the UK in the year 2003–04, was in the region of £106 million. This figure is lower than the figure reported by Kelly, Marsh and McNicholl (2002) for the year 1999 and that used by Johnes (2004) for the year 2001.

The previous UUK report concerning the economic impact of higher education institutions was that conducted by Kelly, Marsh

and McNicholl (2002), which provided figures for the academic year 2001–02. Therefore, we have no specific information relating to academic visitor expenditure in the year 2002–03. An internet search provided no further information.

Given the large increase in overseas student numbers there is a high probability that the figure of £106 million is substantially underestimated. Therefore we suggest that this figure should be treated as a minimum estimate of this category.

Private HE institutions

Academic year 2002–03

Information has been collected from the major private institutions of higher education in the UK. Initially, some of the institutions contacted responded to an online survey using the British Council's ConfirmIT software. The survey asked each institution for information regarding student numbers, both from overseas within the EU and from outside the EU who were studying within the UK, along with their respective average tuition fees. Those institutions who had not responded to the online survey were e-mailed for this information. Subsequently, in a couple of instances, these were followed up by a telephone call. The institutions responding to the request for this information include the major institutions of Ashridge, Buckingham, Henley, Huron, Regents Court, and Richmond. Tuition fee income from some 5,998 full-time equivalent international students studying within the UK amounted to £61 million. The estimated expenditure on living expenses by these students is £54.4 million.

In addition to the above we also conducted an internet search in order to gather income from US universities that have branch campuses in the UK. In accord with the previous report (Johnes, 2004) it was found that very small student numbers were recorded (typically below 100) and that over 50 per cent of these students were eligible for financial support.

Academic year 2003–04

Tuition fee income from some 6,426 full-time equivalent international students studying within the UK amounted to £65.4 million. The estimated expenditure on living expenses by

²⁵ Report available at <http://bookshop.universitiesuk.ac.uk>.

these students is £65.3 million (10,161 x 6,426). It is evident here that there has been a large increase in student numbers each year. On closer inspection of the information provided we find that the increase in student numbers is owing to the number of students from outside the EU zone. This increase accords with the increased student numbers found in the data supplied by HESA.

Further education

Further education tuition fees

The further education sector, as highlighted in the 2004 report, suffers from a lack of coherent information – information about students taking their education in the UK is recorded separately by education councils for each country of the UK.

Academic year 2002–03

The data supplied by the Learning and Skills Council (LSC) refer to England alone. From the Individualised Learner Record (ILR) we are able to ascertain that, in academic year 2002–03, some 80,164 students from overseas were in further education in the UK. Of these 17,893 were students from within the EU. The data inform us that most of these, over 91 per cent, were in colleges of general further education with the remainder in specialist institutions. The ILR has a variable that provides some limited information on the type of programme taken, although it does not identify any English language teaching. We are able to identify the number of students resident in each government region (see Appendixes). Nearly 60 per cent of overseas students are enrolled on a single course. A further 20 per cent of students are taking two courses with the remaining 20 per cent taking more than two courses. The separate ILR aims file records the fee paid by the student (known as variable a13) for each programme of study. This variable is recorded as zero where the student has received full funding from an awarding body. We must assume here that all these fields have been entered correctly and that any missing information is not coded as zero. According to the fees

variable just over one-third (37 per cent) of overseas students paid their own fees in 2002–03 and of these over 90 per cent were from countries outside the EU. The average amount paid per course by fee-paying students is £448.87 and the number of programmes for which fees were paid is 124,193, resulting in a total amount paid by these students of £55,746,910.

In Scotland enrolment figures are available from the Scottish Further Education Funding Council Infact website.²⁶ The figures provided here reveal that there were a total of 4,332 overseas student enrolments in 2002–03 of which 1979 were EU student enrolments. Following the calculations above we assume that one-third of the overseas non-EU enrolments are by students paying the average fee to suggest a total fee income for Scotland of £348,543.

Figures for Wales and Northern Ireland supplied to the British Council from the Welsh ILR and the Department for Employment and Learning, Northern Ireland, reveal an exceptionally low number of overseas students in further education (1,700 and 955 in Wales and Northern Ireland respectively). The majority of students in further education (over 95 per cent) are from the EU. Thus there is negligible income from exports of further education here.

The figure for the UK from England and Scotland amounts to £56,095,453, less any English language teaching programmes (ELT) that are dealt with elsewhere in this report. To reiterate, the ILR has a variable that provides some limited information on the type of programme taken. Although this variable does not identify any English language teaching it contains a category for 'other' programmes not previously specified. We make use of the 'other' category within this variable and also the variables that reflect the start and end dates of each programme. In short, we have selected those programmes that run for between three to six weeks only,²⁷ are classed as 'other' in the programme type variable and are undertaken by fee-paying students. This will not be a precise measure but, given the data limitations, it is the best method of

²⁶ Infact website at www.sfc.ac.uk/infact.

²⁷ According to our ELT findings these programmes run for an average of 4.8 weeks.

estimation and provides a figure of some 10,585 fee-paying students taking ELT in FE colleges in 2002–03. The average weekly fee of an ELT programme in this year is estimated as £235. Multiplying the weekly fee by the average length of programme for all fee-paying students undertaking ELT provides a total income figure for ELT within the further education sector of £11.9 million. Deducting this figure from our total of FE fees for non-UK domiciled students provides a final UK figure for FE of £44.2 million. The proportion of programmes undertaken by fee-paying non-UK domiciled students in each government region of England is given in the Appendixes.

Academic year 2003–04

The data supplied by the Learning and Skills Council (LSC) refer to England alone. From the ILR we are able to ascertain that in academic year 2003–04 some 79,878 students from overseas were in further education in the UK. Of these 19,153 were students from within the EU. The data inform us that all these students are taking their further education in colleges of general further education. The ILR provides some limited information on the type of course taken although it does not identify any English language teaching. We are able to identify the number of students resident in each government region (see Appendixes). Some 57 per cent of international students are enrolled on a single course. A further 20 per cent of students are taking two courses with the remaining 23 per cent taking more than two courses. The separate ILR aims file recording the fee paid by each student in each programme is recorded as zero where the student has received full funding from an awarding body. Once more we must assume here that all these fields have been entered correctly and that any missing information is not coded as zero. According to the fees variable one-third (32 per cent) of international students paid their own fees in 2003–04 and of these 78 per cent were from countries outside the EU. The average amount paid per course by fee-paying students is £443.44 and the number of programmes for which fees were paid is 133,708, resulting in a total amount paid by these students of £59,291,476.

In Scotland enrolment figures are available from the Scottish Further Education Funding Council Infact website.²⁸ The figures provided here reveal that there were a total of 4,514 overseas student enrolments in 2003–04 of which 1997 were EU student enrolments. Following the calculations above we assume that one-third of the overseas non-EU enrolments are by students paying the average fee to suggest a total fee income for Scotland of £666,562.

Figures for Wales and Northern Ireland supplied to the British Council from the Welsh ILR and the Department for Employment and Learning, Northern Ireland, reveal an exceptionally low number of international students in further education (2,635 and 885 in Wales and Northern Ireland respectively). The majority of students in further education in Wales (98 per cent) and Northern Ireland (75 per cent) are from the EU. Thus there is negligible income from exports of further education outside England and Scotland.

The figure for the UK from England and Scotland amounts to £59,958,038 less any English language teaching programmes (ELT) that are dealt with elsewhere in this report. Using the method of estimation described above a figure of some 11,613 fee-paying students taking ELT in FE colleges in 2003–04 is suggested. The average weekly fee of an ELT programme in this year is estimated as £245. Multiplying the weekly fee by the average length of programme for all fee-paying students undertaking ELT provides a total income figure for ELT within the further education sector of £13.7 million. Deducting this figure from our total of FE fees for non-UK domiciled students provides a final UK figure for FE of £46.3 million. The proportion of programmes undertaken by fee-paying non-UK domiciled students in each government region of England is given in the Appendixes. It is interesting to note the sudden decrease in the proportion of programmes taken within Greater London and the increase in programmes in all the other regions, which may explain the small decrease in the average fee per programme from the previous year.

²⁸ Infact website at www.sfc.ac.uk.

Other spending by overseas FE students

As noted in the previous report, it is not straightforward to evaluate how long non-UK domiciled further education students stay in the United Kingdom. The information on start and end dates of courses for each student available in the ILR and aims file are used here. We also exclude from the total the ELT students who are not undertaking any other course because their expenditure has been calculated elsewhere in this report.

Academic year 2002–03

The mean length of study for non-UK domiciled students in 2002–03 was 224 days or 63 per cent of the year. More than 12 per cent of students were taking ELT courses. However, the majority of this proportion (over 80 per cent), were taking ELT concurrently with programmes of longer duration. The number of students in further education colleges who were not exclusively on ELT programmes is 82,229. Multiplying this figure by the adjusted annual figure found for student expenditure ($82,229 \times (.63 \times 9,072)$) presents a total expenditure figure for further education students of £470 million.

Academic year 2003–04

The mean length of study for non-UK domiciled students in 2003–04 was 209 days or 60 per cent of the year. Nearly 14 per cent of students were taking ELT courses. However, as we found in the previous year, the majority of this proportion (some 90 per cent), were taking ELT concurrently with programmes of longer duration. The number of students in further education colleges who were not exclusively on ELT programmes is 83,169. Multiplying this figure by the adjusted annual figure found for student expenditure ($83,169 \times (.6 \times 10,001)$) presents a total expenditure figure for further education students of £499 million.

The transnational provision of FE

To our knowledge, and despite the recommendations of the previous report, no study of income in the area of transnational FE has been undertaken in recent years. The last major survey conducted in this area was that by the Association of Colleges (2001).²⁹ As reported previously, this survey made no reference to income from any transnational provision of FE.

The Association of Colleges' *Annual International Policy Report* (2003–04) states that some 50 per cent of colleges are involved with partners in Europe and the wider world.³⁰ EU activities include the Leonardo pilot project, undertaken with Bve Raad (the Dutch Council for Vocational Education and Training), which looks at vocational measures to prevent early dropout. The transnational education provision offered in this scheme is by special projects and study visits and clearly appears to be in the FE sector. However, the report also discusses three special overseas projects, one of which is with the Egyptian Ministry of Higher Education. The probability of this being an area of FE provision is extremely doubtful.

The VOCTADE study estimated that, in 1995–96, there were some 143,895 FE students engaged in open and distance learning, and this earned FE institutions an income of £7.55 million. The previous global values study estimated this figure to be £8.69 million in 2001. Allowing for inflation this implies a figure in 2002 of £8.94 million and, in 2003, of £9.17 million. Given the increasing interest in international partnerships over recent years these estimates may be rather conservative. On the other hand, there has been an increase in the provision of higher education within FE colleges in recent years, which blurs the overall picture of income due to transnational FE.

It is strongly recommended that the sponsors engage in a study of transnational education within the FE sector to ascertain income from HE and FE, and to distinguish within each level, the income earned from joint ventures/programmes and distance learning.

²⁹ Available at www.aoc.co.uk.

³⁰ Available at www.aoc.co.uk.

Independent FE

The independent sector of further education is large and the range of programmes available diverse, as noted in the previous report. At the time of the study, the Council for Independent Further Education (CIFE) reported on their website a membership of 26 FE colleges that are registered with the British Accreditation Council (BAC). College size ranges from 50 to 400 students. Altogether their members provide a range of 86 subjects including a full baccalaureate at St Clare's, Oxford.³¹

³¹ www.getthegrade.co.uk.

³² www.instudy.com/article/twefurthed.htm.

An online survey provided some information regarding student numbers in independent colleges and the average fee paid by students attending a BAC FE provider. This information was supplemented by telephone survey. Our survey reveals that 70 per cent of students attending BAC FE providers are from overseas, and of those, only six per cent are from a country within the EU. The average fee in 2002–03 for international students amounted to £6,645 per annum and in 2003–04 this had increased slightly to £6,818 per annum. The average fee reported for programmes varies from £2,000 per annum to £14,000 per annum, which again highlights the diverse nature of programme provision within this sector.

An attempt was made to collect some information from non-BAC FE providers but without success. Many of the independent FE providers were unwilling to participate in our survey. We therefore closely follow the methodology of the previous study that suggested that full-time equivalent student numbers in further education amount to one-quarter of the total student numbers. The proportion of FE students in independent colleges is five per cent.³²

Academic year 2002–03

In 2002–03 LSC data reveal that there were some 5,075,934 students in public sector FE colleges, which suggests full-time equivalent student numbers in the region of 1,268,984. Assuming the proportion of full-time equivalent students in independent FE colleges has remained constant at around five per cent, this yields a figure of 63,449 students. Using the information from our

survey, 70 per cent of these students are from overseas, five per cent of whom are taking English as a foreign language. This suggests a number for overseas student full-time equivalent numbers in the UK in 2002–03 of 42,194.

Taking into account our average tuition fees of £6,645 and expenditure per student on other goods and services of £9,072, total export earnings due to tuition fees and other goods and services in the independent FE sector amount to £280.4 million and £382.8 million, respectively.

Academic year 2003–04

In 2003–04 LSC data reveal that there were fewer students in public sector FE colleges than in the previous year, at 4,650,521, which suggests full-time equivalent student numbers in the region of 1,162,630. Assuming the proportion of full-time equivalent students in independent FE colleges has remained constant at around five per cent, this yields 58,132 students. Using the information from our survey, 70 per cent of these students are from overseas, five per cent of whom are taking English as a foreign language. This suggests a number for international student full-time equivalent numbers in the UK in 2003–04 of 38,657.

Taking into account average tuition fees of £6,818 and expenditure per student other goods and services of £10,001, total export earnings due to tuition fees and other goods and services in the independent FE sector amount to £263.6 million and £386.6 million, respectively.

English language teaching

Data provided by English UK on the number of student weeks spent in the UK, by those domiciled abroad for the purpose of English language education, was combined with information on typical tuition fees for such programmes. These courses are provided in institutions that are members of English UK. There also exist a large number of students

attending unaccredited ELT programmes, whose numbers are estimated using the International Passenger Survey.

Another aspect of ELT taken into account is the provision, by UK residents, of ELT in other countries. Much of this activity is conducted through the offices of the British Council, while some other activity is independently provided. Confidentiality of information provided by independent institutions leads us to report the total figures only.

Together, these sources provide an estimate of ELT tuition fees that amounts to £612.6 million for 2002–03 and £643.2 million for 2003–04.

Student expenditure in the UK on goods and services other than tuition can be assumed to be the same as for higher education students. The figure calculated for miscellaneous expenditure by students of ELT is calculated as the total number of student weeks spent in the UK by the average expenditure. This yields figures of £394.1 million in 2002–03 and £455.9 million in 2003–04.

Hence, the total export earnings from English language teaching amount to £1,006.6 million in 2002–03 and £1,098.9 million in 2003–04.

The actual number of overseas ELT students in the UK has increased since 2001. Therefore, at first glance, it is surprising that these figures are lower than in the previous study. However, on inspection of the figures provided by English UK it is evident that the fall in income from this sector is due to a sharp drop in the number of weeks spent in the UK by ELT students. This has resulted in both a decrease in the amount of tuition fees paid, and in the total amount of expenditure made by these students.

Examination and professional bodies

Following the recommendation from the Johnes (2004) report the DTI has conducted a special postal survey of the major (and a smaller number of minor) examination boards and professional bodies in order to provide updated estimates of income generated by

examinations that are taken overseas or by overseas students in the United Kingdom. The survey, undertaken in April 2006, calls for information on the following categories:

- fees paid to the awarding body for examinations taken abroad by overseas students
- fees paid to the awarding body for examinations taken in the United Kingdom by international students
- fees paid for membership of the awarding body by overseas residents
- the number of overseas students taking examinations abroad
- the number of overseas students taking examinations in the United Kingdom.

Figures were requested for each year in the period 2001–03. The current survey of examination boards and professional bodies indicates that the export earnings generated by these bodies amounted to £148 million in 2001–02, £168 million in 2002–03 and £198 million in 2003–04.³³

³³ Owing to different sampling and response rates in this survey compared with that during the previous study, these figures are not directly comparable with the figure of £151 million published in the last study for 2001–02.

Private sector

Pre-tertiary education

Academic year 2002–03

The Independent Schools Council (ISC) reports receipts of tuition fees from overseas sources in 2003 of £246.4 million. The total number of overseas pupils is reported as 16,105 (Table 9A of the 2004 Annual Census) of which some 9,377 were new entrants in the calendar year 2003, an increase in new student intake from overseas of just over three per cent over the past 12 months. There has been a slight decrease in the proportion of overseas boarding students from 97 per cent in 2002 to 94 per cent in 2003. However, the ISC indicates that the increase in overseas numbers is largely owing to the increase in the number of children of expatriates. It is possible that these are living with other family members hence it is not appropriate to make an additional allowance for living expenses. We are able to identify the number of schools in each region so, under the assumption of

similar school size, we are able to derive the following regional figures for the year 2003:³⁴

Table 11		2003
Region	£ million	
London	37,699,200	
South East	68,922,000	
South West	35,235,200	
East	18,972,800	
East Midlands	14,784,000	
West Midlands	24,147,200	
Yorkshire/Humber	11,170,133	
North East	11,170,133	
North West	11,170,133	
Wales	3,449,600	
Scotland	7,392,000	
Northern Ireland	2,217,600	

³⁴ The ISC reports the proportion of schools in the North West, North East and Yorkshire/Humber together under the heading of 'The North'. We divide this proportion equally between the three regions.

³⁵ The ISC reports the proportion of schools in the North West, North East and Yorkshire/Humber together under the heading of 'The North'. We divide this proportion equally between the three regions.

³⁶ This figure is considerably lower than that reported in the previous study. However, we believe our current figure to be an accurate estimation.

Academic year 2003–04

The Independent Schools Council reports receipts of tuition fees from overseas sources in 2004 of £314.1 million. The total number of overseas pupils is reported as 18,249 (Table 9A of the 2004 Annual Census) of which some 9,687 were new entrants in the calendar year 2004, an increase in new student intake from overseas (including the children of expatriates) of three per cent over the 12 months from 2003. Assuming all schools are of similar size we are able to derive the following regional figures for the year 2004:³⁵

Table 12		2004
Region	£ million	
London	48,057,300	
South East	87,948,000	
South West	44,916,300	
East	24,185,700	
East Midlands	18,846,000	
West Midlands	30,781,800	
Yorkshire/Humber	14,239,200	
North East	14,239,200	
North West	14,239,200	
Wales	4,397,400	
Scotland	9,423,000	
Northern Ireland	2,826,900	

Training

At this point, no new data are available on private sector training. The figure estimated by Elizabeth Rylance-Watson and associates in 1999 was 1.25 billion. For consistency with the Johnes (2004) report we use the same 1999 figure provided by Elizabeth Rylance-Watson and associates, adjusting for inflation to 2002 and 2003. The UK Retail Price Index increased by 8.2 per cent between the end of 1998 and the end of 2002, which suggests an amount for private sector training in 2002 of £1.35 billion. The UK Retail Price Index increased by 2.9 per cent over the following 12 months, suggesting an amount of £1.39 billion for private sector training in 2003.³⁶

Educational consultancy

Export figures for business management and consultancy, advertising and market research, research and development, and other miscellaneous business are taken from the pink book online 2002 and 2003. These figures appear in the balance of payments accounts under categories other than education so they cannot be counted as education exports for balance of payment purposes because of the problem of double counting. Nevertheless, the total figure from these categories in 2002 is £14,352 million (1,796 + 2,579 + 7,107 + 2,870) and in 2003 the total is £15,117 million (1,983 + 2,899 + 6,021 + 4,214).

Miscellaneous

Academic year 2002–03

Educational broadcasting is a major area that must be taken into consideration within this study. In 2003 the BBC Chief Executive's review (available at www.bbcworldwide.com/annualreviews/review2003) reveals total sales of BBC Worldwide of £640 million. The review also indicates that BBC learning-related sales had increased by ten per cent over the past 12 months. Sales included educational products aimed at children, adults and in the area of language studies. Partnerships with major educational institutions played a crucial role in strong sales growth. The Chief Executive of Channel 4, in his annual review (available at www.channel4.com/microsites/F/foia/five-4.html), reports better than expected financial performance in '4 ventures'. The annual financial review reports a much increased turnover in its '4 learning' venture of £20.9 million.

The British Educational Travel Association (BETA) are unable to provide information regarding educational travel.

Academic year 2003–04

In 2004 the BBC Chief Executive's review (available at www.bbcworldwide.com/annualreviews/review2004) reveals an increase in sales of three per cent of BBC Worldwide products yielding a sales total of £657 million. Education and learning sales were boosted by a new development of online learning – *Teachandlearn.net*. Primary school educational publishing is also reported to show strong growth.

The Channel 4 annual financial review reports a further increase in turnover this year of its '4 learning' venture, which is reported as totalling £21.4 million.

Recommendations

Many of the recommendations that accompany this report follow those made in the earlier report that have not, as yet, been put in place:

- 1 Given the difference in calculations of non-EU student fee income found herein it is strongly recommended that there be a standard method of reporting of student numbers. Calculations should include students who commence their courses within the academic year, which occurs with many postgraduate courses. Given the increases in postgraduate student numbers over recent years many students will be omitted, hence income underestimated, if only students who commence their courses in September are reported.
- 2 It is strongly recommended that the sponsors work with the Observatory on Borderless Higher Education in order to establish a methodology for the collection of information on transnational fees.
- 3 It is recommended that the sponsors work with the Learning and Skills Council to establish a methodology for the collection of data from international FE students.
- 4 It is strongly recommended that the sponsors engage in a study of transnational education within the FE sector to distinguish within each level, the income earned from joint ventures/programmes and distance learning.
- 5 It is recommended that the independent sector of further education be regarded as an area for further research.
- 6 It is recommended that private sector training and consultancy be regarded as an area for further research.

Appendix 1

2002–03 EU students

Postgraduate research

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	260	1,000	135	1,190	2,585
South East	40	945	75	695	1,755
South West	10	515	50	280	855
East	50	580	65	625	1,320
Yorkshire/ Humber	10	420	20	290	740
E. Midlands	25	310	30	200	565
W. Midlands	15	285	85	340	725
North West	15	450	80	245	790
North East	25	225	30	175	455
N. Ireland	15	220	10	110	355
Scotland	40	700	55	335	1,130
Wales	10	260	30	110	410
	515	5,910	665	4,595	11,685

Postgraduate taught

Clinic	Lab.	MBA	Non-lab.	TOTAL
200	2,605	1,750	3,080	7,635
0	1,945	985	1,650	4,580
15	485	470	775	1,745
0	170	95	1,195	1,460
15	645	405	715	1,780
35	495	780	520	1,830
15	570	970	640	2,195
50	685	380	715	1,830
10	380	265	535	1,190
0	795	110	380	1,285
35	825	540	895	2,295
45	310	320	720	1,395
420	9,910	7,070	11,820	29,220

First degree

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	170	3,980	1,705	3,220	9,075
South East	15	2,735	1,345	2,685	6,780
South West	40	1,240	610	905	2,795
East	40	570	305	1,150	2,065
Yorkshire/ Humber	20	810	415	620	1,865
E. Midlands	25	700	825	725	2,275
W. Midlands	20	1,090	640	940	2,690
North West	50	1,500	715	1,090	3,355
North East	25	650	480	525	1,680
N. Ireland	10	965	240	470	1,685
Scotland	95	2,420	710	1,505	4,730
Wales	40	1,255	445	695	2,435
	550	17,915	8,435	14,530	41,430

Other degree

Clinic	Lab.	MBA	Non-lab.	TOTAL
25	910	405	1,260	2,600
0	910	470	1,835	3,215
15	515	215	825	1,570
0	170	25	505	700
0	300	195	910	1,405
5	225	250	455	935
0	575	340	1,035	1,950
25	525	175	1,145	1,870
5	175	195	990	1,365
0	285	170	550	1,005
45	665	240	1,290	2,240
0	440	125	1,080	1,645
120	5,695	2,805	11,880	20,500

EU – non-UK

TOTAL
21,895
16,330
6,965
5,545
5,790
5,605
7,560
7,845
4,690
4,330
10,395
5,885
10,2835

2002–03 non-EU students

Postgraduate research

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	490	1,510	265	1,955	4,220
South East	90	1,510	215	1,840	3,655
South West	40	920	120	870	1,950
East	120	1,360	150	1,840	3,470
Yorkshire/ Humber	60	1,245	150	875	2,330
E. Midlands	85	1,160	160	1,090	2,495
W. Midlands	35	785	195	925	1,940
North West	110	1,250	230	860	2,450
North East	95	695	95	780	1,665
N. Ireland	30	225	10	80	345
Scotland	95	1,385	255	1,035	2,770
Wales	35	450	90	435	1,010
	1,285	12,495	1,935	12,585	28,300

Postgraduate taught

	Clinic	Lab.	MBA	Non-lab.	TOTAL
	585	3,795	5,190	6,960	16,530
	10	1,735	3,895	3,705	9,345
	85	765	1,615	2,155	4,620
	0	570	815	1,550	2,935
	100	1,545	2,110	2,530	6,285
	90	1,145	1,980	1,500	4,715
	10	1,345	3,380	2,535	7,270
	130	1,245	2,235	2,090	5,700
	20	855	1,680	1,600	4,155
	0	210	145	275	630
	80	1,570	2,170	2,345	6,165
	175	450	1,515	905	3,045
	12,85	15,230	26,730	28,150	71,395

First degree

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	575	6,235	2,990	5,055	14,855
South East	15	2,485	2,950	3,640	9,090
South West	140	1,405	895	1,230	3,670
East	105	800	820	1,580	3,305
Yorkshire/ Humber	185	1,945	1,010	1,745	4,885
E. Midlands	190	1,500	1,200	1,705	4,595
W. Midlands	85	1,925	1,440	2,825	6,275
North West	300	2,720	1,615	2,115	6,750
North East	90	875	1,290	1,160	3,415
N. Ireland	90	85	90	130	395
Scotland	435	2,120	1,320	1,375	5,250
Wales	75	700	535	600	1,910
	22,85	22,795	16,155	23,160	64,395

Other degree

	Clinic	Lab.	MBA	Non-lab.	TOTAL
	30	2,230	455	4,035	6,750
	0	1,225	275	3,045	4,545
	0	390	230	790	1,410
	0	445	20	1,315	1,780
	0	440	105	1,605	2,150
	0	645	120	390	1,155
	0	600	255	1,525	2,380
	10	705	290	2,005	3,010
	0	200	60	1,470	1,730
	5	80	25	180	290
	10	355	125	2,290	2,780
	0	95	40	840	975
	55	7,410	2,000	19,490	28,955

EU – non-UK

TOTAL
42,355
26,635
11,650
11,490
15,650
12,960
17,865
17,910
10,965
1,660
16,965
6,940
193,045

Appendix 2

2003–04 EU students

Postgraduate research

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	260	1,055	130	1,155	2,600
South East	45	895	75	630	1,645
South West	10	515	55	290	870
East	50	575	60	625	1,310
Yorkshire/ Humber	10	365	25	300	700
E. Midlands	30	335	30	190	585
W. Midlands	15	265	85	350	715
North West	25	385	75	250	735
North East	30	225	30	175	460
N. Ireland	20	225	15	115	375
Scotland	50	725	50	355	1,180
Wales	20	240	20	120	400
	565	5,805	650	4,555	11,575

Postgraduate taught

Clinic	Lab.	MBA	Non-lab.	TOTAL
265	2,800	1,720	3,100	7,885
0	1,740	1,150	1,730	4,620
20	510	480	975	1,985
0	170	140	575	885
15	635	415	760	1,825
30	415	420	425	1,290
20	520	1,070	640	2,250
40	610	385	675	1,710
10	270	265	580	1,125
0	885	100	370	1,355
40	850	630	1,085	2,605
80	240	240	700	1,260
520	9,645	7,015	11,615	28,795

First degree

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	200	3,800	1,570	3,080	8,650
South East	25	2,490	1,380	2,475	6,370
South West	45	1,200	620	795	2,660
East	45	465	300	1,180	1,990
Yorkshire/ Humber	25	735	455	670	1,885
E. Midlands	30	640	535	455	1,660
W. Midlands	35	935	725	1,000	2,695
North West	55	1,415	695	1,030	3,195
North East	30	600	445	460	1,535
N. Ireland	10	1,050	230	565	1,855
Scotland	105	2,650	745	1,610	5,110
Wales	45	1,150	440	640	2,275
	650	17,130	8,140	13,960	39,880

Other degree

Clinic	Lab.	MBA	Non-lab.	TOTAL
25	795	435	1,385	2,640
0	765	460	1,545	2,770
10	475	215	885	1,585
0	150	20	510	680
0	275	155	910	1,340
5	315	235	505	1,060
5	465	280	980	1,730
15	565	145	1,245	1,970
0	130	215	1,020	1,365
5	195	135	480	815
40	545	345	1,420	2,350
0	590	120	1,020	1,730
105	5,265	2,760	11,905	20,035

EU – non-UK

TOTAL
21,775
15,405
7,100
4,865
5,750
4,595
7,390
7,610
4,485
4,400
11,245
5,665
100,285

2003–04 non-EU students

Postgraduate research

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	505	1,735	245	2,105	4,590
South East	95	1,475	230	1,880	3,680
South West	50	1,020	140	920	2,130
East	120	1,365	155	1,935	3,575
Yorkshire/ Humber	60	1,310	145	885	2,400
E. Midlands	90	1,210	160	1,140	2,600
W. Midlands	45	800	210	965	2,020
North West	110	1,265	235	940	2,550
North East	125	700	100	845	1,770
N. Ireland	35	230	15	85	365
Scotland	115	1,415	245	1,150	2,925
Wales	20	430	120	460	1,030
	1,370	12,955	2,000	13,310	29,635

Postgraduate taught

Clinic	Lab.	MBA	Non-lab.	TOTAL
640	5,030	5,820	7,655	19,145
10	1,970	4,725	4,215	10,920
60	1,060	2,155	2,630	5,905
0	760	1,100	1,695	3,555
85	1,970	2,690	3,100	7,845
110	1,495	1,790	1,850	5,245
25	1,915	4,020	2,645	8,605
135	1,410	2,625	2,020	6,190
15	955	2,030	2,045	5,045
0	205	155	235	595
65	2,150	2,475	2,685	7,375
255	485	1,335	990	3,065
1,400	19,405	30,920	31,765	83,490

First degree

	Clinic	Lab.	MBA	Non-lab.	TOTAL
London	630	6,945	3,825	5,885	17,285
South East	20	2,665	3,545	4,105	10,335
South West	170	1,650	1,145	1,510	4,475
East	105	965	1,275	1,715	4,060
Yorkshire/ Humber	170	2,330	1,765	1,705	5,970
E. Midlands	210	1,715	1,090	1,475	4,490
W. Midlands	95	2,205	1,685	2,815	6,800
North West	325	2,610	1,970	2,450	7,355
North East	90	1,010	1,580	1,455	4,135
N. Ireland	85	80	110	115	390
Scotland	480	2,275	1,450	1,685	5,890
Wales	85	830	740	725	2,380
	2,465	25,280	20,180	25,640	73,565

Other degree

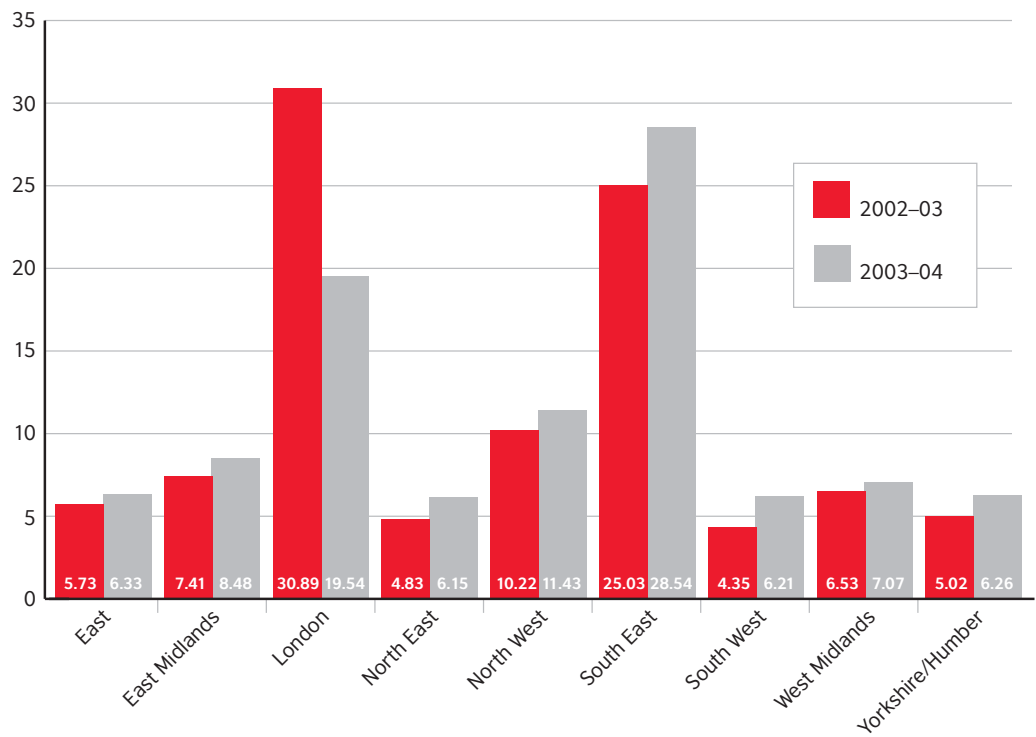
Clinic	Lab.	MBA	Non-lab.	TOTAL
10	1,810	535	4,330	6,685
0	1,345	505	2,920	4,770
0	310	325	930	1,565
5	445	40	1,625	2,115
0	435	305	1,500	2,240
0	565	150	555	1,270
0	515	205	1,325	2,045
5	465	195	1,690	2,355
0	240	55	1,620	1,915
5	65	20	260	350
25	445	155	2,000	2,625
0	155	105	765	1,025
50	6,795	2,595	19,520	28,960

EU – non-UK

TOTAL
47,705
29,705
14,075
13,305
18,455
13,605
19,470
18,450
12,865
1,700
18,815
7,500
215,650

Appendix 3

Percentage of programmes by non-UK domiciled fee-paying FE students





- The total value of education and training exports to the UK economy is nearly **£28 billion**

- The total direct value of education and training exports to the UK economy is over **£12.5 billion**

- The total value to the UK economy of international students in the HE sector (excluding TNE) is over **£5.6 billion**

- The total value of transnational HE to the UK economy is nearly **£200 million**

- The total value to the UK economy of international students in the HE sector (including TNE) is nearly **£6 billion**

- The total value to the UK economy of international students in the FE sector (excluding ELT) is over **£1.2 billion**

- The total value to the UK economy of international students in the ELT sector is over **£1 billion**

- The total value to the UK economy of international students in the independent schools sector is nearly **£315 million**

- The total value of international students to the UK economy is nearly **£8.5 billion**

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