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Sent: Monday, November 5, 2018 10:45 AM
To: Engages-Mobilisation (WD/DEO) <wd.engages-mobilisation.deo@canada.ca>
Cc: Carmelle Mulaire <c.mulaire@uwinnipeg.ca>; Gary Gervais <gary@heartlandenglish.com>
Subject: Western Canada Growth Strategy - Submission to Western Diversification-Stratégie de croissance l'Ouest canadien

Dear Review Panel,

On behalf of the Manitoba Council for International Education (MCIE), I want to thank you for the opportunity to contribute to a “Made in Western Canada” growth strategy. MCIE is an organization consisting of 28 member institutions. This membership spans the full spectrum of international education from elementary to university level. This includes independent schools, private institutions and language schools. One of our primary goals is to promote the advantages of international education to all Manitobans.

Your letter of introduction mentions: *“a roadmap to build an innovative and inclusive Western Canada — one that stimulates the economy, strengthens the middle class and increases job opportunities for all Canadians, including Indigenous Peoples, women, youth, and new immigrants.”* International Education is often overlooked as a major contributor to the economy, not to mention a dynamic source of an educated, qualified work force; and there is room for growth in our province. Please find attached the “International Education in Manitoba” final report.

This brief report provides a snapshot of the economic impact and the opportunities for growth in international education in Manitoba. The report will be launched to the media and public during International Education Week, November 12th to 16th, 2018. We look forward to continuing the dialogue to encourage growth and sustainability of this dynamic industry in our province. Many thanks for your interest and attention.



Carmelle Mulaire
President
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INTERNATIONAL EDUCATION IN MANITOBA



Prepared by V. Munro
Vet-Tech Consulting (1995) Inc.
August, 2018

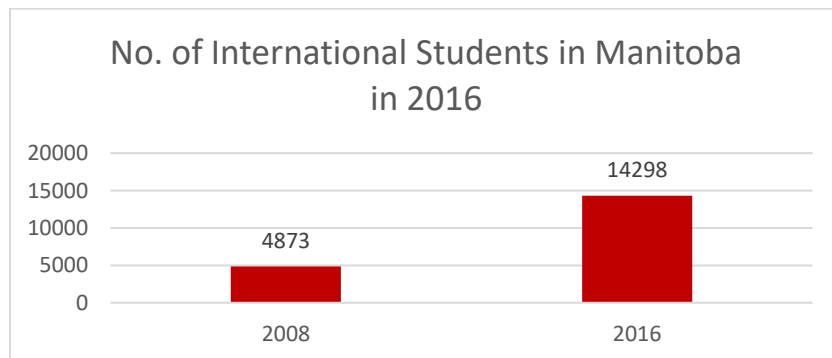
Building upon a Global Opportunity

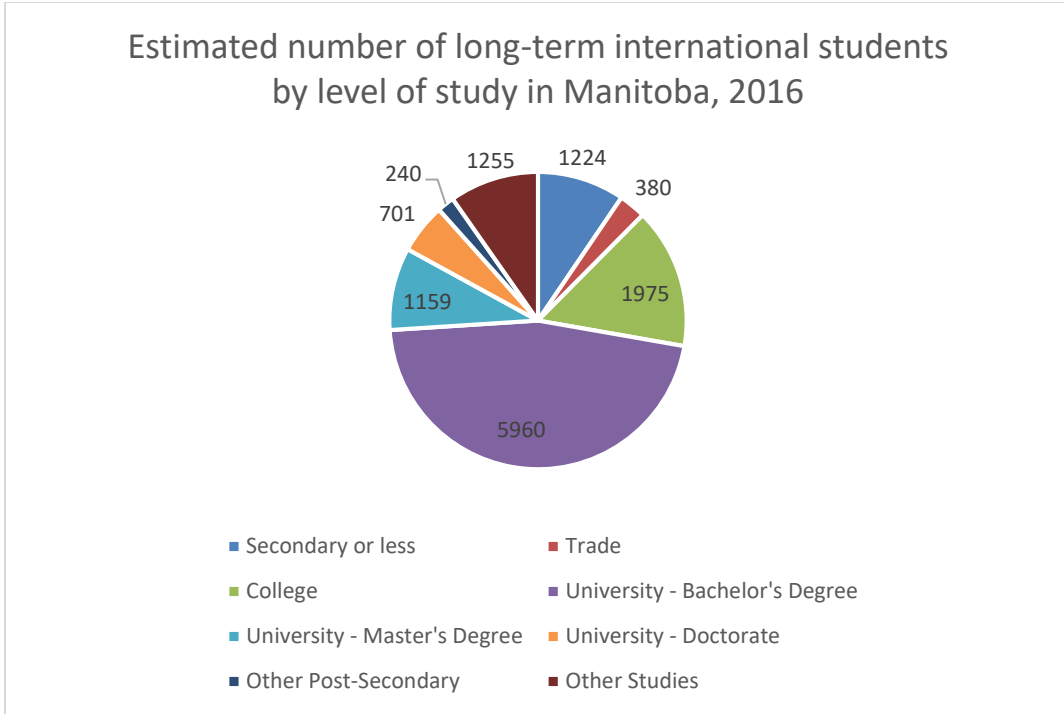
Over the past few years, the number of international students in Manitoba has been increasing tremendously in all sectors: Secondary, post-secondary and language schools. International education has created more employment opportunities, has contributed to the provincial economy, government revenue, as well as the national GDP. International education services are Canada's fourth largest export. However, Manitoba has a relatively low number of international students compared to other provinces. Canada is a desired destination for international students and Manitoba's international education sector has a lot more room to grow.

- In 2016, there were 14,298 international students in Manitoba, an increase of 300% since 2008.
- 4250 jobs in Manitoba can be attributed to international education.
- Manitoba's 14,298 international students spent nearly \$375 million in tuition, living expenses and tourism due to visiting family and friends. (2016)
- International Education contributed over \$69 million in tax revenue to the Manitoba government in 2016.
- International education contributed \$306,300,000 to Manitoba's GDP in 2016.
- Manitoba's international students comprise only 2.7% of Canada's total.

International Education in Manitoba

Although Manitoba is a small player in comparison to Ontario and B.C., the number of students has grown from 4,873 in 2008, to 14,298 in 2016, a 300% increase.





The table above confirms international students are studying at all levels.

What are the benefits of International Education to Manitoba?

Economic

Manitoba’s 14,298 international students spent nearly \$375 million in tuition, living expenses and tourism due to visiting family and friends in 2016, a 30% increase in spending from 2015¹. From 2010 to 2016, the increase in spending by students and their families rose 143%.

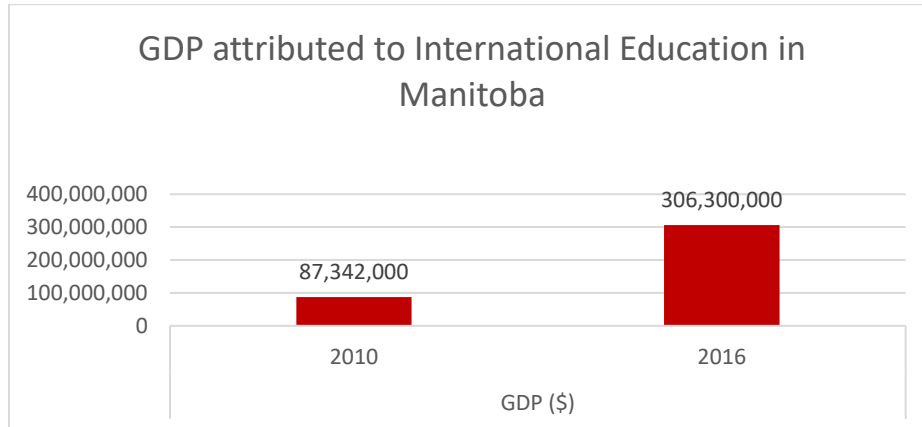
Number of international students and total annual spending in Manitoba, 2015 and 2016					
	2015		2016		2016 vs. 2015
	# students	Total Annual spending (\$ million)	# students	Total Annual spending (\$ million)	% change in Annual spending
Manitoba	11,276	\$287.8	14,298	\$374.8	30.23%

¹ Economic Impact of International Education in Canada – An Update. Final Report. Dec. 2017. R. Kunin and Associates for Global Affairs Canada

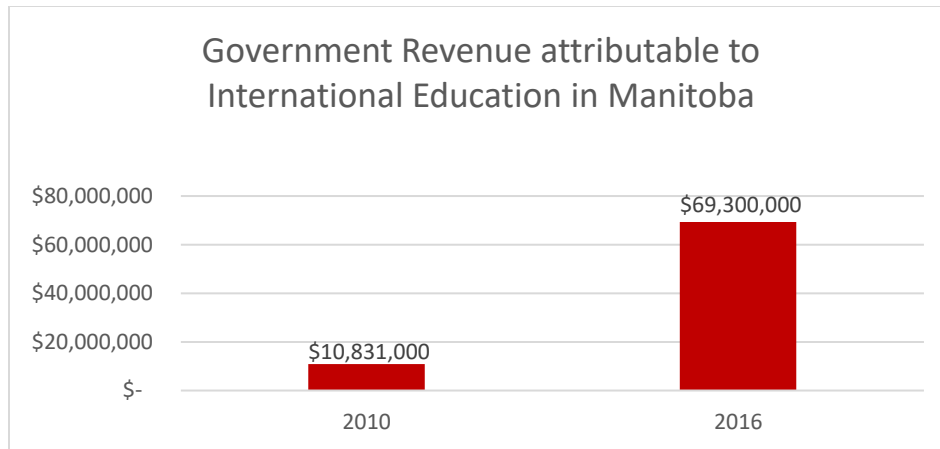
Increased employment

3321 and 4250 jobs can be attributed to international education (directly and indirectly) in 2015 and 2016 respectively. That’s an increase of 929 new jobs between 2015 and 2016².

In addition, international education contributed \$306,300,000 to Manitoba’s GDP in 2016-A 350% increase since 2010³.



International Education contributed over \$69 million to the Manitoba government in 2016, more than 6-fold from 2010⁴. Government revenue includes personal income taxes, and indirect taxes.



² As estimated by RKA in the Economic Impact of International Education in Canada – An Update. Final Report. 2017

³ Economic Impact of International Education in Canada – An Update. 2012 and 2017. R Kunin & Associates.

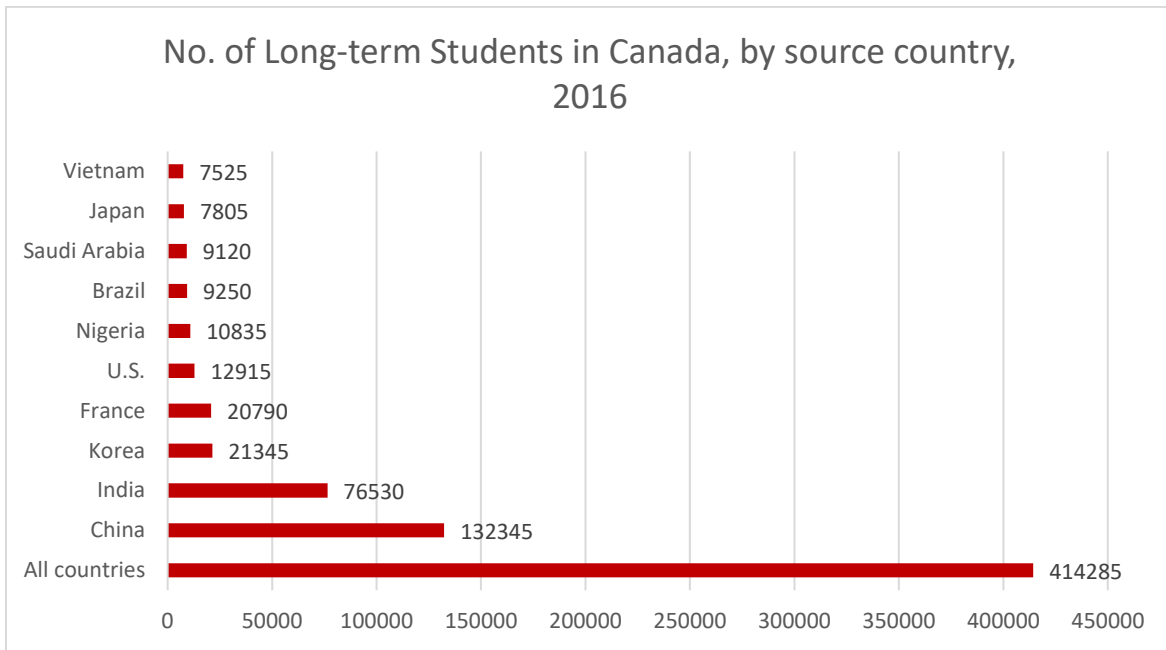
⁴ Economic Impact of International Education in Canada – An Update. 2012 and 2017. R Kunin & Associates.

International Education in Canada

Of the 414,285 long-term students in Canada, China and India were the top source countries in 2016, with 50% of the total number (see graph below)⁵.

The total expenditures of international students (including visits from families and friends) contributed \$12.8 billion and \$15.5 billion to economic activities in Canada in 2015 and 2016, respectively. This spending translates in 140,010 jobs (the equivalent of 118,640 FTE) in 2015, and 168,860 jobs (or 143,100 FTE) in 2016. In addition, this spending contributed (directly and indirectly) \$2.3 billion in tax revenue in 2015 and \$2.8 billion in 2016⁶.

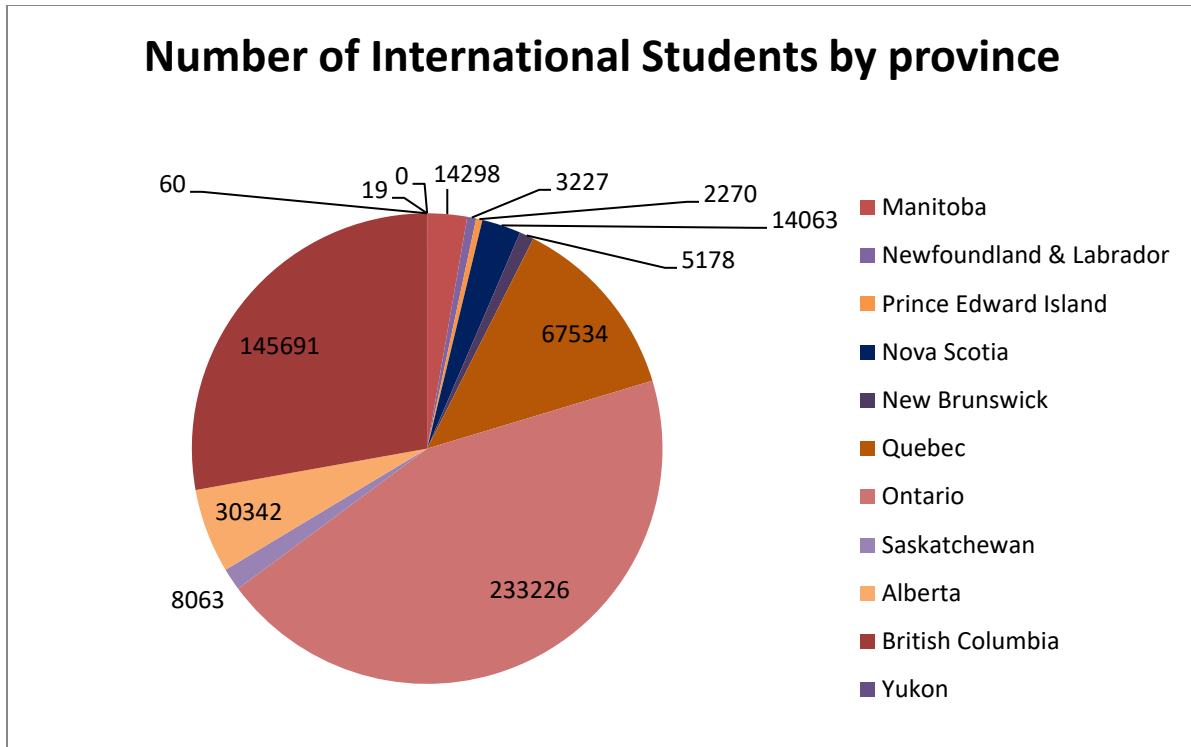
In 2016, the top 10 source countries accounted for \$11.8 billion in international student spending, which translates to 17.2% of the total service exports, or 2.7% of Canada’s total merchandise exports to these countries⁷.



⁵ IRCC

⁶ Economic Impact of International Education in Canada – An Update. Final Report. Dec. 2017. Roslyn Kunin and Associates for Global Affairs Canada

⁷ Economic Impact of International Education in Canada – An Update. Final Report. Dec. 2017. Roslyn Kunin and Associates for Global Affairs Canada



Source: Economic Impact of International Education in Canada – An Update (2017). R. Kunin and Associates for Global Affairs Canada

Ontario and B.C. hosted the majority of the international students (short and long-term), with 44.5% and 27.8% respectively in 2016. Manitoba’s international students comprise only 2.7% of Canada’s total.

Few Canadians realize the economic importance of international education in Canada. To illustrate its relative importance, international education services are compared with other Canadian exports to the top source countries. As can be seen from the following table, international education services are Canada’s fourth largest export to the top 10 source countries of Canada’s international education sector.

Comparison of international education services, as measured by total spending by international students, with other top merchandise exports from Canada in 2016	
	Exports of Goods (\$billions)
Motor vehicles for passenger transport (other than buses/public transport)	\$64.7
Crude petroleum oils & oils obtained from bituminous minerals	\$52.4
Gold	\$16.5
*International education services	\$15.5
Motor vehicle parts (excl. body, chassis and engines)	\$14.1
Preparations of non-crude petroleum oils and oils obtained from bituminous minerals	\$10.8
Lumber (thickness > 6mm)	\$10.3
Liquefied petroleum or hydrocarbon gases	\$10.3
Medicaments - put up in measured doses or packed for retail use	\$9.8
Helicopters, airplanes and spacecraft	\$8.2
Turbojets, turbo-propellers and other gas turbines	\$6.9
Total merchandise exports	\$517.0
Source: Economic Impact of International Education in Canada - An Update (2017) and Industry Canada	
*inserted to demonstrate the level of spending in reference to other top merchandise exports	

International Education globally

The top 3 destinations for international education in the OECD area are US (30%), UK (14%) and Australia (10%).

Australia and New Zealand serve as regional educational hubs and count more than 18 international students on their soil for every 100 international students at home and abroad.⁸ In Australia, international education is worth \$30.8 billion to the Australian economy, and is the country’s third largest export. More than 548,000 international students study in Australia, a jump of 12% from a year ago. How does Australia compare to Canada in the international education sector? Australia has a population of \$24 million, or 2/3 of Canada’s population. Yet, Australia hosts over 548,00 students vs. Canada’s 524,000⁹. Canada’s international education sector has room to grow if Australia is used as an example.

Determining factors that international students consider when deciding where they will study¹⁰, include:

- Tuition costs

⁸ Education at a Glance 2017: OECD indicators

⁹ 2016 data for short and long-term international students in Canada. Economic impact of international education in Canada – 2017 update. RKA for Global Affairs Canada.

¹⁰ Education at a Glance: OECD indicators

- Prestige of educational institutions
- Affordable mobility & education costs in the host country
- Non-economic factors: political stability, robustness of institutions in the host country, cultural and religious proximity between home and host countries
- Quality of programmes and institutional prestige
- Language of instruction
- Scholarship/financial aid availability
- International recognition of qualifications
- Accreditation, multilateral agreements and quality assurance frameworks
- Potential for post-study work
- Immigration policy

Canada can confidently check off most of the boxes in the above list making it a desired destination for international students.

Here at Home:

Although much has been made of the economic benefits of international education in Manitoba (and Canada,) there are other benefits that should be acknowledged, including:

- An important source of highly educated immigrants who are likely to integrate into domestic labour markets, and to create innovation and stimulate the economy
- Creation of personal, cultural, diplomatic and trade ties with the international student community and the host country
- Development of wider networks of contacts in educational and professional fields
- Creation of informal “ambassadors” for Canada, based on an emotional bond developed during the students’ time studying in Canada.

Opportunities

Economic growth -The 14,298 international students represent a \$375 million economic impact for Manitoba and \$69 million in annual tax revenues for governments. By increasing the current international student numbers from 2.7% of the total international students in Canada to our proportionate share of 3.3%, student numbers increase to 17,475, economic impact increases to \$458million, and tax revenues increase to \$84 million. Reaching our proportionate share is a modest goal and also does not account for future growth in numbers for Canada as a whole.

Quality improvement - With better industry coordination and efforts, Manitoba institutions can increase the quality of applicants looking to study in Manitoba.

Alignment with immigration goals - As international students become an increasingly important pool of candidates for immigration to the province, coordination of efforts between immigration and education to recruit students will help to meet immigration goals and serve the best interest of Manitobans and the prosperity of the province.

Diversification of offerings - Although many Manitoba institutions are active in recruiting international students, there remains a lot of untapped potential. Actively working to create new or build upon existing opportunities for international students will help institutions and communities to realize the benefits of international students. For example, a small rural school may benefit significantly from even a few international students, but cannot afford the investment to get those students.

Challenges

Manitoba is not on the map - Manitoba schools are competing with recognized schools and well-known destinations around the world. Institutions recruiting international students in Manitoba spend a significant amount promoting their institutions, but selling Manitoba as a destination is often the first hurdle. Working to position Manitoba as a study destination would strengthen the marketing efforts of all schools.

Minimal coordination - The limited time and resources of MCIE as well as of the international program offices at our member institutions make it difficult to properly coordinate efforts to their full potential.

Very limited investment and resources - Manitoba is competing with key destinations in Canada and around the world who are well-funded and very active. Increased investments are necessary to just stay competitive, let alone to grow.

Recommendations

1. Manitoba government and business community to recognize international education as a significant part of Manitoba's economy and the future development of the province.
2. Dedicate funds to strengthen, support and develop the industry commensurate to the size and importance of the industry. If international education was supported like tourism, the 4% of tax revenue would mean \$2.76 million in annual funding.



MANITOBA COUNCIL
FOR INTERNATIONAL
EDUCATION