

Other Nations Lure Chinese Students as the U.S. Turns Them Away

For those seeking degrees from foreign institutions, alternatives are growing.

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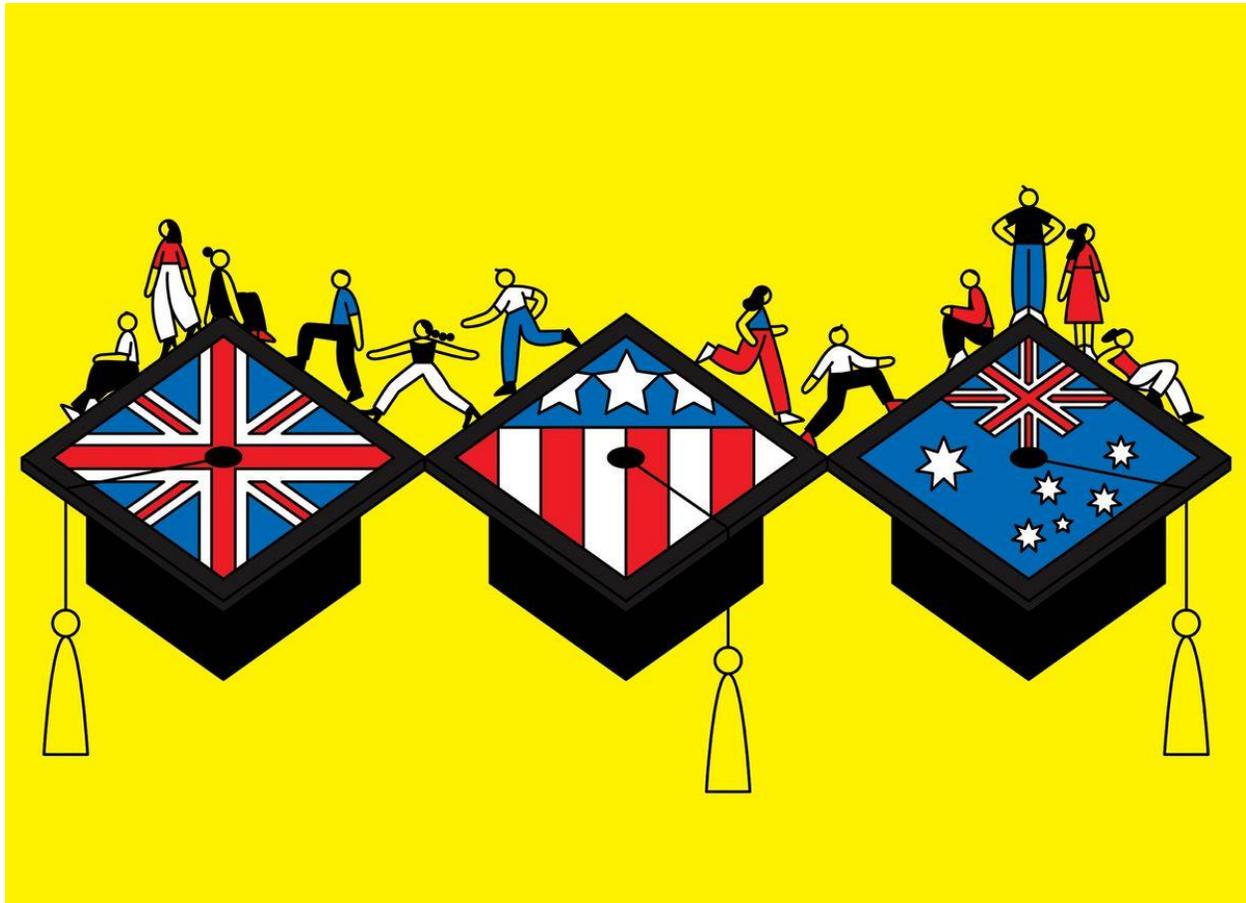


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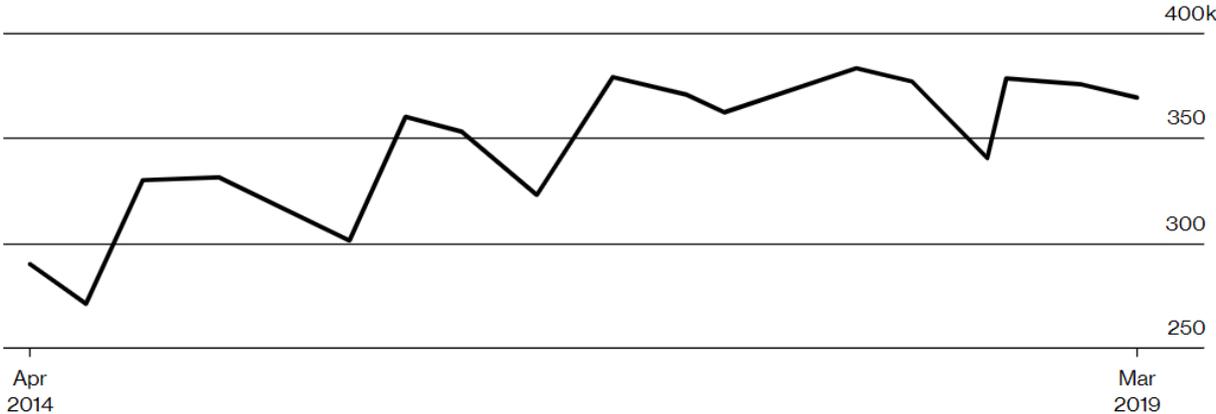
In the heart of Sydney's financial district, sandwiched between the offices of law firms and fund managers, the smartly refurbished classrooms of King's Own Institute are ready for a major intake of students. There are banks of white desks and tables lined with Dell computers and Lenovo laptops. But there's barely an Australian anywhere on campus.

With more than 2,400 students—almost all of them from abroad—studying for bachelor's and master's degrees in subjects such as business, accounting, and information technology, KOI is at the forefront as schools worldwide pursue Chinese students who increasingly are seeking alternatives to studying in the U.S. China Education Group Holdings Ltd., an operator of nine postsecondary schools across six Chinese provinces,

announced the A\$128 million (\$86 million) purchase of KOI on Sept. 23, a deal that should boost KOI's appeal in China, according to the school's chief executive officer, Douglas Hinchliffe.

Companies such as China Education are expanding to meet the needs of students and their parents who think overseas degrees provide an edge in China's competitive job market. The U.S. has long been the most popular destination, with many of the mainland's top political and business leaders sending their children to Ivy League institutions. But as President Trump's confrontation with Beijing over trade and security makes pursuing a U.S. education more difficult, Chinese students are increasingly considering schools in other English-speaking countries. China's for-profit education companies are following suit.

Students From China Studying in the U.S.



Data: U.S. Department of Homeland Security

"There is a shift," says Jerry He, executive vice chairman of Bright Scholar Education Holdings Ltd., based in the southern Chinese city of Foshan. Bright Scholar in the past year has purchased more than a dozen boarding and language schools, with U.K. campuses in Cambridge, Canterbury, and London. "With the tensions between the two countries, things that have happened in the news made some Chinese parents hesitant, and they have had second thoughts about where they will send their kids."

The number of Chinese undergraduates accepted to British schools increased 10.4% last year, to 10,180, according to the Universities and Colleges Admissions Service, a nonprofit that works with almost 400 schools in the U.K. The number of Chinese students applying jumped 30%, to more than 19,700.

Much is at stake for U.S. institutions, many of which have welcomed the influx of Chinese students, who typically pay full tuition. Chinese students in the U.S. generated \$22 billion in

total economic impact last year, according to Rahul Choudaha, executive vice president of global engagement and research at Studyportals, a consulting firm headquartered in the Netherlands.

China is still the largest source of international students in the U.S., accounting for about a third of the total, but America's appeal is weakening. The country issued 101,000 student visas to Chinese applicants in the fiscal year ended September 2018, according to U.S. State Department data, down from 152,000 in 2016.

The Trump administration has fueled that decline, restricting access to student visas because of worries about Chinese spies posing as students or researchers. The Justice Department on Sept. 16 announced the arrest of a Fort Lee, N.J., resident on charges of helping Chinese fraudulently obtain research scholar visas. In August, the U.S. indicted a professor at the University of Kansas for allegedly hiding work he performed for a Chinese university.

The same month, nine Chinese students attempting to return to Arizona State University were denied entry by immigration officers at Los Angeles International Airport. The students were all in good academic standing but are still in China; the university hasn't received an explanation, ASU President Michael Crow said in a Sept. 19 statement.

The crackdown has hit home for a Cornell undergraduate who asked that his name not be disclosed for fear of retribution from U.S. immigration authorities. In June, U.S. Customs and Border Protection denied his entry and canceled his student visa. He's managed to get a new visa and is back at Cornell, for now. "I more and more feel I don't want to stay in the U.S.," he says.

With China's education ministry in June warning students in the U.S. to be vigilant because of the increased restrictions, more Chinese want to find alternatives to the U.S., says Sun Yiding, CEO of Beijing-based RISE Education Cayman Ltd., which organizes study abroad tours. This year the numbers for RISE's U.K. tours "increased significantly," Sun says.

Other countries are trying to become more welcoming. British Prime Minister Boris Johnson's government in September announced it would soon allow foreign students who study in the U.K. to work there for two years after graduation, reversing a policy from 2012 that had forced those students to leave the country within four months of completing their studies. Canada in February unveiled a policy that would make it easier for foreign graduates of Canadian schools to receive work permits. And in Australia, the government gave work visas to 64,000 foreign graduates for the year ended in June, almost triple the figure for 2014.

"This is a very competitive market, and as U.S.-China relations take on a negative tinge, our friends in Australia and the U.K. are perfectly willing to take on Chinese students," says Ted

Mitchell, president of the American Council on Education, which represents 1,700 colleges and universities.

Bright Scholar began its shopping last year with the purchase of Bournemouth Collegiate School in Dorset, England, for an undisclosed sum. The company followed up in June, buying two more British schools for a total £38 million (\$47 million), and a month later announced the acquisition of 18 schools, including seven secondary schools, in the U.K., Canada, and the U.S. for £150 million.

Some Chinese education companies have backed away from their U.S. expansion plans. Beijing Kaiwen Education Technology Co. this summer gave up on an attempt to purchase Westminster Choir College in Princeton, N.J., a branch of Rider University, after encountering strong opposition from alumni and faculty.

Still, Chinese companies aren't giving up on the U.S. market. Among the schools acquired by Bright Scholar is a private high school on more than 20 acres in Braintree, Mass. In nearby Boston, Beijing-based Ambow Education Holding Ltd. owns Bay State College, a for-profit institution it acquired in 2017 as a destination for some of its students from China who want U.S. degrees. Ambow also expects this year to purchase another for-profit college, New School of Architecture and Design in San Diego, according to CEO Jin Huang.

Even with the chill in bilateral relations, Huang says, the appeal of an American degree will remain strong. "After studying in the U.S., they have a better chance to find a better job compared to other countries," she says. —With Angus Whitley

BOTTOM LINE - Chinese account for a third of foreign students in the U.S. Tensions between the two nations are causing applicants to consider schools in the U.K., Canada, and Australia.