

China Market Report

CBBC Delegation Visit in November 2004 - Tony Millns

Background:

I spent from 26 October to 5 November in China as leader of the China-British Business Council education and training delegation. We visited Beijing, Nanjing, Hefei (capital of Anhui province) and Shijiazhuang (capital of Hebei province). In addition to group meetings with provincial education authorities, at which I was lead speaker, I had individual meetings with agents, with British Council staff, and with the visa staff at the Embassy. Because of the time taken initial briefing meetings and transit, the visit came down effectively to about 6 working days (including Saturday). Local arrangements were efficiently handled and there was good support throughout from CBBC staff in London and China.

This note covers three main areas:

- Impressions from the BC staff and agents on the market trends
- Notes on the agents in case members do not already know of them
- Notes on the discussions with visa staff.

Market Trends:

Most sources agree that the rate of increase in international study abroad has lessened markedly, and that the market is diversifying rapidly with the number of substitutes and competitors available. Factors contributing to this include:

- in some parts of China, study abroad is no longer seen as a quick route to success, and there is some evidence that returning students have not obtained jobs/career progression equal to their expectations and investment
- though there is still a deficit of places in higher education in China and a lack of top-class language training, these deficits have been reduced significantly
- the Chinese are putting a great deal of effort into improving basic learning by distance/e-learning, having made a great leap forward in this area when many schools were closed during SARS but lessons were delivered by TV and over the net
- there are significant new enterprises in private education offering relatively low-cost in-country options
- there is real effort going on in Beijing in particular to green and smarten up the place and to teach virtually everyone some English ahead of the Olympics
- the government has tried to damp down the economy (rather like the Bank of England on house prices here) fearing that it was overheating, and one area where spending has been reduced is foreign study.

The drop-off in interest in/intention to study abroad is general: while the UK visa position has undoubtedly contributed to fewer Chinese students coming to the UK, many other countries (from other EU states to New Zealand and Australia) are reporting declining interest from China. The International Education fairs taking place during our visit were said to be noticeably quieter than in previous years.

However, agents and others remained optimistic that the medium to longer term would see an improvement and a return of interest in foreign study, particularly because of:

- increasing pressure on Chinese enterprises of all types to be global in outlook and presence
- influence of events such as China's accession to WTO, increasing international involvement, and the Olympics
- increasing interest in travel both in and outside China
- no real prospect of a move away from the one child policy, so likelihood that as incomes rise there will be even more cash available to lavish on children's education
- need for higher level and higher quality of education – likelihood that Chinese HE for the most part will stay as a mass system for many years to come, so need to go abroad for niche courses at Master's level in particular
- Chinese training by Chinese teachers in English seen as adequate up to a point, but impossible to acquire native speaker competence.

My view is that it was unrealistic to suppose that the exponential growth in Chinese students studying abroad would continue, and that there is a market change and correction going on. The market will not increase again at the same rates we have seen, and in any case it will generally be a smarter market more interested in the real return and value for money it is getting than price pure and simple.

Agents:

The Chinese Government is proposing to license another 140 agents, taking the number of licensed agents up from 270 to 410. As far as we could discover it looks likely there will be a geographical spread, and that these new licenses will be issued and announced in batches. The BC will monitor this and let us have information in due course.

Agents visited were:

- Beijing Dragon Horse Chinese & Foreign Entrepreneurs Service Co
- Beijing OZ Enrolment Centre of International Education
- China International Intellectech Corp. Training Centre
- Nanjing Ameson
- Jiangsu Provincial International Exchange Centre
- Hebei Normal University Centre of International Exchange
- Hebei International Affairs Consultant & Service Centre
- Hebei International School
- Shijiazhuang Information Engineering College Foreign Affairs Office
- International Education Exchange Service Centre of Hebei
- Anhui Economic Management Institute International Co-operation Centre
- EduAnhui Overseas Affairs Consultancy Co.

In addition the provincial authorities in Hefei and Shijiazhuang arranged a kind of speed-dating workshop for a variety of local education centres. Most of these seemed to be looking for free sources of teachers and unlikely to be of any great interest to members.

Discussions with agents focussed on their needs, their perception of the market, awareness of accreditation and the existence of English UK, and the Fair. Copies of the Guide were distributed. In a couple of cases agents said that they would like to put out tender requests

through English UK, and one of these (from Nanjing Ameson for teacher training) has already materialised and has been sent out to members. Most agents raised the visa issue.

Full details of the agents can be supplied on request. All are being added to the Fair mailing list if they were not already on it.

Visa Issues:

I had two discussions with visa staff, mainly with Tony Mercer (Director. Visas/Immigration and the overall boss in China) and Nicole Davison (Consul and Head of Visa Section, Beijing, with 2 ECMs reporting to her), but I also met

Susannah Richmond, the Head of the Risk Assessment Unit, and Mark Richmond, one of the Entry Clearance staff. Points made included:

- They are aware of the problems created over the early part of 2004 and wish to avoid any repeat in 2005, and while expressing complete support for UK education institutions wishing to receive students from China they are equally clear that they need to continue being vigilant for incidence of forged documents and various scams including invented mothers/relatives. They do accept that there could have been better communication of what they were doing and why to UK institutions and agents, and they undertook to improve this and to use English UK, Universities UK and the AoC as channels.
- They are critical of UK educational organisations (mainly non-accredited but including one English UK member) for issuing letters of acceptance on the basis of few checks and small deposits.
- They are moving to a mainly paper-based application system with 12 regional centres for document drop-off and pre-screening. If the paper application is unproblematic it will be sent on to one of the visa posts and a visa will be issued. If other documents are needed or further checks, these will be carried out through the regional centres, and again, if the applicant can supply what is needed the application will be sent forward for a visa to be issued. If problems remain and the applicant wishes to proceed, there will need to be an interview by an ECO. This system will be introduced early in 2005.
- A new visa post will open in Chongqing, probably in March 2005, to respond to growing demand for UK visas from that area.
- They accept that ECOs should not make educational judgements about (for example) the appropriateness of a course or IELTS level or rate of progress. If such judgements are a key reason for refusal, they advise members to contact the ECM at the post concerned as soon as possible and they undertake that the application will be reviewed.
- They advise that members with groups of Chinese students booked to come over in the summer should try to ensure that applications are made as early as possible next year. In response to the question whether it was worth going in for tenders for the BC groups for next year, their view was definitely yes.
- They are keen to run a joint workshop with us and UKvisas in the UK in spring next year to explain the new systems and discuss issues generally. We will try to get an early date for this.
- The Risk Assessment Unit is interested in feedback and tracking, and we discussed the possibility of access to the new Home Office database so that members could log offers (so that visa staff could see whether multiple offers have been made to the same applicant), no-shows, poor attendance, progression, and completion of course and apparent return. The more useful information that we can give them, the more they will feel that we are party to the process of ensuring the integrity of the immigration procedures. We will follow this up with UKvisas here in London.

- Overall they felt that applications for student visas are both increasing again and improving in quality.

It was a constructive meeting focussed on how we can avoid problems for the future, and they were entirely willing to explain their perspective and give me a briefing in the Risk Assessment Unit. There is certainly a good basis for continuing the dialogue and raising issues at the first sign of any recurrence of the problems of this year.

Other:

I was pleased to meet up again with Nicole de Lalouviere, the former Chair of BASELT, with whom I visited China in 2000. It was on that visit, in response to the questions from Chinese agents asking “but why are there two of you?”, that the idea of English UK was formed. Nicole is now in Andrew Disbury’s team at the BC in Beijing as First Secretary (Cultural) and Director, Learning and Training. Nicole gave me a good deal of background information.

I also got insights into the development of modern China from my old friend Zuo Ran, who did an MSc at York in 1992-3 and shadowed me for two weeks in my job as part of his assignment to compare and contrast UK and Chinese processes of government, and from Ji Xiaojun (MBA Nottingham), who in 1996 was the fast-stream young Ministry of Education official who guided the UK Government delegation round China, and who is now anchorman on China Central TV news programmes.