

CHAPTER THREE

CURRENT PROVISION OF HIGHER EDUCATION FOR NON-LOCAL STUDENTS IN HONG KONG

3.1 Introduction

This chapter portrays the current provision of higher education for non-local students in Hong Kong. The findings reported are based on data collected from April 2007 to January 2008. Face-to-face interviews, supplemented by telephone interviews and written responses to interview questions, with various groups of stakeholders were the major data collection method. Stakeholder groups include respondents from the HEIs in Hong Kong, representatives from policy making and concerned executive bodies, including the EDB, UGC, HKTDC, the HUCOM representative, and Immigration Department, Consulates of Malaysia, Indonesia and India, as well as non-local students and alumni. Apart from interviews with various stakeholder groups, a questionnaire survey was conducted with inbound students. Besides, some data information was sought on websites and in education commentaries by scholars in tertiary institutions of Hong Kong.

3.2 The policy of inbound provisions for higher education

The role of the EDB is to formulate the policy of exporting and promoting higher education, and then the UGC helps co-ordinate the eight UGC-funded institutions for the implementation of the policy (Appendix B, R2).

3.2.1 Inbound provisions

Exports of Hong Kong's higher education services can be provided either by inbound or outbound methods in accordance with the GATS agreement. However, there is no outbound provision of higher education services to South East Asian countries by any Hong Kong tertiary institution currently, except several establishments in the Chinese Mainland and Taiwan (Appendix B, R1). Thus, the present focus of exports of higher education is on inbound consumption – non-local students coming to Hong Kong to pursue higher education (Appendix B, R2).

3.2.1.1 Purposes of exporting higher education

For some countries, the purpose of having an exporting higher education policy is profit-making in order to subsidize their own tertiary education. Hong Kong is trying to develop as a regional education hub through inbound provision of higher education services, the main objective of which is not money-making but rather is on attracting talented students from other countries, and creating an internationalized environment on the campus of local institutions so that Hong Kong students can broaden their horizons during the course of their studies (Appendix B, R2 & R10). Internationalization means to internationalize the academic structure, explore the opportunities of more collaborative programmes with overseas universities and invite more exchange students. Offering quality programmes, for example, to attract quality students to study in Hong Kong is of paramount importance during the process of internationalization. Local universities are motivated to recruit more international students to help boost the brand-name of higher education in Hong Kong and enhance benign competition between local and non-local students to promote excellence (Appendix B, R1).

3.2.1.2 Admission quota for non-local students

The admission quota is a key policy measure for the recruitment of non-local students. Since the 2005/06 academic year, the quota for admitting non-local students at UGC-funded institutions has been set at 10% of the approved UGC-funded student number targets at sub-degree (SD), undergraduate (Ug) and taught postgraduate (TPg) levels (The quota has been increase to 20% which was announced in the Policy Address 2007 by the Chief Executive. Please refer to Section 4.6). Among the 10% admission quota for non-local students, 4% of the quota falls within the UGC-funded student number targets. The rest (6%) of the quota can be used by HEIs to recruit non-local students in addition to the UGC-funded places. The UGC has laid down a guiding principle of admission to ensure a proper mix of local and non-local students in HEIs' use of this admission quota (Appendix B, R3). Currently, there are approximately 14,500 publicly-funded first-year undergraduate (Ug) places in eight UGC-funded institutions.

The 10% admission quota policy allows UGC-funded institutions to admit 580 non-local students with the publicly-funded student number targets and 870 non-local students in addition to the UGC-funded places. The TPg programme still falls into the 10% admission quota policy if it is publicly funded. However, there is no quota restriction on recruiting non-local students if the TPg programme is run on a

self-financed basis. HEIs have been allowed to admit non-local students at the research postgraduate (RPg) level without quota restriction since late 2002.

3.2.1.3 Tuition fee for non-local students

Though non-local students enrol in UGC-funded programmes, they pay a higher tuition fee than local students (Table 3.1).

Table 3.1 Tuition and accommodation fees per year for non-local students in 8 UGC-funded institutions as at September 2007

Institutions	Tuition	Accommodation
City University	HK \$60,060 for UGC programme undergraduate per year	HK\$ 7254 per semester
Baptist University	HK\$60,000	HK\$11,000 [A double occupancy room at the Student Residence Halls for 10 months]
Hong Kong University (HKU)	HK\$70,000	HK\$75,000 including living expenses, books etc.
Lingnan University	HK\$60,000 per academic year	HK\$8,890 per year* (except summer period)
The Hong Kong Polytechnic University (HKPU)	HK\$ 70,000 per academic year	HK\$40 per day per person
The Chinese University of Hong Kong (CUHK)	HKD \$80,000 per year	HKD \$7,500 per year
The Hong Kong University of Science and Technology (HKUST)	HK\$80,000 per year	\$9,600 per person in double room \$7,190 per person in triple room For nine months
Hong Kong Institute of Education (HKIEd)	\$60,000 per annum for non-local student	Semester Rate per unit HK\$4,750 + HK\$150 Hall Life Education fee

Source: Figures retrieved from the websites of the 8 funded institutions as at September 2007

Non-local students studying Ug programmes pay an average of HK\$60,000 to HK\$100,000 tuition fee per year (Appendix B, R4) in the eight UGC funded institutions which is about HK\$15,000 more than that paid by local students. This amount of tuition fee shoulders only 25% of the average unit cost of a university Ug place funded by the government. On the other hand, the tuition fee of a private university in Hong Kong is about HK\$49,000 per year (Appendix B, R5).

Some of the institutions raised their tuition fee in year 2007-2008 but they offered scholarships to those non-local students. Therefore, a large group of them did pay no, or less, tuition fee than that posted on the university website. Table 3.1 summarizes the tuition fees and accommodation fees per year for non-local students studying in the Ug programmes in Hong Kong.

In 2004, the government gave a range within which the institution should ask non-local students for tuition per year. It was from HK\$60,000 to HK\$80,000 per student. Right now HKU and HKUST are charging non-local students around HK\$100,000 per year.

3.3 The current situation of higher education provision in Hong Kong

3.3.1 Higher education provision for non-local students by local providers

Hong Kong is trying to export her higher education through inbound provision in the eight UGC-funded institutions. Actually, there are two categories of local higher education providers for inbound consumption. First, the eight UGC-funded institutions as listed above offering SD, Ug, TPg and RPg programmes for local students as well as non-local students.

Second, the non-UGC-funded institutions such as Shue Yan University, Open University, Chu Hoi College, the Hong Kong Academy for Performing Arts, Vocational Training Council, the continuing professional education (CPE) section of the eight UGC-funded institutions and other community colleges offer mainly SD, Ug and TPg on a self-financed basis. Due to resources constraints, representatives of two private institutions expressed that they have no plan to promote higher education overseas but they put their effort in recruiting students from the Chinese Mainland (Appendix B, R6). The number of non-local students they recruited is still very small (Appendix B, R7). There are less than 100 students from the Chinese Mainland to studying associate degrees as the policy focuses on recruiting Ug students (Appendix B, R2). For example, in two private tertiary institutions, there are about eight and 73 students from the Chinese Mainland respectively attending Ug programmes (Appendix B, R6 & R7).

3.3.2 Hong Kong's higher education programmes

3.3.2.1 Category of academic programme and level of study

There are seven categories of academic programmes offered by the UGC-funded higher education providers for local and non-local students, namely “Medicine Dentistry & Health”, “Science”, “Engineering and Technology”, “Business & Management”, “Social Sciences”, “Arts & Humanities” and “Education”. These programmes are delivered at four levels of study, namely SD level, Ug level, TPg level and RPg level.

- a. **Sub-degree (SD) level:** The CPE section of each university in Hong Kong has offered SD programmes to attract both local and non-local students. However, there is no record of non-local students from the Asian countries enrolled in the SD courses except some from the Chinese Mainland (Appendix B, R8).
- b. **Undergraduate (Ug) level:** The academic programmes at this level are offered on the UGC subsidized basis but non-local students are enrolled on a slightly self-financed basis simply because their tuition fee is at least HK\$15,000 more than that paid by local students per year.
- c. **Taught Postgraduate (TPg) level:** The academic programmes at this level are mostly offered on a self-financed basis with the exception of some postgraduate diploma in education (PGDE) courses being funded by UGC. Local and non-local students can be enrolled in these types of courses without government subsidization.
- d. **Research Postgraduate (RPg) level:** The academic programmes at this level are offered on the UGC funded basis. There is no quota restriction on non-local student enrolment at RPg level. Students at this level are usually provided with studentships by the funded HEIs in Hong Kong.

3.3.2.2 UGC-funded programmes attended by non-local students

With reference to the UGC data summarized in Table 3.2 and Figure 3.1, a total of 7,293 full-time and part-time non-local students were enrolled in seven academic programme categories in eight funded HEIs of which 3,979 students were involved at the Ug level of study, 88 at the TPg level and 3,225 at the RPg level as at the academic year of 2007/08.

Non-local students liked to attend business related programmes at the Ug level. For example, out of 3,979 non-local students attending Ug programmes, there were 1,346 students enrolled in the academic category of Business and Management, almost double those enrolled in the category of Science and Social Science.

According to the interviews with stakeholders of the eight UGC-funded institutions and two non UGC-funded higher education providers, the academic programmes of “Business & Management” such as Accounting, Business Administration, Global Business/Finance, Finance and Economics and Marketing at the Ug level were attractive to students from the Asian markets (Appendix B, R9).

However, if we take into account the total number of non-local students enrolled at different levels of study (Figure 3.1), the academic category of Engineering and Technology admitted most students up to 1,872 full-time and part-time non-local students; the second was the category of Sciences where a total of 1,717 students was enrolled, then the category of Business and Management attended by 1,529 students. This was because quite a number of students were enrolled in the RPg programmes in the categories of Sciences, Engineering & Technology, Social Sciences and Arts & Humanities whereas only 183 RPg students were studying in the area of Business and Management.

Over 50% of students studying at RPg levels were non-local students in the HEIs. There was a total of about 5,800 RPg students in Hong Kong among which about 3,200 were non-local students.

Table 3.2 Non-local student enrolment (headcount) of UCG-funded programmes by institution, level of study, broad academic programme category and mode of study, 2007/08

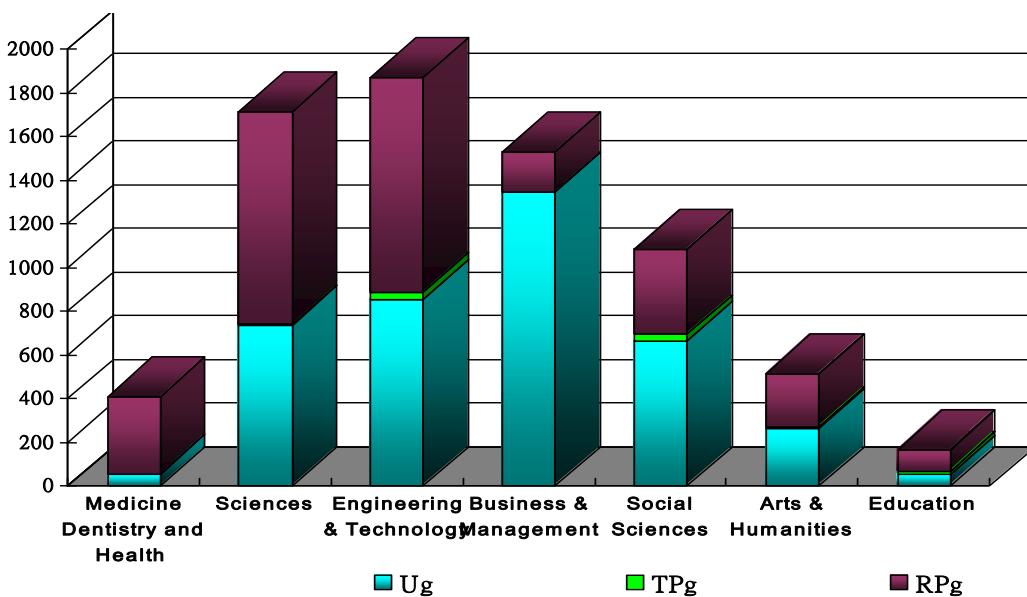
Institutes		Medicine Dentistry and Health		Sciences		Engineering & Technology		Business & Management		Social Sciences		Arts & Humanities		Education		Total	
	Level of study	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time	Full Time	Part time
CityU	Ug	—	—	80	—	87	—	214	—	79	—	27	—	—	—	487	—
	TPg	—	—	—	—	—	—	—	—	9	—	—	—	—	—	9	—
	RPg	—	—	108	2	107	8	31	—	43	—	38	2	—	—	326	12
HKBU	Ug	11	—	87	—	—	—	82	—	123	—	31	—	3	—	337	—
	TPg	—	—	—	—	—	—	—	—	—	—	—	—	1	—	1	—
	RPg	8	1	61	1	0	—	10	—	16	—	13	—	2	—	110	2
LU	Ug	—	—	—	—	—	—	73	—	26	—	22	—	—	—	121	—
	RPg	—	—	—	—	—	—	12	—	3	—	5	—	—	—	20	—
CUHK	Ug	4	—	160	—	212	—	282	—	135	—	35	—	—	—	828	—
	TPg	—	—	—	—	3	—	—	—	1	—	—	—	—	—	4	—
	RPg	126	—	265	—	177	1	35	—	142	1	86	—	34	—	865	2
HKIEd	SD	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Ug	—	—	7	—	—	—	1	—	2	—	105	—	42	—	156	—
	Tg	—	—	4	—	—	—	0	—	1	—	8	—	13	—	26	—
PolyU	SD	—	—	1	—	—	—	—	—	—	—	—	—	—	—	1	—
	Ug	19	—	63	—	212	—	292	—	2	—	22	—	—	—	611	—
	TPg	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	1
	RPg	24	—	52	—	156	—	42	—	17	—	16	—	—	—	307	—
HK UST	Ug	—	—	153	—	179	—	194	—	26	—	—	—	—	—	551	—
	TPg	—	—	0	—	7	—	—	—	—	—	—	—	—	—	7	—
	RPg	—	—	239	2	308	1	36	—	36	1	21	—	—	—	640	4
HKU	Ug	22	—	187	—	166	—	209	—	275	—	22	—	7	—	888	—
	TPg	—	—	—	—	19	—	—	—	15	1	—	—	4	1	38	2
	RPg	193	1	245	1	227	—	17	—	128	3	60	3	59	—	929	8
Total	SD	—	—	1	—	—	—	—	—	—	—	—	—	—	—	1	—
	Ug	56	—	737	—	856	—	1346	—	668	—	264	—	53	—	3979	—
	TPg	—	—	4	—	29	1	0	—	26	1	8	—	18	1	85	3
	RPg	351	2	969	6	976	10	183	—	384	5	239	5	95	—	3197	28
	Total	407	2	1711	6	1861	11	1529	—	1078	6	510	5	165	1	7262	31

Source: The relevant figures are rounded to the nearest whole number. As such figures may not add up to the corresponding totals, and the zero figure represents magnitude of less than 0.5.

The table was retrieved from the UGC website as at 19 May, 2009

<http://www.ugc.edu.hk/eng/ugc/publication/report/figure2007/figures/12.pdf>

Figure 3.1 Non-local student enrolment (headcount) of UCG-funded programmes by level of study and programme category, 2007/08



3.3.2.3 Non-UGC funded programmes attended by non-local students

- There was no quota for recruiting non-local students as long as the TPg programme was run on a self-financed basis (Appendix B, R2).
- The community colleges and the CPE section of the HEIs in Hong Kong offered different types of non-UGC funded SD programmes but there was no record of students from the Asian countries attending these programmes. The relevant CPE sections of most HEIs have partnered with overseas HEIs to offer self-financed SD, Ug and TPg programmes in Hong Kong, many of which were delivered in part-time modes. Hence a few of the non-local students were enrolled in the full-time mode of the self-financed programmes. The institutions put focus on recruiting local students who have a full-time day job.
- With reference to the Education Bureau (2007), there are a total of 1,172 non-local courses composed of 426 registered and 746 exempted courses as at 31 December 2007. To safeguard standards and quality, the Registrar of Non-local Higher and Professional Education Courses (NLHPEC) will approve the registration of a course only if it meets the criteria detailed in section 10 of the Non-local Higher and Professional Education (Regulation) Ordinance Cap. 493 (the Ordinance) which has come into effect since June 1997. The exempted courses are conducted in collaboration between a non-local institution and a specified local HEI which could

be one of the UGC funded HEIs, Hong Kong Shue Yan University or the Hong Kong Academy for Performing Arts. These courses have to be accredited by the Hong Kong Council of Academic Accreditation & Vocational Qualifications (HKCAAVQ).

- d. Most of the UGC-funded institutions offer non-UGC funded programmes at the TPg level for local and non-local students. Non-local students attending these TPg programmes are mainly from the Chinese Mainland. Only a few come from selected Asian countries. With reference to the responses from seven UGC funded HEIs, four CPE sections and three non-UGC funded HEIs as at January 2008 (Table 3.6), 2,151 non-local students are reported as enrolled in the self-financed TPg programmes in 2007/08 in which the academic categories attended in terms of popularity are: Business and Management, Engineering and Technology, Sciences, Arts and Humanities, Social Sciences and Education. In addition, a total of 75 non-local students were enrolled in the Education programme category of the TPg in three UGC funded HEIs and one CPE section. Replies from the institutions show that at least two UGC-funded HEIs and four CPE sections have received non-local students in the SD programmes and three non-UGC funded HEIs have recruited non-local students in the Ug and TPg programmes on a self-financed basis.
- e. Among those self-financed TPg programmes, MBA and EMBA were most attractive. In fact, the MBA programmes in three of the local HEIs could successfully attract students from the Asian countries and even from the rest of the world to come to Hong Kong for their full-time study since their programmes were ranked in the top 50 in the world. The institutions also provided internships and opportunities of international exposure. Though the tuition fee of the MBA programmes was about HK\$200,000 to HK\$300,000 and EMBA about HK\$700,000 per course, it was still cheaper and more competitive than those in the U.S.A. and the U.K. Thousands of applications from all over the world are received each year (Appendix B, R15).

3.3.3 Case studies of non-government subsidized programmes for the Asian countries

3.3.3.1 Case I – MBA programme offered in a local HEI

The following descriptive analysis of the case study is based on an in-depth interview with a respondent who was in charge of the programme (Appendix B, R16).

- a. **General description of the programme:** The MBA programme offered by this HEI is primarily self-financed. It was named the “Best MBA School in East Asia” by business magazine *Asia Inc* in both 2003 and 2004. There are around 50-60 students in the full-time MBA programme and 60 to 70 students in the part-time programme, of which 80% are local students while the other 20 % are other ethnics who work in Hong Kong. The full-time mode lasts for 14 months and the tuition fee is HK\$300,000 per programme. There are 10 Indian students and 17 from the Chinese Mainland in the academic year of 2007/08. The rest of them are from different overseas countries. During the course of study, students can work for 16 hours per-week in the internship related to their majors. The MBA programme has offered to some students with scholarships which are sponsored by companies or who come along with internships in those companies.
- b. **Programme characteristics:** The full time programme has been in partnership with London Business School in the U.K. and Columbia Business School in the U.S.A. Students spend 10 months of their study in Hong Kong, and then another three months in either London or New York. After that they come back to Hong Kong and start doing their projects in the Chinese Mainland.
- c. **Prospect of graduates:** Many of the graduates have gone back to their own countries and worked on Asia related projects. Some of them have got a job in the Chinese Mainland and Hong Kong. A lot of alumni have gone to work in Singapore.
- d. **Marketing ideologies:** The respondent reiterated that the next two decades belong to Asia and the MBA programme should be more international. Anyone who aims at being part of this will consider studying in Hong Kong, Singapore or the Chinese Mainland. He felt that, as the education system of the Chinese Mainland is not as well developed as that in Hong Kong, it would be easy to promote our higher education in the Chinese Mainland. People in the Mainland know where Hong Kong is and they also recognize the language.

As the economy in India and China is growing rapidly, the respondent believed that students in these two countries wishing to study Business and Finance should receive their higher education in an international city which is deeply hooked up with the Chinese Mainland. Hong Kong fits this criterion. Besides, students get international exposure experiences in the MBA programme. The Chinese Mainland is the first potential market and India is the second largest market due to the fact

that the population density is high in these two countries. He believed that students from developing countries work hard and challenge themselves to move upward.

- e. **Marketing strategies:** The Marketing Officer of this programme has collected data through survey and from the UGC website in order to look at how other institutions run their MBA programmes. He also compared programme quality between Hong Kong and Singapore which is considered to be our competitor. He has done comprehensive research on the characteristics and affordability of families in different cities of India as India is a huge market for the MBA programmes.

To promote the MBA programmes, he has gone directly to the schools and Universities in India to recruit students. In addition, he has joined MBA fairs and expos in those Asian countries and set up on-line channels for advertising their programmes. He has never employed any agents. He thought that there is no guarantee that the quality of the agent can be controlled.

Moreover, he has also targeted Germany, the U.S.A and Canada. German companies have business with the Chinese Mainland, so the Germans have a strong desire to learn more about business in the Chinese Mainland. Regarding USA and Canada, American Born Chinese and immigrants from Hong Kong to the U.S.A or Canada are likely to have a tendency to do business in Hong Kong and the Chinese Mainland.

3.3.3.2 Case 2 – MBA programme offered in the second HEI

The following descriptive analysis of this case study is based on an in-depth interview with the respondent taking charge of the Department of Marketing and Recruiting in an HEI (Appendix B, R17).

- a. **General description of the programme:** Multi-cultural integration is the main emphasis of the MBA programme in this institution; its objective is not money-making but training MBA students. In fact, this self-financed programme is ranked among the top 50 in the world so it is recognized as a world class programme. The MBA programme started in 1966 and the first international student came from the U.S.A in 1978. The first Chinese Mainland student enrolled in 1990. Because of the rapidly growing economy of the Chinese Mainland, many come to Hong Kong to pursue the programme. The tuition fee is about \$200,000 per programme lasting for 18 months. It is cheaper than those in the U.K and the U.S.A.

- b. Profile of students:** Currently, there are 50 students in the full-time programme and 100 in the part-time programme. Those who are enrolled in the programme are required to possess at least three years working experience. Previously, there were 2% to 5% non-local students in the full-time programmes. Currently, 7.5% are non-local. In addition to students from Hong Kong and the Chinese Mainland, there are a significant number of students from India, Malaysia, Japan, Korea, Taiwan, the U.S.A, Eastern Europe, Germany, Peru, France, Belgium and Israel in the full-time programme. Students who are enrolled in the part-time programme are mainly working full time in Hong Kong. Around 5% to 10% of the part-time students come from the region of South China and they come for the programme on Saturdays.
- c. Programme characteristics:** The full-time MBA programme has been in partnership with non-local universities in Taiwan, Xian, Beijing and Europe so as to help students obtain management knowledge and skills in the rest of world. Through offering dual-degree programmes, students study in the partnership universities for eight months. Then the students are awarded the degree of MBA by both universities. Students also have to participate in overseas internships in other countries. Therefore, there is quite an amount of international exposure in the programme.
- d. Marketing strategies:** To recruit non-local students, promote the programme, the institution has adopted various strategies. First, they have posted a lot of advertisements in the business zones in Hong Kong. They have also employed e-marketing strategies to draw potential students' attention. As the programme has gained a reputation among students, they rely on alumni in other countries to help with promotion of the programme. For example, a formal seminar or an informal alumni gathering will help encourage potential students to join the programme. Graduates can help build efficient networks when they go back to their own countries.

In addition, they have used some MBA world tours as one of their marketing strategies. They also organize seminars for those working in banks and invite them to join the programmes for personal development. They use similar strategies to recruit students from Singapore, Malaysia, Thailand, North Asia and India. Furthermore some of the Chinese who migrated to North America come back to study in Hong Kong. In order to accommodate the increasing number of non-local students, a hotel complex is to be completed soon for the MBA students.

3.3.3.3 Case 3 – Master Programmes of Business and Finance offered in the third HEI

The following descriptive analysis of this case study is based on an in-depth interview with the respondent taking charge of Postgraduate Studies in a HEI and recent newspaper reports (Appendix B, R18).

The Master programmes of Business and Finance offered by this institution have been welcomed by local and non-local students. The MBA and Executive MBA programmes especially have a good international reputation and have recently been ranked in top positions. The curriculum of the MBA programmes offers a significant proportion of modules relating to “investment and economic growth in China” which helps attract applicants from every corner of the world.

- a. **General description of the programme:** Though no scholarship is offered in the MBA and EMBA programmes, the reputation gained in terms of programme quality and the international backgrounds of the professors and students involved has attracted a considerable number of international applicants recently.

In September 2007, “*The Economist*”, one of the well-regarded magazines published in the U.K., has ranked the MBA programme offered by this institution the “twentieth” among 100 MBA programmes in the world, 17 positions higher than the previous year and the “first” for two consecutive years in the Asia Pacific Region (Ming Pao, 29 Sep. 2007).

The EMBA Programme was ranked nmuber 15 worldwide in 2005 and was the number one independent EMBA programme in the Asia-Pacific from 2003 to 2005, and in Asia from 2001 to 2005 by London-based *Financial Times*. The EMBA programme was granted “The Best EMBA Educational Organization Award” by *Smart Fortune Magazine*, a leading professional magazine in human resources in the Asia-Pacific region, in 2004. In October 2007, after assessing all the EMBA programmes in terms of graduates’ annual income, growth rate of their income, participants’ working experiences, programme quality, institutions’ quality, international backgrounds of both the professors and students, professors’ publications, etc., the “*Financial Times*” ranked the abovementioned EMBA programme “first” in the world, it having been assessed “third” in the previous year (Apple Daily, 23 Oct. 2007).

b. Programme characteristics: The MBA programme has been established for 17 years. The tuition fee is HK\$255,000 per course lasting for 14 months. Being embedded with overseas exchange activities is the selling point of the programme; 90% of the students have participated in the scheme by going to European and American countries to enrich their learning. According to students from the Chinese Mainland, the internationalization of the studying environment, Hong Kong as an international financial centre and the opportunity to strengthen their international horizons are the three most important factors that attract their enrolment in the programme.

The EMBA programme offered jointly with Kellogg School of Management of the North West University in the U.S.A since 1998 also has a very good reputation in the world. Students have to pay the tuition fee of HK\$730,000 for the 16-month programme in which air tickets are included to assist those flying to Hong Kong on weekends for classes. They are also required to attend classes in both Europe and the U.S.A. Applicants wishing to attend the EMBA programme have to have at least 10 years' working experiences with a good command of English. Government officials of Hong Kong, directors of successful public limited companies, key persons of political parties in Hong Kong are invited as guest speakers in the programme.

c. Profile of students: Multi-cultural integration is one of the main emphases of the programme since students are of different nationalities. In the academic year of 2007/08, 75 students are enrolled in the MBA programme. There are not only local students, but students from France, the U.S.A., the U.K., Germany, Canada, Switzerland, Italy, Japan, Korea, Australia, the Chinese Mainland, the Middle East, Eastern Europe, etc. The 75 full-time MBA students possess brilliant working backgrounds as most work in well-known multi-national companies and obtained their first degree in the world's leading universities such as Stanford, UC Berkeley, Yale, Toronto University, Peking University, etc. The average annual income of these MBA graduates is around HK\$500,000.

The 60 EMBA participants also have international backgrounds coming from 17 nations and regions. Half of them are working outside Hong Kong. Participants in this EMBA programme are senior executives of multi-national companies with an average annual income of about HK\$2,460,000. It is reported that there will be an average of 85% growth in their income after graduation. Some are even directors of the public limited companies, chairpersons of non-government organizations and government officials of many countries.

d. Marketing characteristics: More than 200 MBA students from overseas universities who consider China as a good market and Hong Kong as a bridge to China have come to Hong Kong for the exchange programme. These exchange students help disseminate information about Hong Kong's MBA programmes in their own countries. The programmer in-charge highlighted that though there is keen competition in the MBA market in the world, his institution will strengthen the programme by nurturing students with leadership and entrepreneurship in order to meet the needs of the market.

To encourage directors of some voluntary organizations to participate in the EMBA programme, the programmer in-charge highlighted that they have offered them scholarships worth HK\$365,000, almost half of the actual tuition fee in the year of 2007/08.

e. Master of Science in Global Finance Programmes: According to the programmer-in-charge, encouraged by the successful experiences of offering the two types of MBA programmes mentioned above, the institution, in partnership with the Stern School of Business of the New York University, has offered a joint Master of Science in Global Finance programme in November 2007.

3.3.3.4 Summary of findings of the three cases

To summarize, a total of three distinguished MBA programme HEIs in Hong Kong were studied. Some similarities and differences were observed in terms of the programme in general, programme characteristics, profile of students, and marketing ideologies and strategies. Regarding the MBA programmes offered by these three HEI, they are primarily self-financed and they are recognized as world class MBA and/or EMBA programmes. The full-time mode for an MBA programme lasts for 14-18 months. The tuition fee is about \$200,000-\$300,000 per programme. The EMBA programme expects students to pay a higher tuition fee (HK\$730,000) for the 16-month programme. During the course of study, some HEIs offer their students 16 hours per-week of the internship related to their majors. Some HEIs offer scholarships to some students, whereas, no scholarship is offered in other HEIs. Enrollment in the full-time and part-time MBA programmes in each HEI is relatively small-- about 50-100.

Regarding programme characteristics, the full time programme of these HEIs has been in partnership with outstanding universities in Europe, America, and /or China to obtain international exposure and further management knowledge and skills. Some HEIs even

offer dual-degree programmes and/or joint-degree programmes. Students are required to study in the partnership universities for a period of time.

Regarding the profile of students, the majority of participants are either local or come from the Chinese Mainland. Only a small proportion comes from other overseas countries namely Europe, America, and other parts of Asia. Participants that enroll in these programmes are highly qualified as most of them possess solid work experiences in various well-known multi-national companies and have obtained their first degree in the world's leading universities.

Regarding marketing ideologies and strategies, as the economy in China is growing rapidly, many believe that students wishing to study Business and Finance would be interested in receiving higher education in an international city which is deeply hooked up with the Chinese Mainland. Hong Kong, as a world-renowned financial centre, serves as such a bridge to the Chinese Mainland. In the promotion of the MBA/EMBA programmes, HEIs have adopted different types of strategies to recruit non-local students. Some have gone directly to the schools and universities to recruit students, joined MBA fairs and expos and set up on-line channels for advertising their programmes. Some have employed e-marketing strategies and MBA world tours. Alumni networking has also helped attract potential students to join the programmes. Some have used exchange programmes to disseminate information in the countries of those exchange students. Last but not least, some HEIs have used scholarships as an incentive to attract participants in the EMBA programme, e.g. offering scholarships worth half of the actual tuition fee.

3.4 The profile of students from the Asian countries

3.4.1 Enrolment of non-local students in UGC-funded institutions

As mentioned previously, UGC-funded institutions recruited 7,293 non-local students in part-time and full-time programmes in the academic year 2007/08, of which 3,225 enrolled in RPg programmes, 3,979 in Ug programmes, and 88 in UGC-funded TPg programmes (Table 3.2).

As indicated in Table 3.3 below, non-local students from Asian countries other than those from the Chinese Mainland, total 347. HKU and CUHK have recruited more Asian students than the other local institutions. For HKU, CUHK and HKUST, each has received more than a thousand non-local students. After excluding students of the

RPg programmes, at least five UGC funded institutions have not made full use of the 10% quota for non-local students in their full-time and part-time modes of the Ug and TPg programmes (Appendix B, R3).

Table 3.3 Non-local student enrolment (Headcount) in part-time (PT) and full-time (FT) UGC-funded programmes by institution and place of origin in 2007-2008

Institution	The Chinese Mainland		Other places in Asia		The rest of the world		Total	As % of total student enrolment
	FT	PT	FT	PT	FT	PT		
CityU	781	12	22	–	19	–	834	9%
HKBU	442	1	2	1	4	–	450	8%
LU	125	–	9	–	7	–	141	6%
CUHK	1563	1	107	–	27	1	1699	13%
HKIEd	182	–	–	–	–	–	182	3%
PolyU	859	1	42	–	18	–	920	6%
HKUST	1118	2	49	2	31	–	1202	17%
HKU	1622	2	112	1	81	7	1865	14%
Total	6732	19	343	4	187	8	7293	10%

Source: Extracted from UGC (2009):
<http://www.ugc.edu.hk/eng/ugc/publication/report/figure2007/figures/13.pdf>

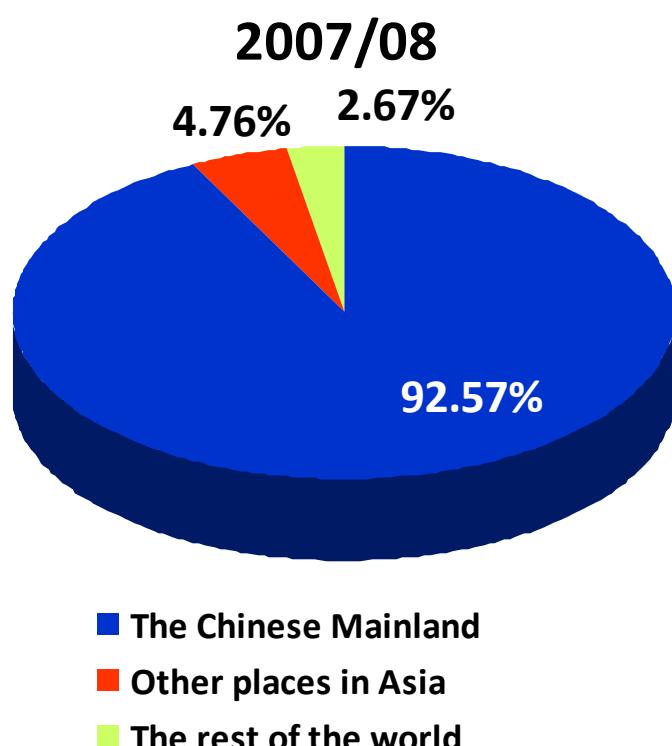
Table 3.4 demonstrates the percentage of students from “the Chinese Mainland”, “other places in Asia” and “the rest of world” in eight UGC-funded institutions in Hong Kong. In fact, 2.6% of non-local students came from the category “the rest of the world”. However, non-local students from the category “other places in Asia” occupied only about 5% of the total enrolment. It is pretty clear that the majority of non-local students (92.57%) were those from the Chinese Mainland. (Figure 3.2)

Table 3.4 Percentage of non-local student enrolment (headcount) of UGC-funded programmes by institution and place of origin in 2007/08

Origin Institutions \	The Chinese Mainland % (Number)	Other Places in Asia % (Number)	The rest of the World % (Number)	Total % (Number)
City U	10.87%(793)	0.30%(22)	0.26%(19)	11.44%(834)
HKBU	6.07%(443)	0.04%(3)	0.05%(4)	6.17%(450)
LU	1.71%(125)	0.12%(9)	0.10%(7)	1.93%(141)
CUHK	21.45%(1564)	1.47%(107)	0.38%(28)	23.30%(1699)
HKIEd	2.50%(182)	—	—	2.50%(182)
PolyU	11.79%(860)	0.58%(42)	0.25%(18)	12.61%(920)
HKUST	15.36%(1120)	0.70%(51)	0.43%(31)	16.48%(1202)
HKU	22.82%(1664)	1.55%(113)	1.21%(88)	25.57%(1865)
Total	92.57%(6751)	4.76%(347)	2.67%(195)	100%(7293)

Source: The percentages are calculated from the UGC figures for the “Non-local student enrolment (headcount) of UGC-funded programmes by Institution and Place of Origin 2007/08 as at 18 May 2009

Figure 3.2 Percentage of non-local student enrolment (headcount) of UGC-funded programmes by institution and place of origin in 2007/08



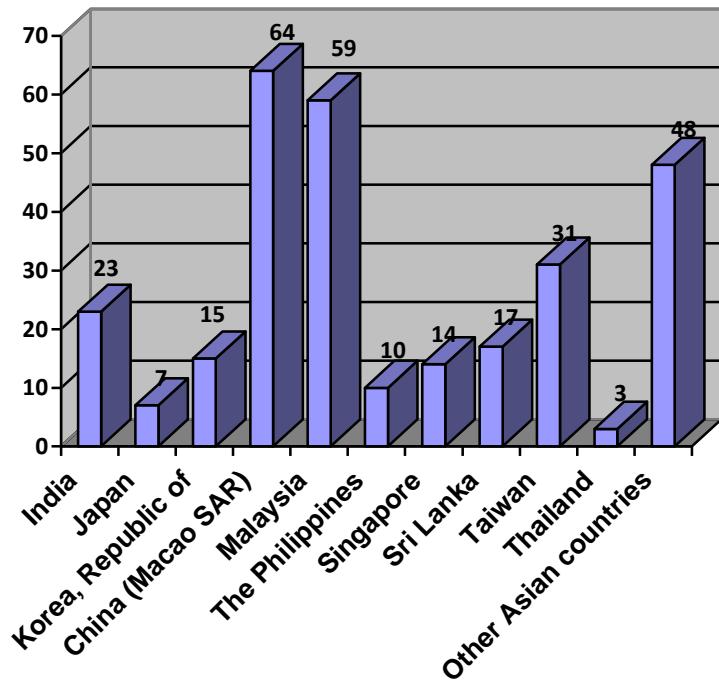
The small number of student enrolments from Asian countries can be further confirmed by figures provided by UGC as at September 2007 (Table 3.5, Figure 3.3). A total of 291 non-local students were enrolled in UGC funded institutions. A significant proportion of Asian students came from Macau, Malaysia and India. The rest included those from the Philippines, Republic of Korea, Sri Lanka, Japan, Thailand and Singapore. According to the Consulate of Indonesia, only a handful of Indonesian students undertook higher education in Hong Kong (Appendix B, R19), so only a few Indonesian students were studying in Ug programmes in Hong Kong.

Table 3.5 Number of non-local Students from “other places in Asia” of UGC-funded programmes in 2005-06 and 2006-07

Place of Origins	2005/06					2006/07				
	SD	Ug	TPg	RPg	Total	SD	Ug	TPg	RPg	Total
India	--	7	3	14	24	--	8	1	14	23
Japan	--		1	6	7	--	1		6	7
Korea, Republic of	--	9	1	4	14	--	12	2	1	15
China (Macao SAR)	--	32	1	5	38	--	57	1	6	64
Malaysia	--	34	2	12	48	--	46	1	12	59
The Philippines	--	2	3	6	11	--	4	2	4	10
Singapore	--	2	2	9	13	--	5	3	6	14
Sri Lanka	--	2		10	12	--	6		11	17
Taiwan	--	3	1	27	31	1	5	1	24	31
Thailand	--	1	1		2	--	3			3
Other Asian countries	--	7	10	27	44	--	13	8	27	48
Total	--	99	25	120	244	1	160	19	111	291

Source: Figures provided from UGC as at September 2007

Figure 3.3 Number of non-local students from "Other Places in Asia" of UGC-funded programmes in 2006/07



3.4.2 Enrolment of non-local students in self-financed programmes in both UGC funded and non UGC funded institutions.

The figures below (Table 3.6) concerning enrolment of non-local students in self-financed programmes in HEIs in Hong Kong were collected through mailing questionnaires. A total of 20 questionnaires were delivered by post to the Registry of the eight UGC funded HEIs and their CPE sections, and four non-UGC funded HEIs in early January 2008. Eventually, 14 responses were received from seven UGC funded HEIs, four CPE sections and three non-UGC institutions.

Table 3.6 and Figure 3.4 show that a total of 2,811 non-local students attended various programmes at different HEIs on a self-financed basis. 2,615 of them can be classified in terms of places of origin and academic categories enrolled. Majority (83.8%) of them were from the Chinese Mainland, 8.4% from other places in Asia and 7.8% from the rest of the world. (see Figure 3.5) There were 309 and 155 non-local students attending SD and Ug programmes respectively of which only 10 student came from the Asian market other than the Chinese Mainland.

Sixty-four out of 2,615 non-local students were from Malaysia, India and Indonesia.

Almost all of them were enrolled in TPg programmes in which the academic category of Business and Management were most attractive. The majority of students from India were enrolled in the category of Business and Management, probably MBA.

Table 3.6 Total number of non-local student enrolment (headcount) of self-financed programmes by level of study, broad academic programme category (TPg) and place of origin in 2007/08

Place of Origin Level of Study	The Chinese Mainland	Malaysia	India	Indonesia	Other places in Asia	The rest of the world	Total
Sub-degree (SD)	297	--	--	--	8	4	309
Undergraduate (Ug)	140	--	1	--	9	5	155
Taught Postgraduate (TPg)							
<i>Medicine, Dentistry & Health</i>	20	11	7	--	17	20	75
Sciences	247	--	--	--	2	3	252
<i>Engineering & Technology</i>	436	--	--	1	13	21	471
<i>Business & Management</i>	596	5	31	3	65	84	784
<i>Social Sciences</i>	169	3	1	--	7	33	213
<i>Arts & Humanities</i>	231	1	--	--	12	21	265
<i>Education</i>	43	--	--	--	19	13	75
<i>Others: Textile and clothing</i>	13	--	--	--	3	--	16
Total	2192	20	40	4	155	204	2615*

Source: Figures provided by the Registries of 7 UGC funded HEIs, 4 CPE sections and 3 non-UGC funded HEIs as at January 2008.

*There were 196 non-local TPg students reported but excluded due to difficulties to classify their places of origin and academic categories enrolled. The total number of enrolled non-local students reported on self-financed basis should be 2811.

Figure 3.4 Total number of non-local student enrolment (headcount) of self-financed programmes in 2007/08 as reported by the registries of UGC funded and non-UGC funded HEIs.

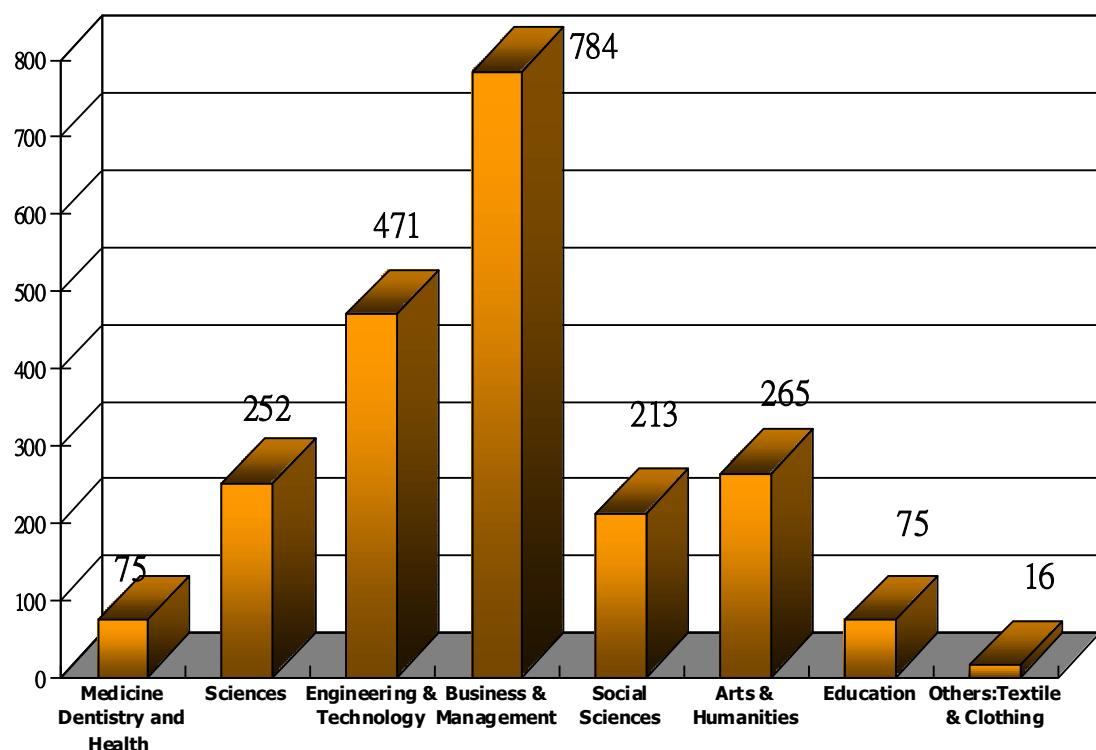
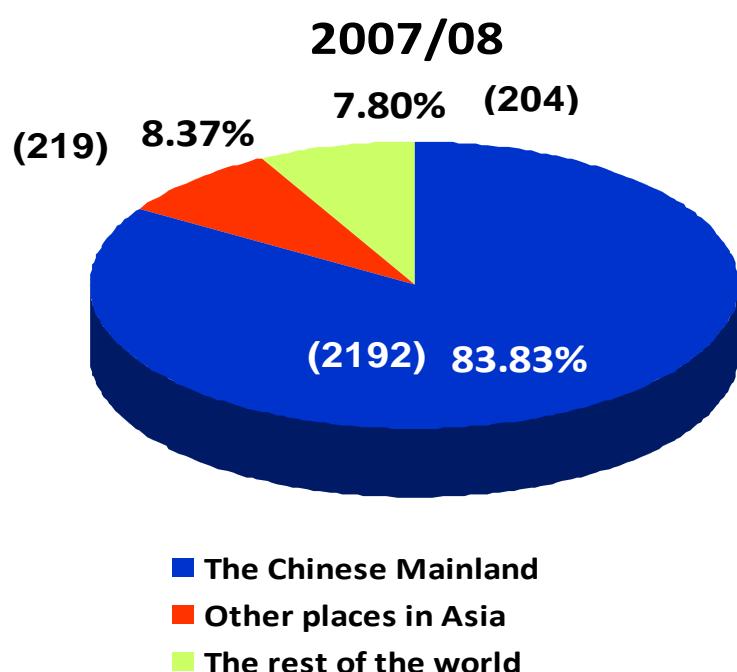


Figure 3.5 Percentage of non-local student enrolment (headcount) of self-financed programmes by place of origin in 2007/08



3.4.3 The views of students in three selected Asian countries

This section presents the views of students in three selected Asian countries on (1) visibility of Hong Kong's higher education services and (2) the countries they preferred to study*.

3.4.3.1 Visibility of Hong Kong's higher Education

The findings of overseas survey conducted in the four cities of the three selected countries: Mumbai, New Delhi, Jakarta and Kuala Lumpur confirmed the problem of visibility of Hong Kong higher education in the Asian countries (Figure 3.6 & Table 3.7). Percentages of respondents who reported that Hong Kong's higher education was visible were low: 17% (Kuala Lumpur), 30% (Jakarta), 32% (New Delhi), and 9% (Mumbai).

The five leading sources of non-local students from Asia other than Mainland China in 2006-07 were Macau, Malaysia, Taiwan, India and Sri Lanka. But a high proportion of survey respondents in Kuala Lumpur (83%), Jakarta (70%), New Delhi (68%) and Mumbai (91%) still considered that the promotion activities of HK's higher education were not visible.

* Note: This part was drawn from the study that contributed to another project commissioned by TDC: *The Report on the Study of Promoting Hong Kong's Higher Education Services to Market outside the Chinese Mainland* (Cheng, et al., 2008).

Figure 3.6 Visibility of Hong Kong higher education

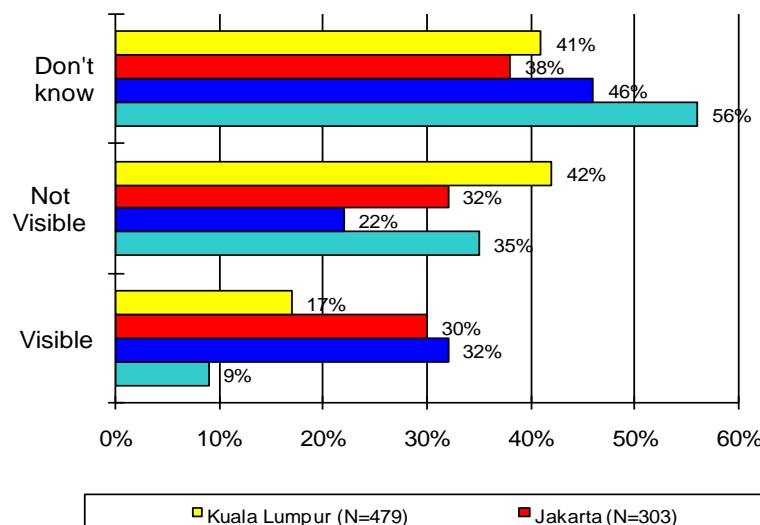


Table 3.7 Visibility of Hong Kong higher education in the four Asian cities

City	Mumbai	Delhi	Jakarta	KL
How much do you know about HK higher education?	Little + Very little: 82.7%	Little + Very little: 71.7%	Little + Very little: 75.9%	Little + Very little 77.3%
Overall impression of HK higher education	No idea: 56.7%	No idea: 40.7%	No idea: 44.9%	No idea: 40.4%
	Good + Very Good: 17.1%	Good + Very Good: 41.4%	Good+ Very Good: 34.4%	Good+ Very Good: 28.8%
Overall impression of promotional activities of HK higher education in your country	Don't know: 56.1%	Don't know: 45.5%	Don't know : 38.1%	Don't know : 40.8%
	Not visible: 34.9%	Not visible : 22.1%	Not visible : 32.2%	Not visible : 42.1%
	Visible: 9%	Visible : 32.4%	Visible : 29.8%	Visible : 17.2%

3.4.3.2 Preferred countries

Moreover, our overseas survey also indicated that when compared to other well-established countries exporting higher education such as U.K., U.S.A, Australia and Singapore, Hong Kong's higher education may not be the most preferred choice of the students in three selected Asian countries (Figure 3.7). Take Jakarta as an example, 7 % of the respondents indicated Hong Kong as their preferred country of study, whilst relative figures for Australia, USA, and UK are respectively 23%, 29%, and 22%.

The reasons for them not to choose to study in Hong Kong are given in Figure 3.8. Having no ideas and information about Hong Kong's higher education proved to be the most important factor. The other reasons include "too cost is too expensive", "language is a barrier", and "academic credentials may not be recognized in their country".

Figure 3.7 Countries preferred for higher education

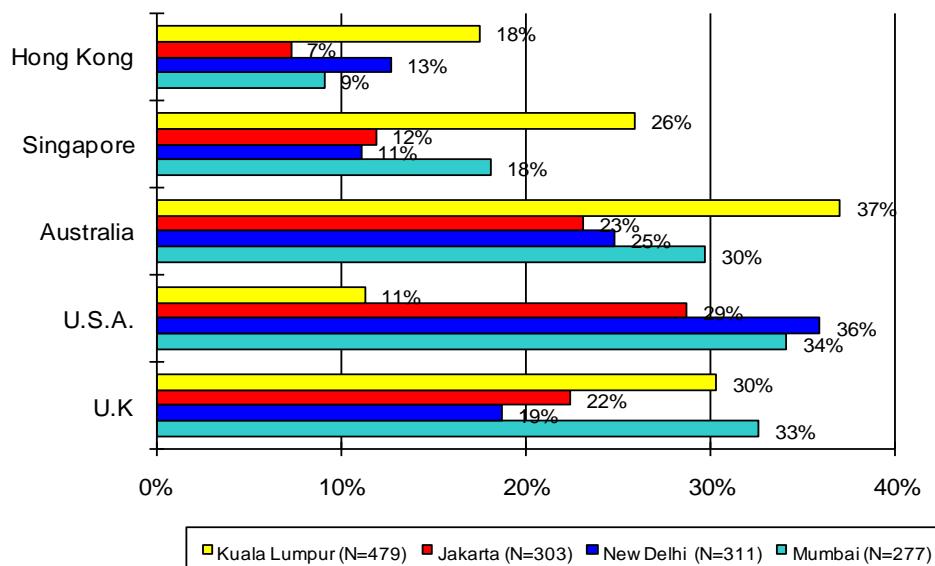
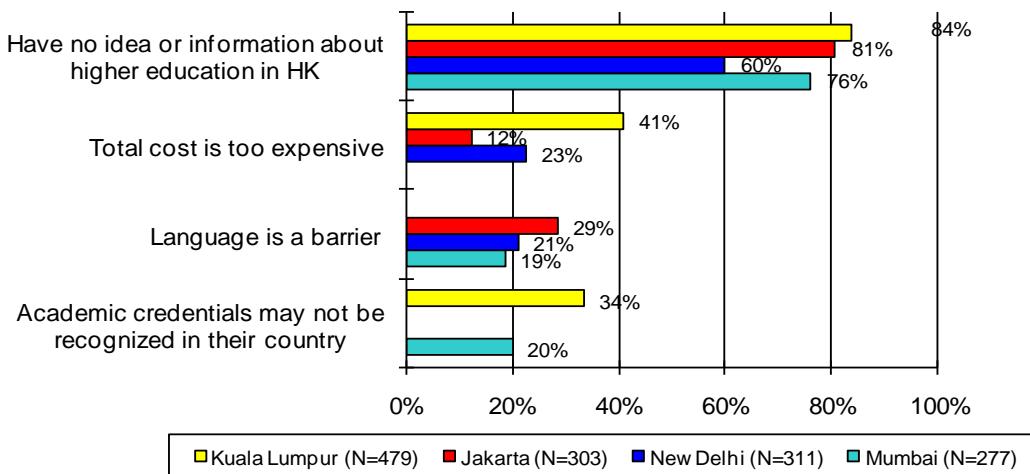


Figure 3.8 Top three reasons for NOT pursuing higher education in Hong Kong



3.5 Summary

The sections above describe the current state of exporting Hong Kong's higher education services by examining the policy of inbound provisions for higher education, characteristics of higher education providers and programmes offered for non-local students and the views of non-local students in selected Asian countries solicited by the questionnaire survey. These findings help give a portrait of the current situation of higher education services for non-local students in Hong Kong. They also provide implications for the development of Hong Kong as a regional educational hub. The next chapter will convey the view of stakeholders of HEIs in Hong Kong on the existing promotion strategies, issues, challenges and incentives, as well as their suggestions for promoting Hong Kong as an education hub.