

International Students

Attracting a healthy flow of international students is an important part of stemming the demographic coagulation in our domestic population.

Even 30 years ago as a student at Simon Fraser University my experience was truly international. I had teaching assistants from Africa, India and China, professors from all over the world, and the student population was increasingly of Asian origin. I was grateful for this for two reasons.

Firstly, the food. The cafeteria was increasingly changing its focus to serve this international clientele. That meant I got to experience some very interesting food priced for the student budget. I could load up my plate with the Chinese stir-fry, rice and noodles, and then pile on the various sauces, which were free, and walk away from the whole experience with a full belly and only having let go of two or three dollars.

The other reason was a mixed blessing. The international students were generally extremely bright and competitive, increasing the level of intensity in the scholastic environment. This usually put me at a disadvantage, but in some instances left me better off when it came to courses which required a broad knowledge of North American culture or strategy. We were forced to work together for some of these projects, and this made for an enlightening interchange of ideas and cultures, all of which enriched.

Little did I know then, the process that brought these students to Canada was then, and is now, a part of a broad overarching strategy to build the nation in the face of declining birth rates domestically and US-focused brain drain. Once again I am borrowing from an RBC Economics article which is filled with interesting data for macro-economically-minded souls to ponder.

The International Market for International Students – Brain Drain in reverse:

International students are increasingly setting their sights on Canada. While it's easy to attribute the rise to a so-called Trump Bump, the trend began long before the Trump administration announced its first travel ban early this year. Federal government efforts to boost the number of international students here have coincided with rising middle-class incomes in some emerging market countries, spurring many prospective students to choose Canada. Helping the country's case are relatively attractive tuition fees and a reputation for quality education. Those factors will bolster Canada's position as a top learning destination despite intense global competition for talent.

Canada takes a bigger slice of the global talent pie

The number of international students enrolled in postsecondary studies in Canada has surged in the past decade. It hit nearly 415K in 2016, up from 350K a year earlier and more than double the 180K recorded in 2007. Canada still absorbs a relatively small amount of global post-secondary students compared to the U.S., the U.K. and Australia. But the growth in international student enrollment here now outpaces that of other countries.

More students come from China and India

A deeper dive into the overall increase in foreign students shows it has been concentrated among a handful of countries: predominantly China and India. The 132K Chinese citizens studying in Canada in 2016 accounted for nearly one-third of all international students in Canada, and represented a three-fold increase from a decade ago. The number of students from India swelled ten-fold over the decade, reaching 80K in 2016. Much of the remaining increase reflects an influx of students from France—their numbers have more than doubled since 2007—as well as Nigeria, Brazil, Saudi Arabia and Vietnam. Together these countries supplied more than 60% of Canada's foreign students in 2016, up from 35% in 2007.

Meanwhile, the number of students from most other countries has increased more modestly, with the inflow from the U.S. and Japan remaining broadly stable over the past decade. The sharp rise in international students has not come at the expense of Canadian students: enrollment has also risen domestically.

Federal government has targeted foreign demand

The influx of students from emerging-market economies suggests that the dividends from the government's International Education Strategy are beginning to meaningfully materialize. The federal government launched an Advisory Panel in 2011 to maximize the economic opportunities associated with international education and to make Canada the "21st century leader" to attract top talent. As part of the overarching strategy—of which education was one component—focus was to be directed to where demand for international education was expected to come from, namely China, India, Brazil, Mexico, North Africa and the Middle East and Vietnam—the countries that have provided the greatest growth in foreign students to Canada in the past five years.

With a goal of doubling the size of the international student base in Canada to more than 450K by 2022, the federal government's plan has been an important driver behind the influx of foreign students. But it hasn't been the only factor.

A rising middle class in emerging markets

An increase in demand from emerging-market students comes as their economies undergo an income shift. The rise of a global middle class has been most pronounced in Asia Pacific countries and in turn, has underpinned a sharp rise in the number of students from these countries looking to study abroad.

More on this topic next week.

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