

OPPORTUNITIES IN EDUCATION VIETNAM AND THAILAND



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MAINE INTERNATIONAL TRADE CENTER
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I. Vietnam

Overview

With 16,579 post-secondary students studying in the U.S. in the 2013-2014 academic year, a year-on-year increase of three percent, Vietnam topped Southeast Asia in students studying at US colleges and universities. Vietnam is also a growing market for US high schools. Over 2,000 Vietnamese students studied at US secondary schools in 2013, making Vietnam the sixth largest country of origin at the high school level.¹

A significant increase in per capita income in the past ten years, the robust expansion of both the manufacturing and service sectors, and the value Vietnamese traditionally place on education are creating substantial opportunities for education and training services providers. The country is currently the eighth largest country of origin for post-secondary students in the US, and trends indicate it will move up the rankings in coming years.

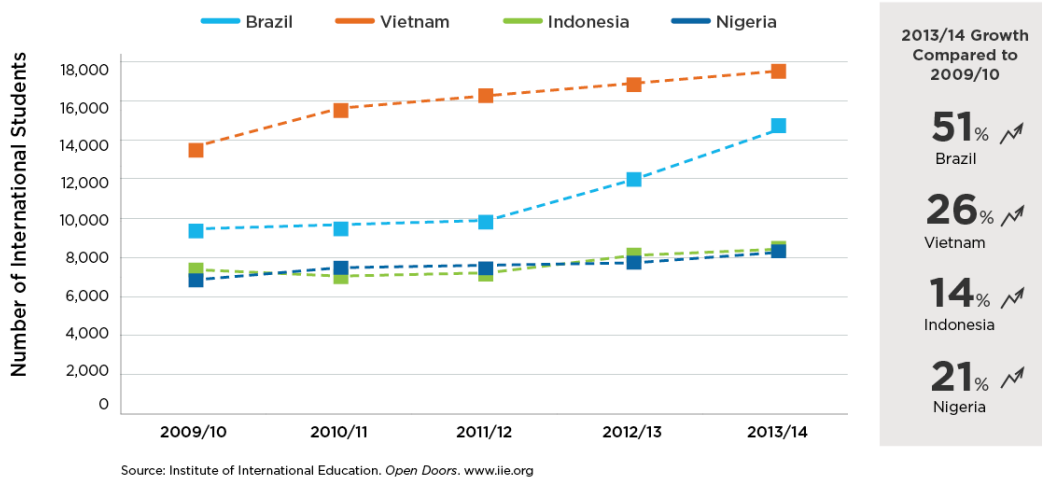
With a population of over 90 million and robust GDP growth, Vietnam is a promising market for U.S. providers of education. Vietnam's economy has seen strong economic growth for the last decade; the country has ambitious plans to attract foreign investment, create new industries and put in the necessary infrastructure to continue economic development. With more than 50 percent of Vietnam's population under the age of 30, developing a well-trained labor force is crucial. Education and training are top priorities for the Vietnamese government, which needs to equip the labor force with scientific, technological, and management skills. As new industries expand, a university degree is increasingly essential for young Vietnamese workers searching for higher paying jobs in newly emerging industries.

Vietnam is the eighth ranked country of origin for post-secondary students in the US, and the sixth country of origin for secondary students.

The government has acknowledged that the current education system is unable to meet demand. According to a survey conducted by the Vietnamese government, the World Health Organization, and UNICEF, 90 percent of students in Vietnam want to enroll in a university. In practice, however, opportunities for higher education are limited since the system can accommodate only a fraction of those seeking admission. Although the number of university students has doubled since 1990, the number of teachers remains virtually unchanged. Furthermore, a large percentage of university graduates cannot find jobs in their field (or at all) without further training, demonstrating a need for a more practical and effective education for students. As a result, many Vietnamese students are looking for education opportunities outside of Vietnam.

With a booming economy, increased global integration and exposure, and a great need for higher education, the Vietnamese are showing an unprecedented level of interest in studying in the United States.

Students in the U.S. from the Top Four Emerging Markets (2009/10 - 2013/14)



World Education Services, 2015
 "Top Emerging Markets for International Student Recruitment." wes.org/RAS



Academic Level: The majority of Vietnamese students study at the undergraduate level. In 2013/14, their breakdown was as follows:

- 71.7% Undergraduate
- 15.5% Graduate
- 5.3% Other
- 7.5% OPT (Optional Practical Training)

Historical trends: The number of students from Vietnam fluctuated moderately throughout the 1980s and 1990s with a steady trend of growth beginning in the late 1990s. The number of Vietnamese students has risen significantly since the late 1990s (in 1999/00, there were only 2,266 students from Vietnam²), with double-digit growth in many years. Vietnam has been a top 20 place of origin since 2006/07 and ranked number 8 in 2014.

Sub-Sector Best Prospects

Top areas of study for Vietnamese students include business management, finance, engineering, science and technology, IT, and health care programs. In addition, a number of opportunities exist that target the specific needs of the Vietnamese market:

ESL and English Preparatory Programs

As Vietnam transitions to a market economy, English skills are becoming essential for many job seekers. Schools that offer ESL and English preparatory programs are attractive choices for students who need to develop these skills before starting their college programs.

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Technical and Vocational Training

Vietnam has a growing demand for skilled workers and production technicians as industrial sectors become a main provider of employment. According to the Ministry of Education and Training (MOET), the country needs 10,000-15,000 skilled workers trained each year in the

service and industrial fields. Training facilities in Vietnam cannot satisfy this demand effectively which presents an opportunity for American schools to provide much needed professional training.

Community Colleges

Community colleges offer financial and academic accessibility and serve as a bridge for Vietnamese students to acclimate to English, American culture and the U.S. education system, as well as a transition to four-year universities. Vietnam is the 3rd largest country of origin for students at U.S. community colleges.

Programs aimed at cultivating ‘Soft Skills’

Due to the rote-learning style of the Vietnamese education system, there is a need to cultivate skills such as leadership, public speaking and teamwork.

High Schools/Boarding Schools

Recently, there has been growing interest among Vietnamese families in sending children to the U.S. to enroll in high school/boarding schools to better prepare for U.S. college admissions. This marks a distinct change from previous years. Parents in Vietnam cite their desire for providing a safe, comfortable environment for their kids as primary criteria for selecting boarding schools. Several education recruiters in Vietnam have expressed interest in representing U.S. private high schools and boarding schools, reflecting this growing trend.

In the last few years, a number of U.S.-affiliated companies offering unaccredited programs have created a firestorm of criticism about “diploma mills” and “rogue providers” of education in Vietnam. U.S. schools should provide clear information about their accreditation.

Competing school programs from Australia, Singapore, the U.K. and Canada have been very active in Vietnam, and have developed significant reputations and brand recognition while offering competitively priced programs.

Given the high demand for visas to the U.S., a large number of unscrupulous “visa brokers” and consultants promising access to the U.S. have gravitated toward education advising and recruitment.

U.S. schools that wish to identify a legitimate recruitment agent need to carefully review and investigate any prospective candidates and avoid the disreputable ones. Schools should avoid agents that are solely motivated by commissions, irrespective of the needs of the student, and those who do not transparently disclose their fee and commission structure to clients. US schools can use services such as Gold Key Matchmaking to meet vetted recruitment agents.³

Additional Opportunities

Many Vietnamese students choose to study at more affordable community colleges in the U.S.; these students constituted 7.4 percent (6,509) of the total international student body at community colleges in 2013/14. Indeed, more than half of Vietnamese tertiary-level students in the U.S. are enrolled in community colleges, making Vietnam the third-ranked place of origin after China and South Korea for these institutions.⁴

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Institutions that wish to enroll more Vietnamese undergraduate students should consider promoting scholarship and financial aid opportunities. Vietnamese students tend to be academically well prepared. They are attracted by merit-based scholarships, which help to compensate for the remaining costs of attendance. Though some experts have also commented that Vietnamese students' financial conditions are better than those of students from other countries in the Southeast Asian region, identifying local scholarship programs within Vietnam as well as designing and communicating their own scholarship programs could help institutions attract more international students from Vietnam.⁵

II. Thailand

Overview

The United States is the number one destination for Thais to study abroad. In the 2013/14 academic year, 7,341 students from Thailand studied in the United States (up 0.4% from the previous year). Thailand is the twentieth leading place of origin for students coming to the United States. Thailand is also a growing market for high school students. In 2013, more than 1,800 Thai students were studying at secondary schools in the US, making it the 9th largest country of origin at that level.⁶

Thai students show particular interest in business, IT, engineering and communication. There are also growing numbers of bi-lingual schools in Thailand. High school graduates from these schools are a good potential market for community college and undergraduate degree programs in the United States.

The other area with growth potential is high school students from Thailand. Currently, Canada, New Zealand and Australia are the major destinations for Thai high school students studying abroad. School fees in these countries are more competitive than fees of schools in the United States and United Kingdom. Moreover, most of the schools in Canada, New Zealand and Australia work with agents to promote their institutions, while most of the schools in the United States do not.

There will be increased pressure in Thailand to travel overseas to improve English, and get Western experience

The Thai education market is dominated by

- postgraduates and higher education students (50%),
- undergraduate (25%), and
- high school and short term program students (25%)⁷

Thailand is still moving forward to improve its educational system in order to increase its competitiveness in human resources and prepare students to work and thrive in an international community before the implementation of the ASEAN Economic Community (AEC) next year.

The Ministry of Education has issued a number of tasks in developing Thailand into an international education hub in the ASEAN region. One of the urgent tasks is to develop students' skills in the English language and the languages of neighboring countries. Thailand still lags far behind major ASEAN countries in English proficiency, especially compared to Singapore, Malaysia, the Philippines, and Indonesia. Hence, the number of English language schools and language training centers is growing in order to meet demand for more education options.

The demand to study abroad for an undergraduate degree is growing continually. 50 percent of the Thai overseas education market is still dominated by postgraduates and higher education students, 25 percent undergraduate, and 25 percent high school and short term program students (one year exchange students and ESL students). Student Exchange and summer programs are still popular

programs among youth and high school students as a pathway of learning Western culture and English language with native speakers. Due to the lack of English proficiency, Thai students frequently enroll in universities that offer ESL and English-intensive programs. The most popular academic programs are business administration, computer information, engineering, and mass communication.

It is expected that the number of students in the United States will increase in the next few years as the economy improves. The United Kingdom is a popular destination for one-year MBA degree programs, which have few admission requirements. An estimated 15,000 Thai students are studying in the United Kingdom. Australia has a strong marketing and promotion campaign, working with agents to promote the country as a study destination. Due to the strict requirements in studying a short term English course and weak currency exchange, the number of Thais who chose to study in Australia in the past years had turned to other countries. There are an estimated 14,000 Thai students (of all levels) currently studying in Australia, 2,000 students in New Zealand, nearly 2,000 students in Canada, and 10,000 students in China.

Sub-Sector Best Prospects

Two-year, Community College

Business Administration, Graduate and Undergraduate Degrees

4-6 week Summer Language Training and Cultural Programs

One-year Exchange Program for High School

Boarding High School

Thai students are particularly interested in business administration, IT, engineering, and mass communication.

III. Thailand: Opportunities

Local education agents believe that Thailand's international education market to study abroad will likely expand in coming years.

The expansion of international education in Thailand has led to increasing student enquiries regarding study in foreign countries. The ELICOS (English Language Intensive Courses for Overseas Students) and higher education sectors continue to dominate market demand but there are signs of rising demand for school and vocational education and training too.

Financial affordability (33%) was of most concern when Thai students consider a study abroad destination. Other criteria taken into account were the university rankings (25%), part-time work rights while studying (15%), duration of study (13%) and having friends or relatives living in those countries (9%)

The UK and the US were the two most popular destinations for Thai students enrolling in English language courses and university degrees. New Zealand has experienced rapid growth in the Thai market for school education. In addition, recent trends show Singapore, China and European countries increasing in popularity as higher education destinations among Thai students.

United States

- Perception as a destination of innovation, modern science and technology resources and with strength in research
- Destination with world ranking universities
- Popular destination for ‘Work and Travel’ programs for university students and new graduates⁸

Trends in the Thai Market

1. ASEAN

With the coming development of ASEAN as a regional development block (AEC) in 2015, Thai people were stung by the release of data last year showing that their average English levels were one of the lowest amongst the ASEAN countries. Officials were particularly embarrassed to be ranked lower than Cambodia. Also embarrassing are figures published in March this year ranking the general quality of their education system as lower than that of Laos.

There is a belief that by 2015 there will be increased pressure to travel overseas to improve English, and get Western experience. Thai parents already see the value in investing in their child’s education, and this will be reinforced by the political uncertainty and potential for conflict in the country.

2. Vocational

As Thailand’s economy is so dependent on tourism, traditionally the most popular vocational courses have been in business, tourism management, and hospitality management. There seems to be growing demand for other technical courses such as IT, Animation etc, and certainly, Thai students are huge users of mobile devices.⁹

Thailand has seen a significant expansion of its higher education system over the past decades and a

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majority of secondary school graduates – up to 70% by some estimates – now go on to further studies. Reflecting the growing base of university graduates among the Thai population, enrolment in graduate programmes has alone grown by 300% over the past ten years, and there are now 2.5 million students attending the country’s 170 universities.

Greater participation in higher education has also had important implications for the Thai labour market. “University qualifications have become so common that they are now necessary for even basic clerical positions,” reports *Asian Correspondent*. “The huge number of graduates enables local employers to take their pick from thousands of university educated applicants. And with so many graduates in the job market, competition for rewarding positions is fierce.”

Coupled with this is the fact that serious quality issues persist in Thai education, particularly in terms of the extent to which graduates are prepared for the job market. Within this context, graduates from foreign universities have a distinct advantage, and this continues to be an important factor in driving demand for study abroad in the country. The latest estimates have it that about 27,000 Thai students study abroad each year.

Political uncertainty at home

Along with its competitive domestic job market, Thailand's political situation is another key factor in shaping demand for study abroad. While there has been considerable political upheaval for nearly a decade, the situation has been particularly acute since early 2014. Disruptions to planned elections at that time gave way to a state of emergency, the subsequent imposition of martial law, and, in spring 2014, a coup which installed a military junta to power.

This political instability has delayed much-anticipated education reforms, and has led to widespread concerns as to the quality and relevance of Thai education among both parents and students.

The military leadership had initially promised elections in 2015 but those have now been delayed more than once. The latest speculation has it that a national vote will not likely be held before the second half of 2016, and only after a referendum on a forthcoming draft constitution.

There have been some indications that this protracted period of political uncertainty has triggered an increase in demand for study abroad, and we continue to see those signs again this year. Most recently, new data from the Australian government points to a 9.5% increase in Thai enrolment in Australian institutions year-to-date July 2015 (compared to the same period for 2014).

“The strength of the Thai economy and the country’s burgeoning middle class are... driving demand for study abroad.”

“The benefits of studying abroad are huge,” adds *Asian Correspondent*. “There are the obvious benefits such as high academic standards, internationally recognised qualifications and the opportunity to become fluent in English. But the benefits are not just academic. Living and studying in a foreign country is an incredible experience which builds character and helps broaden horizons. Cultural capital gained from studying abroad is an advantage which cannot be acquired staying in one’s home country [and] this international experience is attractive to employers.”

An agent’s perspective

The strength of the Thai economy and the country’s burgeoning middle class are further key underlying factors that are driving demand for study abroad.

There is growing demand for graduate programmes among Thai students and interest in English language training remains high, whether as a prerequisite for advanced studies overseas or as a basis for

improving job prospects at home. They note as well the growing appeal of hybrid or joint programmes – for example, engineering and management or computing science programmes coupled with business studies.¹⁰

¹ [IIE Secondary Students in the US](#)

² <http://www.iese.org/Research-and-Publications/Open-Doors/Data/International-Students/All-Places-of-Origin/1950-2000>

³ http://www.export.gov/vietnam/build/groups/public/@eg_vn/documents/webcontent/eg_vn_088753.pdf

⁴ http://www.export.gov/vietnam/build/groups/public/@eg_vn/documents/webcontent/eg_vn_076826.pdf

⁵ [US Immigration and Customs Enforcement](#)

⁶ [IIE Secondary Students in the US](#)

⁷ http://www.buyusainfo.net/docs/x_4963016.pdf

⁸ [Thailand's Education Agents: Austrade](#)

⁹ <http://www.novoeducation.co.nz/insight/report-from-thailand-october-2014>

¹⁰ <http://monitor.icef.com/2015/08/from-the-field-recruiting-in-thailand/>