

## **Panel recommends Global Schoolhouse concept for Singapore to capture bigger slice of US\$2.2 trillion world education market**

*Vision is for Singapore to attract an additional 100,000 international full-fee paying students and 100,000 international corporate executives for training*

1. Over the years, Singapore has built up a reputation as a hub of educational excellence, in terms of the quality of local and international institutions located here, as well as the ability to attract international students. Building upon this firm foundation, the Education Workgroup of the Economic Review Committee (ERC)'s Services Sub-Committee has identified several high-growth potential segments within the education industry, and put forth both segment-specific and broad-based recommendations.
2. Highlighting the potential of the education market, Senior Minister of State for Transport and Information, Communications and the Arts, Mr Khaw Boon Wan, who is also Chairman of the Services Sub-Committee of the ERC, said: "The global education market is estimated to be worth US\$2.2 trillion. Singapore, with our strong academic reputation, excellent infrastructure, business hub standing and cosmopolitan society, is well-poised to tap the growing education market. Education will continue to present a great business opportunity for Singapore."
3. Singapore is determined to meet the strong global demand. INSEAD Professor Arnaud De Meyer, Chairman of the Education Workgroup, explained: "Singapore has strong publicly funded institutions and an emerging pool of private sector providers. Helping private providers to grow, facilitating partnerships between institutions and attracting new players into the market would create a 'Global Schoolhouse' that offers a comprehensive continuum of learning experiences, from culinary courses, to postgraduate design programmes, to online adult education."
4. This diversity of educational offerings aims to attract substantial numbers of full-fee paying international students and corporate executives here for corporate training. Currently, there are over 50,000 international students in Singapore in private and public institutions. The Workgroup estimates that in 10 years' time, there could be an additional 100,000 international students and 100,000 executive trainees here.

### **Education as an engine of economic growth**

5. Based on the latest Department of Statistics data (2000), the education services sector contributes 1.9 per cent of Singapore's Gross Domestic Product (GDP). With a concerted long-term approach in developing the education industry in Singapore, the industry has the potential to contribute 3 to 5 per cent of the GDP, which would be comparable to established education hubs such as the UK and Australia. The growth is expected to come from the increases in spending by institutions as well as the spending of full-fee paying international students and executive trainees.

### **Capability development through education**

6. In capability development, education helps ensure that existing and projected industry needs are met. Besides contributing to broader human capital enhancement, the interaction between local and international students will encourage societal and community development. Some Institutes of Higher Learning (IHLs) and corporate institutes would carry out knowledge-based activities such as R&D, patent generation and enterprise development, thus bringing Singapore one step closer to becoming a knowledge-based economy.
7. "The Global Schoolhouse is not only an export strategy," added Professor De Meyer.

"Singaporeans would benefit in having additional educational options available at their doorsteps. The Workgroup has received feedback that a number of locals seek to study overseas because they could not enrol in a course of their choice in Singapore. Hopefully, once a critical mass of schools, both public and private, builds up here over the years, Singaporeans can learn and upgrade themselves more readily, be it in the popular areas such as business and IT, or in more specialised areas such as design and creative arts."

#### **Education as a function of talent attraction**

8. Today, there are eight renowned foreign universities with a significant presence in Singapore. They are: INSEAD, University of Chicago Graduate School of Business, University of Pennsylvania's Wharton School, Massachusetts Institute of Technology, Technische Universiteit Eindhoven (TU/e), Technische University M'chen (TUM), Georgia Institute of Technology and Johns Hopkins University. As more educational institutions are developed and nurtured, Singapore will continue to attract top talent from all over the world, resulting in a larger inflow of international talent to supplement Singapore's manpower needs. A significant number of the graduates of these institutions are international students, many of whom are now working in Singapore.
9. "Education is an area in which Singapore can take a commanding regional position," said Professor De Meyer. "Its merits lie not only in the contribution to GDP, but also creating meaningful and well-paying jobs, and attracting high-calibre talent to Singapore."

#### **Targeted, segment-specific recommendations**

10. Four segments of the education industry have been identified as having high growth potential: tertiary education, private commercial and specialty schools, corporate training and executive education, and preparatory and boarding schools. In addition, e-learning and education support services (such as educational testing and assessment) have also been identified as emerging industries. To address the challenges and opportunities in these segments, the Education Workgroup has put forward the following segment-specific recommendations.
  - i. ***To leverage on the branding potential of the renowned foreign universities already in Singapore***

Singapore should continue to leverage on the branding potential of the existing eight top foreign universities and attract others. These universities will establish centres of excellence in teaching, world-class research and form strong linkages with the industry. Their significant presence here would complement the local universities and help position Singapore as a premier educational hub.
  - ii. ***To promote the tertiary segment by allowing private universities to set up***

Focusing on both teaching and research, these comprehensive private universities would add diversity to the university landscape. These institutions would include branch campuses of good foreign universities, and would be the segment which could attract up to half of the projected 100,000-strong additional international students.

iii. ***To develop private commercial & specialty schools***

Singapore already has a vibrant private sector-driven segment, with successful home-grown institutions such as Informatics and the Singapore Institute of Management. The proposed strategy is to build a nexus of 40 high-quality schools, each enrolling at least 1,000 international students, so that the schools are of a substantial size and have the experience, credibility and strength to compete overseas.

In addition to the "traditional" disciplines, Singapore should develop and attract top specialty schools to add buzz and variety to the learning environment in Singapore. These schools would offer a gamut of programmes, including university-level courses in diverse disciplines such as art and design, media and animation, hospitality and culinary skills.

iv. ***To attract and export corporate training and executive education***

There are more than 6,000 multinational companies (MNCs) in Singapore, of which more than half have regional responsibilities, including training. These MNCs should be encouraged to anchor their regional training centres in Singapore. Both these activities would bring in significant numbers of corporate executives to Singapore, whose spending would generate value for the economy.

v. ***To grow Singapore as a regional destination of choice for high-quality preparatory and boarding school education***

This would entail creating a market-driven landscape whereby local and international students have the choice to enrol in a spectrum of public and private institutions, at secondary and pre-university levels. This segment serves as an important feeder of good international students into other educational institutions in Singapore.

vi. ***To develop a continuum of e-learning and education support services players***

The aim here is to grow a rich continuum of players 'local and foreign, big and small' with innovative content and scalable technologies that cater to domestic and overseas markets. Globally, the area of e-learning and education support services, which includes testing and assessment services is young but presents immense opportunities with strong export potential.

**Broad-based, cross-segment recommendations**

11. The education industry will need broad-based, cross-segment initiatives to develop a pro-enterprise business environment in Singapore. The Workgroup recommends the following:

i. ***To establish a quality assurance system for private commercial and specialty schools***

Such a system should encourage providers to continually upgrade the quality of their offerings, introduce transparency in the marketplace and, in the long run, safeguard and upkeep Singapore's reputation as a hub for quality education.

ii. ***To build up manpower availability***

More teachers, faculty, administrative professionals and instructional designers will be needed to build the 'Global Schoolhouse' Given Singapore's small talent pool and competing needs, recruitment could be done from overseas in the short term, and increasing the local training capacity in the long term, especially in the area of teacher training. The government should consider expanding the role of the National Institute of Education (NIE), currently the only teacher training institution in Singapore. For instance, NIE could be expanded to include training of teachers for private schools. In addition, prestigious foreign teacher training colleges could be encouraged to set up branch campuses in Singapore.

iii. ***To establish an education promotion agency***

In order for Singapore to compete effectively for mindshare in overseas markets, there is a need for an entity with overseas offices to promote Singapore as an education destination of choice to prospective international students. The proposed agency could also provide one-stop advisory, counselling, matching and processing services. In addition, the agency could offer job placement services for graduates (both in Singapore and in the international students' home countries) as this would make it more attractive for international students to study here.

iv. ***To streamline student visa requirements and processing***

To attract international students from all segments would require a more flexible, expeditious and transparent visa application and processing system. One possibility is to introduce a differentiated student visa system whereby there are different visa categories for different types of education programs (similar to the sophisticated system used by the Australian government) this would allow better monitoring of potential immigration offences and expedite visa processing for genuine students.

v. ***To set aside land at appropriate pricing***

This is meant for the new education institutions that will emerge from the liberalisation of the education market and are prepared to commit to a substantive presence in Singapore for the medium to long term. In addition, there should be active efforts to make available other forms of land and space for schools and related companies, for instance, an EduMall concept located in the larger housing estates where commercial schools have shared classroom and recreational facilities.

vi. ***To export branded Singapore schools and institutions, curriculum and testing services***

Successful schools and educational supporting services can be exported

through public-private sector partnerships. In particular, there is a need to develop country-specific strategies for key target markets such as China.

vii. ***To increase the supply of student housing***

With the projected increase in the international student population, the supply of student housing has to be made more readily available. The private and public sectors could build more dormitory facilities and provide a coordinated system for students to find various types of accommodation. For instance, JTC Corp could consider making available the SHiFT (Scheme for Housing of Foreign Talent) apartments to international students, while the Housing and Development Board (HDB) could consider relaxing the rules on subletting of flats. Once the proposed education promotion agency comes online, it could also provide information about the various housing options in Singapore, advise on what to look out for when sourcing for housing, and provide links and referrals to housing providers.

viii. ***To ensure the availability of student financing***

To make studying in Singapore more affordable, especially in the private institutions, the government could consider building a secondary market in student loans to provide financial assistance to local and international students. These services have been important for top education destinations such as the US and UK.

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