

CHINA AGENT MARKET 2023

5th Annual Update

BONARD

Expertise in International Education

Empowering growth.

Established in 2007, BONARD is a **global market intelligence** and **strategic development firm** specialising in international education. With a dedicated office in Tianjin, we leverage our in-field knowledge and local connections to help clients grow in the vibrant Chinese market.



Our team and expertise.



4
Offices



91
Specialists



623
Projects conducted

Our memberships.

ESOMAR²²
Individual



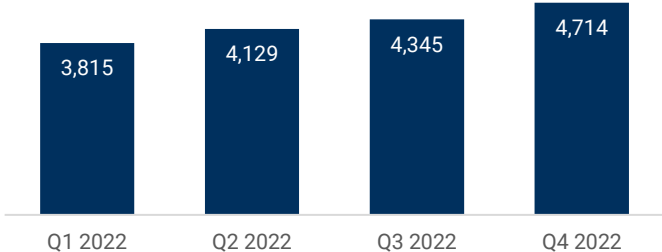
Our clients.



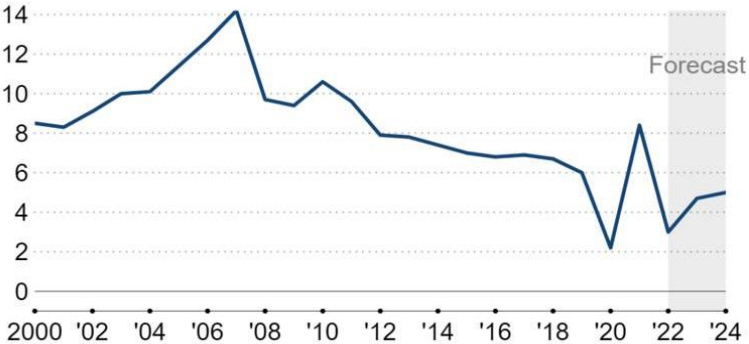
BACKGROUND INFORMATION

China GDP Growth 2022 (Billion USD)

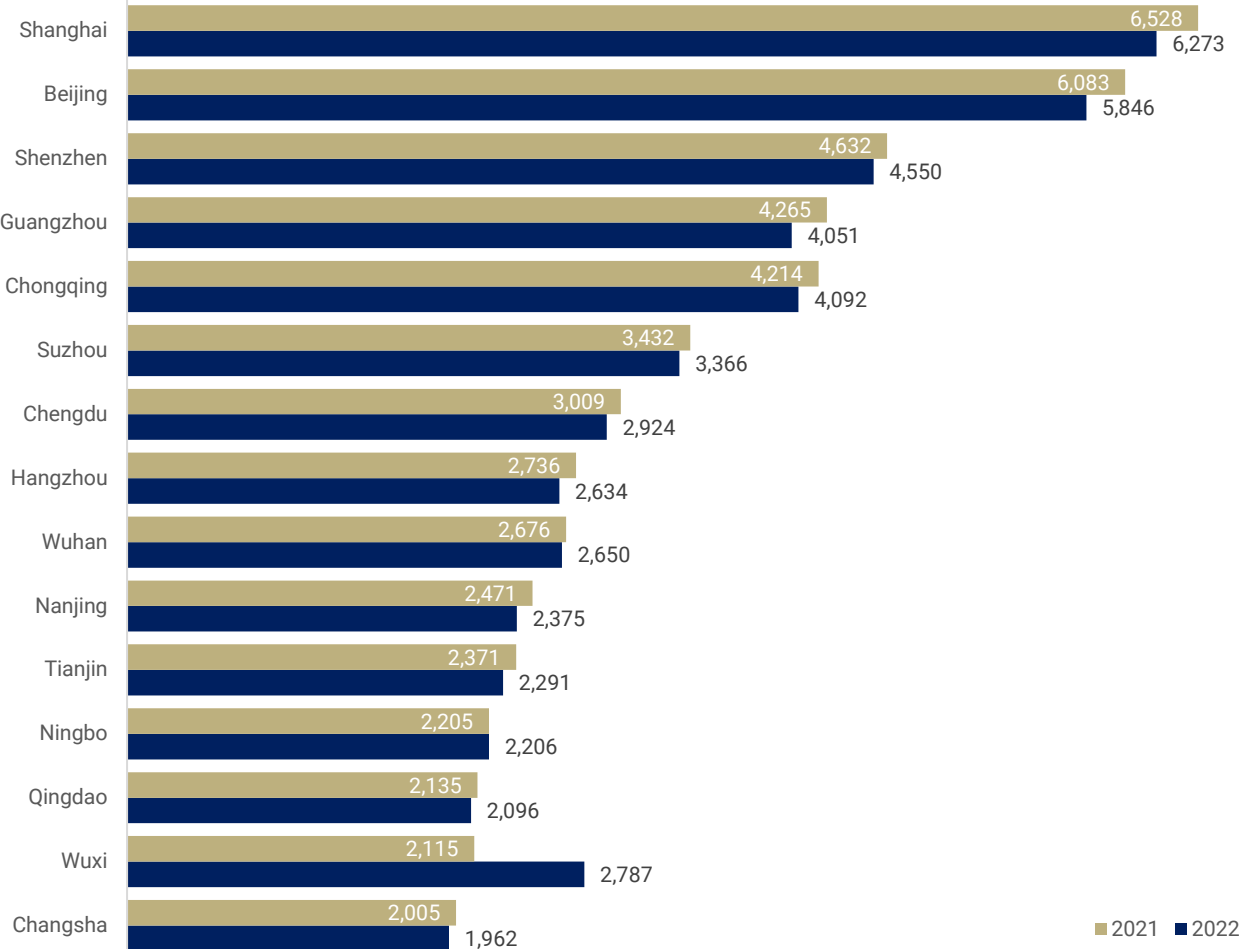
China's gross domestic product (GDP) in 2022 reached 121 trillion yuan (about 17 trillion U.S. dollars), which is a 3% growth over the previous year. By quarter, the GDP for Q1 went up by 4.8% year on year, for Q2 by 0.4%, for Q3 by 3.9%, and for Q4 by 2.9%.



China's annual GDP growth (%)



City GDP Ranking (Billion USD)

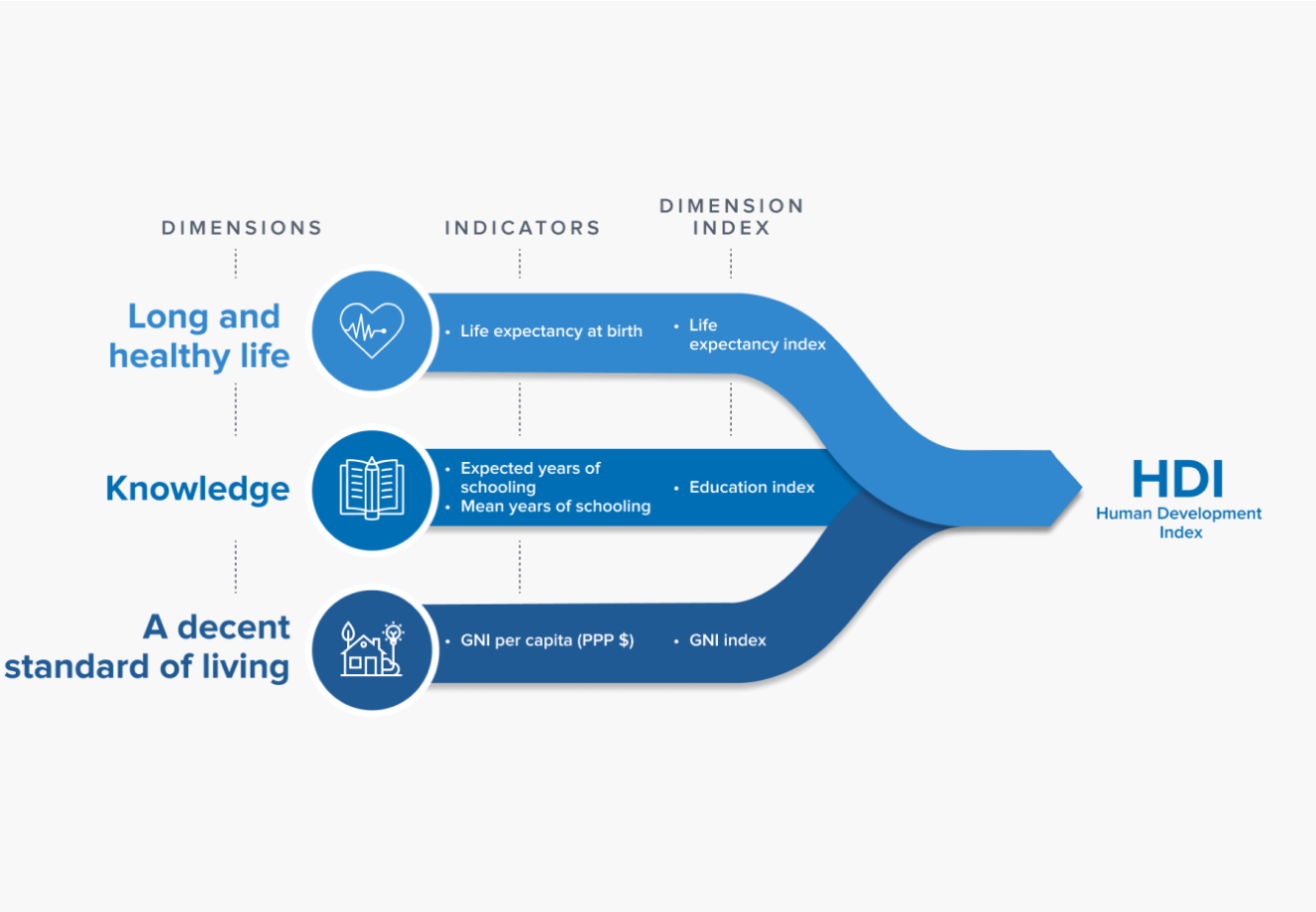


■ 2021 ■ 2022

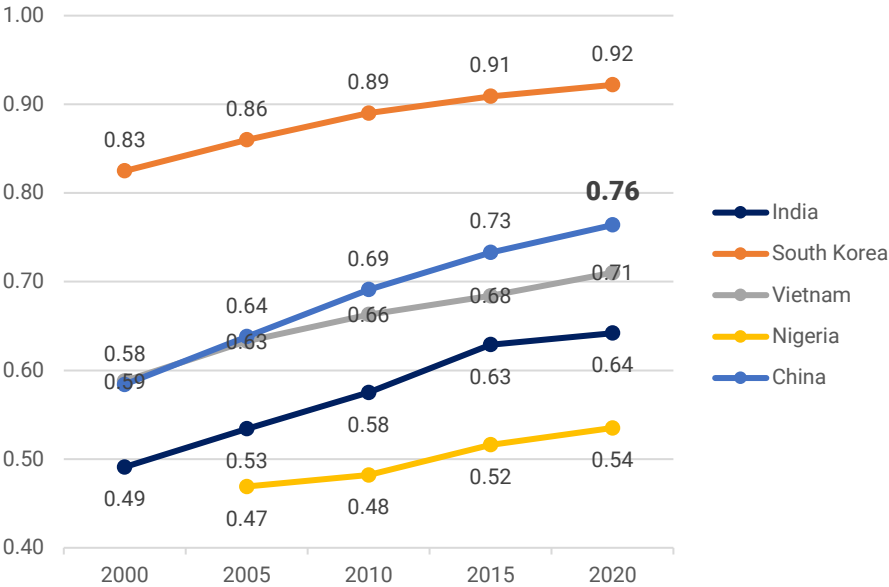
Source: PwC, 2022; National Bureau of Statistics of China, 2022; FEED, 2022; CEIC data, 2022; NIKKEI, 2023

BACKGROUND INFORMATION

Human Development Index



Human Development Index: Top source markets

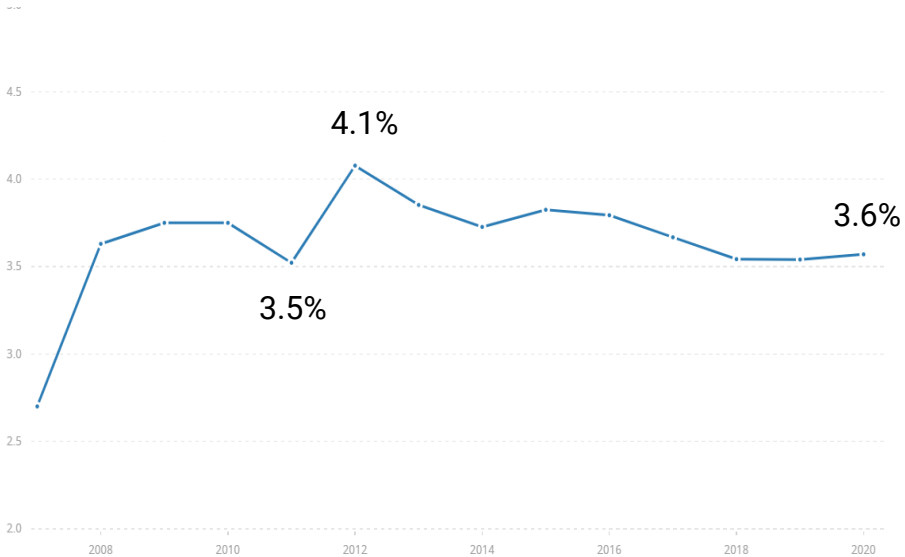


China's Human Development Index has been steadily rising, reflecting the advancement in its citizens' well-being and quality of life for its citizens.

Source: UNDP, Human Development Reports 2022

BACKGROUND INFORMATION

Government expenditure on education in China (as a % of GDP)



In 2022, the public expenditure allocated to education in China amounted to 3.95 trillion yuan. It is noteworthy that education spending has seen a **consistent upward trend** in recent years. However, the growth rates observed during this period are **notably lower** than those experienced a decade ago.

Source: World Bank, 2022



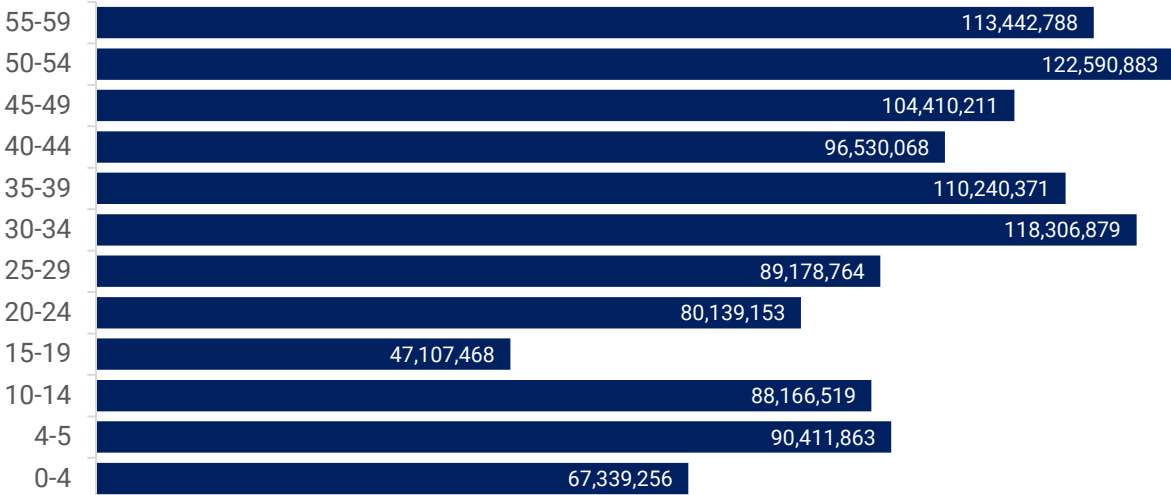
BACKGROUND INFORMATION

Growing middle class

- In 2022, the "new middle-class" in China consisted of **163 million** people.
- The new middle class has experienced a year-on-year growth rate of **15.6%**, despite the negative impact of the Covid-19 pandemic and lockdown measures.
- The majority of the emerging middle-class lives in Tier-1 cities such as Beijing, Shanghai, and Guangzhou.
- Projections indicate that the Chinese middle class will continue to grow and could make up **40%** of the country's population **by 2030**.

Age structure

- Children aged **0-19** make up about **20%** of the population, representing a potential market for educational services.
- Young adults aged **20-24** comprise **5.62%** of the population, indicating a significant number of individuals pursuing higher education.
- In 2022, China's population has achieved **negative growth**. In 2023, India's population will probably exceed China's.



Source: Statista 2022; Population pyramid 2022; UNICEF 2023

STUDENT MOBILITY OVERVIEW: HIGHER ED

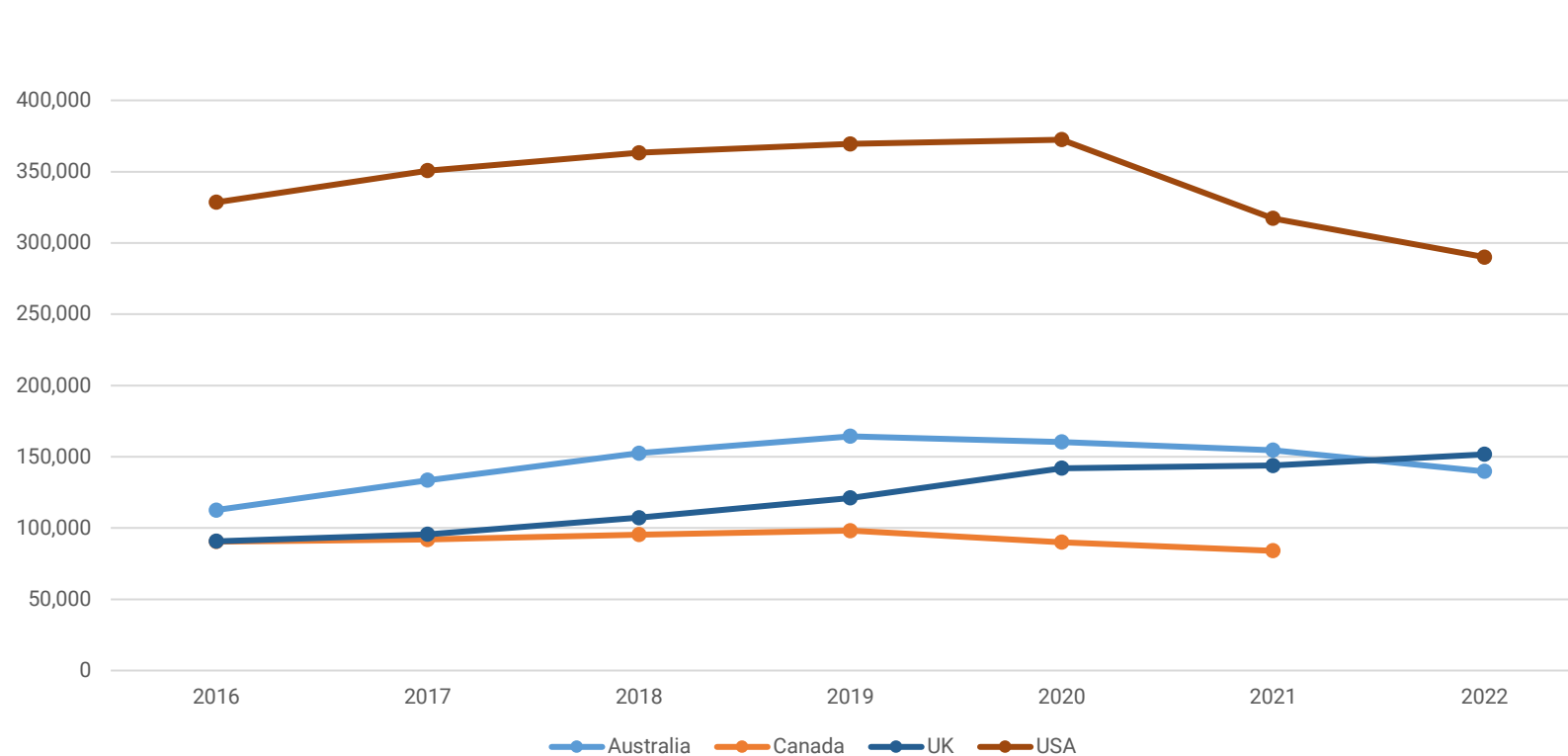
Studying Abroad

According to relevant statistics released by the Ministry of Education, the total number of Chinese students studying abroad in 2020 was **450,910** (estimated).

With the gradual improvement of the pandemic situation, about **523,700** (official data) outbound Chinese students studied abroad in total in 2021, representing an increase of **13.9%** over the 2020 figures.

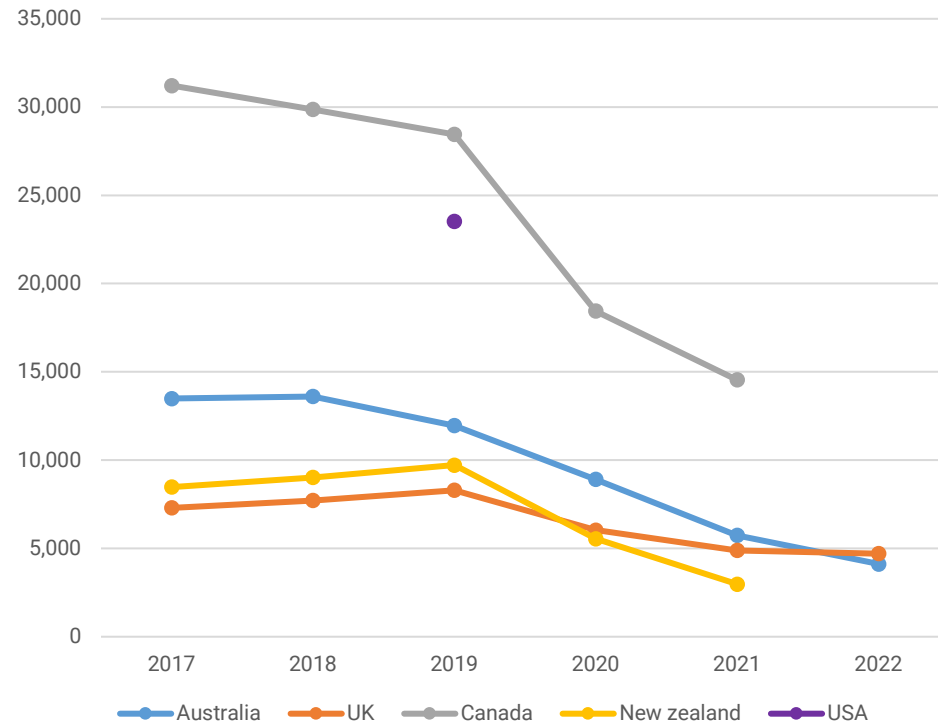
The number of returned students reached **409,100**, an increase of **12.1%** over 2020, accounting for **90.7%** of the total number of people going abroad.

Number of Chinese International Students in Higher Education per Destination



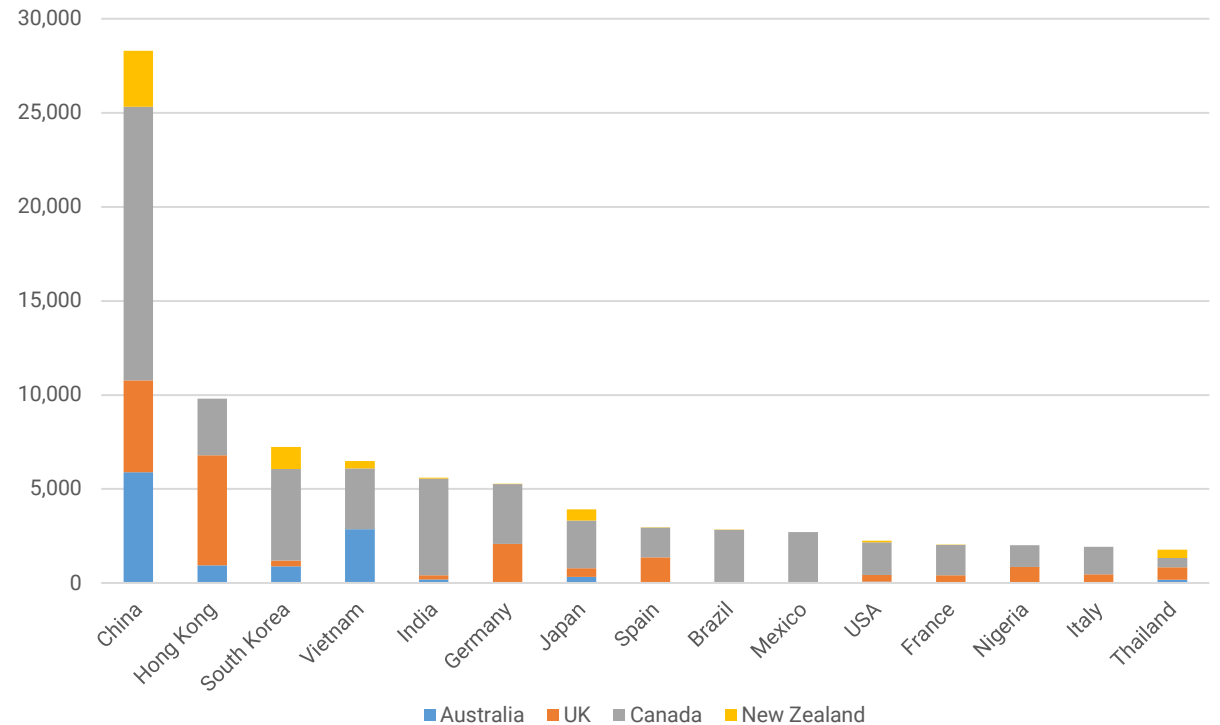
STUDENT MOBILITY OVERVIEW: K-12

Number of Chinese Primary and Secondary Students Abroad by Destination



Note: UK data covers students at ISC member schools which represent two thirds of the UK's independent school sector

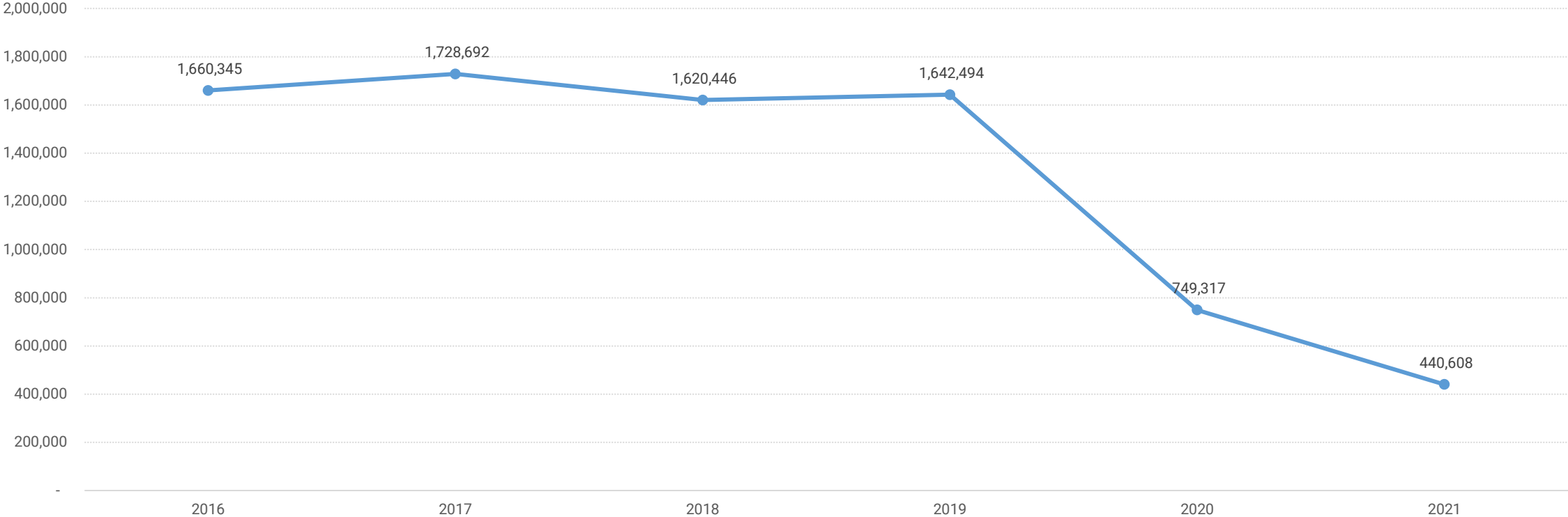
Top Source Markets of Primary and Secondary Students by Destination (2021)



Note: The USA is excluded due to lack of available data

STUDENT MOBILITY OVERVIEW: ELT

Total number of student weeks spent on English language programmes abroad by Chinese students

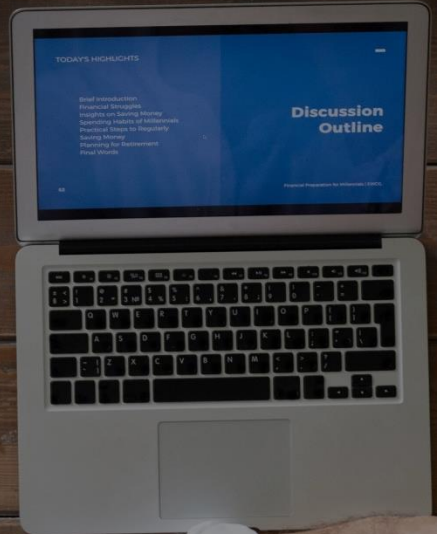


- Coverage: Australia, Canada, Ireland, Malta, New Zealand, South Africa, UK, USA
- Student week: One student week is defined as one student taking ten or more contact hours of tuition in one week

Source: BONARD, based on the data from sector associations, national peak bodies and local statistics offices, 2022

CHAPTER 1

AGENT MARKET UPDATE IN TIER 1 CITIES



METHODOLOGY

IN-HOUSE DATA INTEGRATION

- Agency information collected since 2008
- Organic BONARD in-house agency database since 2012
- Evaluation of agency activity by website screening and calling
- Information supplemented from local media & mystery shopping

RESEARCH (ANNUAL UPDATE)

- September 2022 – May 2023
- Screening of governmental and non-governmental resources
- Screening of social media, search engines & company registers
- Geolocation: 4 cities (Tier 1)
- Research size: 400+
- Active sample: 339 agencies (verified & updated)
- Total calls made: 1,500+
- Market sentiment: in-depth interview with agencies
- Market trend analysis: 50,000 agencies in 400+ cities

RESEARCH TEAM

- Seven native Chinese researchers (database update, survey design, interviews)

Tier 1-5: First Financial Weekly evaluates cities in China by seven criteria (Business Resource Concentration, Urban Hub Size, Urban Economic Level, Lifestyle, Diversity, Future Plasticity) and tags them into different tiers.

THE HISTORY OF CHINA AGENT MARKET ANNUAL UPDATE

2019 June

1st China Agent Market Annual Update

Building Solid Foundations for Student Recruitment in China

2020 May

2nd China Agent Market Annual Update

How has Student Recruitment in China Changed?

2021 June

3rd China Agent Market Annual Update

Selected New Tier 1 Cities Agent Market Landscape

2021 – 2022

8 China Agent Market City Reports

Hangzhou, Chengdu, Chongqing, Shenyang, Nanjing, Wuhan, Zhengzhou, Qingdao

2022 June

4th China Agent Market Annual Update

In-depth agency and students surveys

2023 June

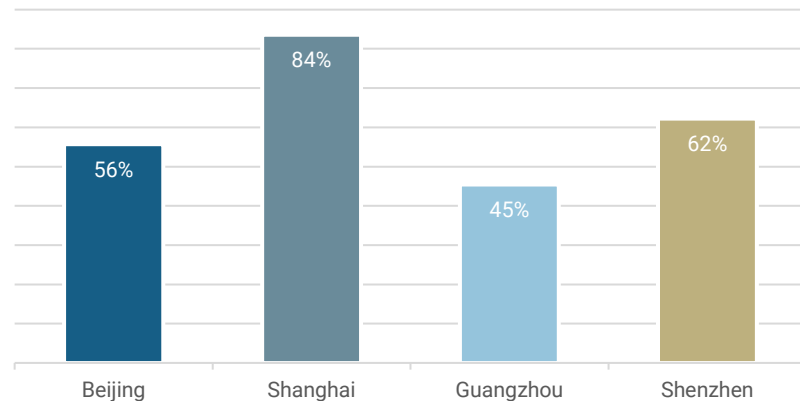
5th China Agent Market Annual Update

DATA ANALYSIS | TIER 1 CITIES

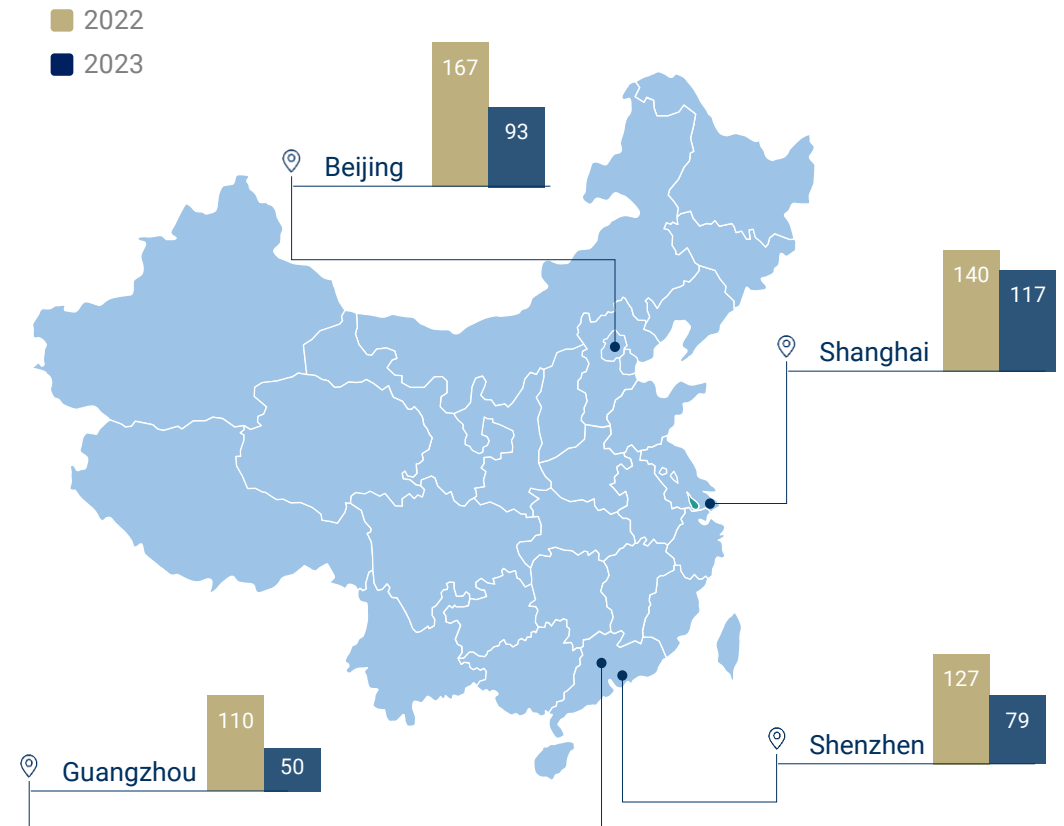
Agency market in Tier 1 cities

- Over 5,000 enterprises in Tier 1 cities have a business license for study abroad consultation.
- BONARD selected the most relevant business entities in 2022 to form an agency pool of 2,646, and throughout 2022, BONARD updated its database and identified 544 active agencies in the top four cities.
- In 2023, BONARD recontacted agencies active in 2022 and found that 62% were remain active, while the rest are largely unreachable, only two agencies reported that they no longer do related business.

Share of agencies active in 2023 as compared to 2022

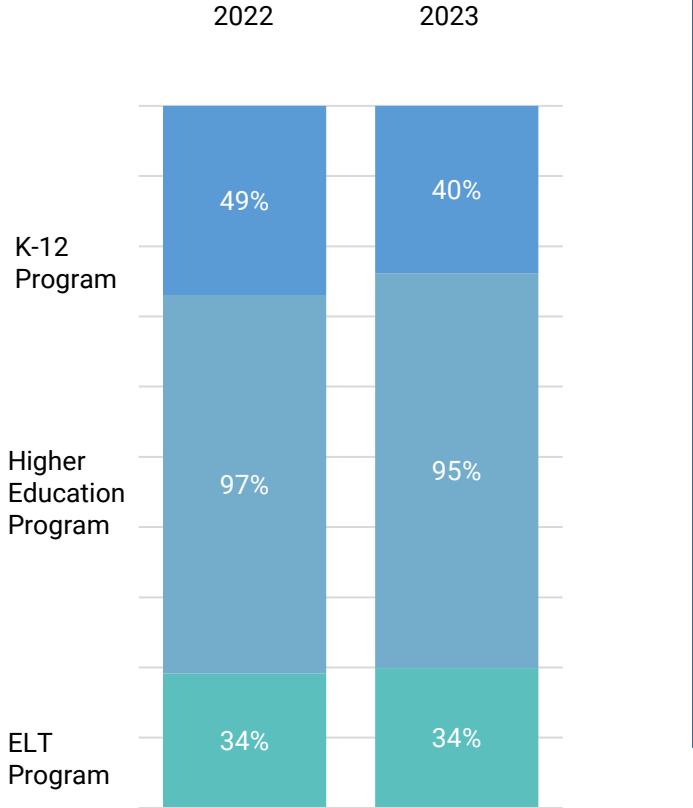


Numbers of active agencies in Tier 1 cities

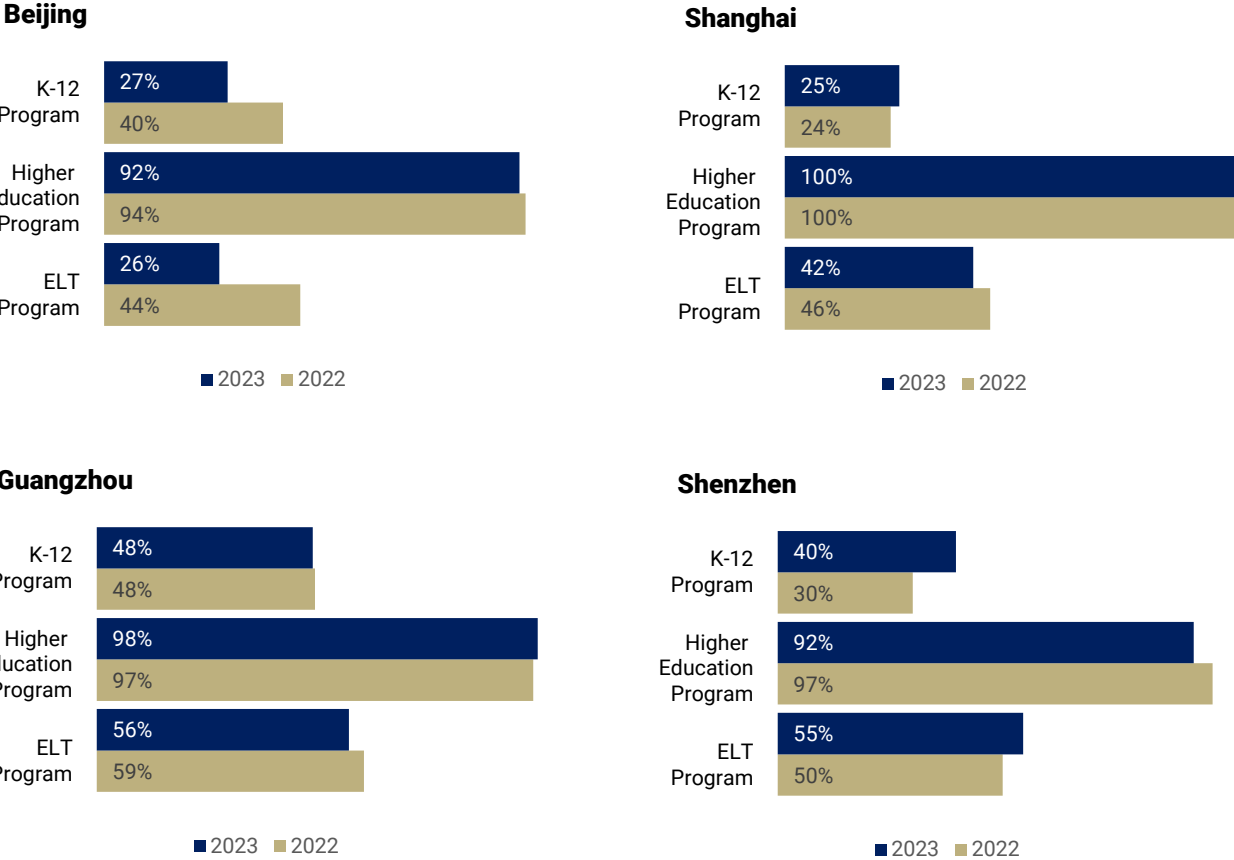


DATA ANALYSIS | TIER 1 CITIES

Share of agencies promoting the following programs



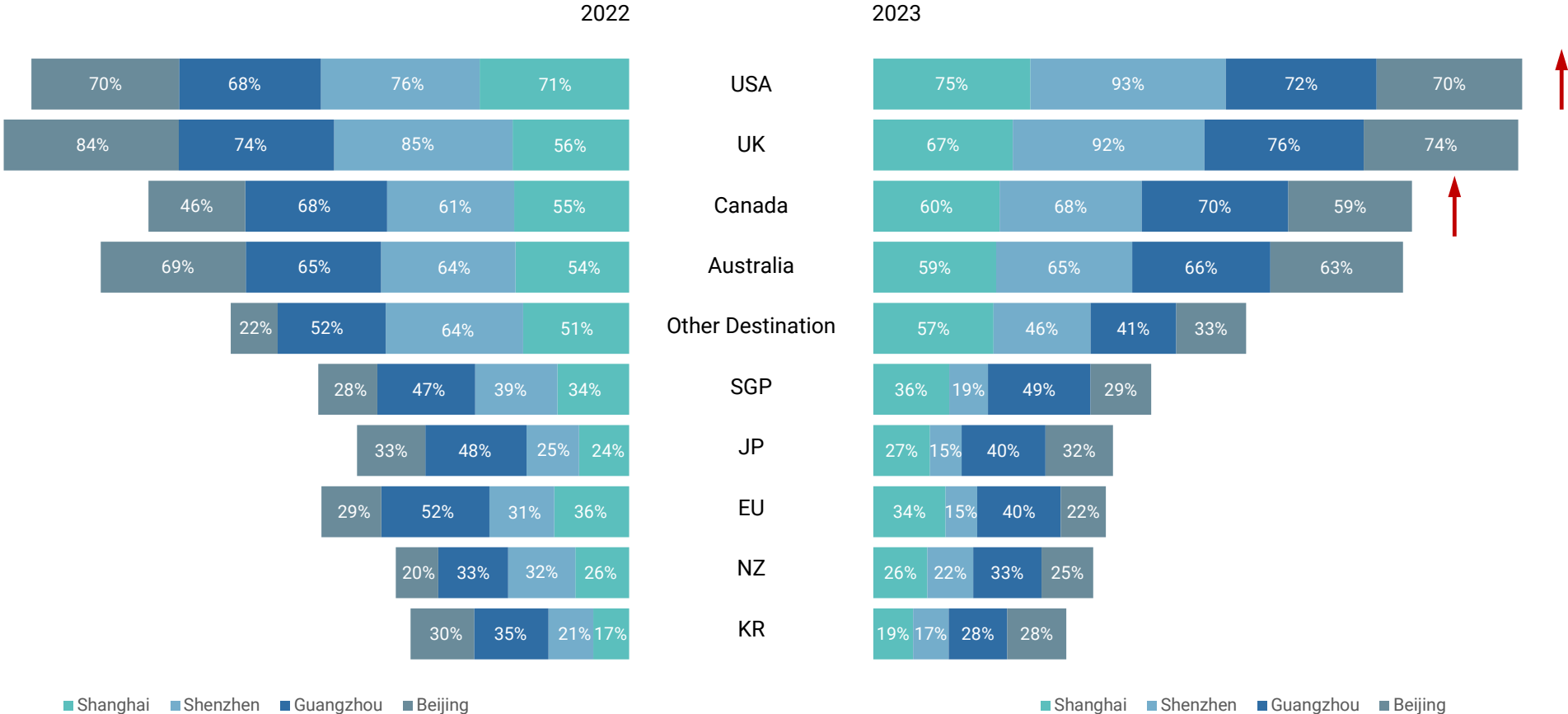
Share of agencies promoting the following programs by city



Source: BONARD, 2023

DATA ANALYSIS | TIER 1 CITIES

Share of agencies promoting the following destinations



Source: BONARD, 2023



CHAPTER 2

TREND OF AGENCY ESTABLISHMENT 2019-2023

DATA ANALYSIS | AGENCY ESTABLISHMENT TRENDS

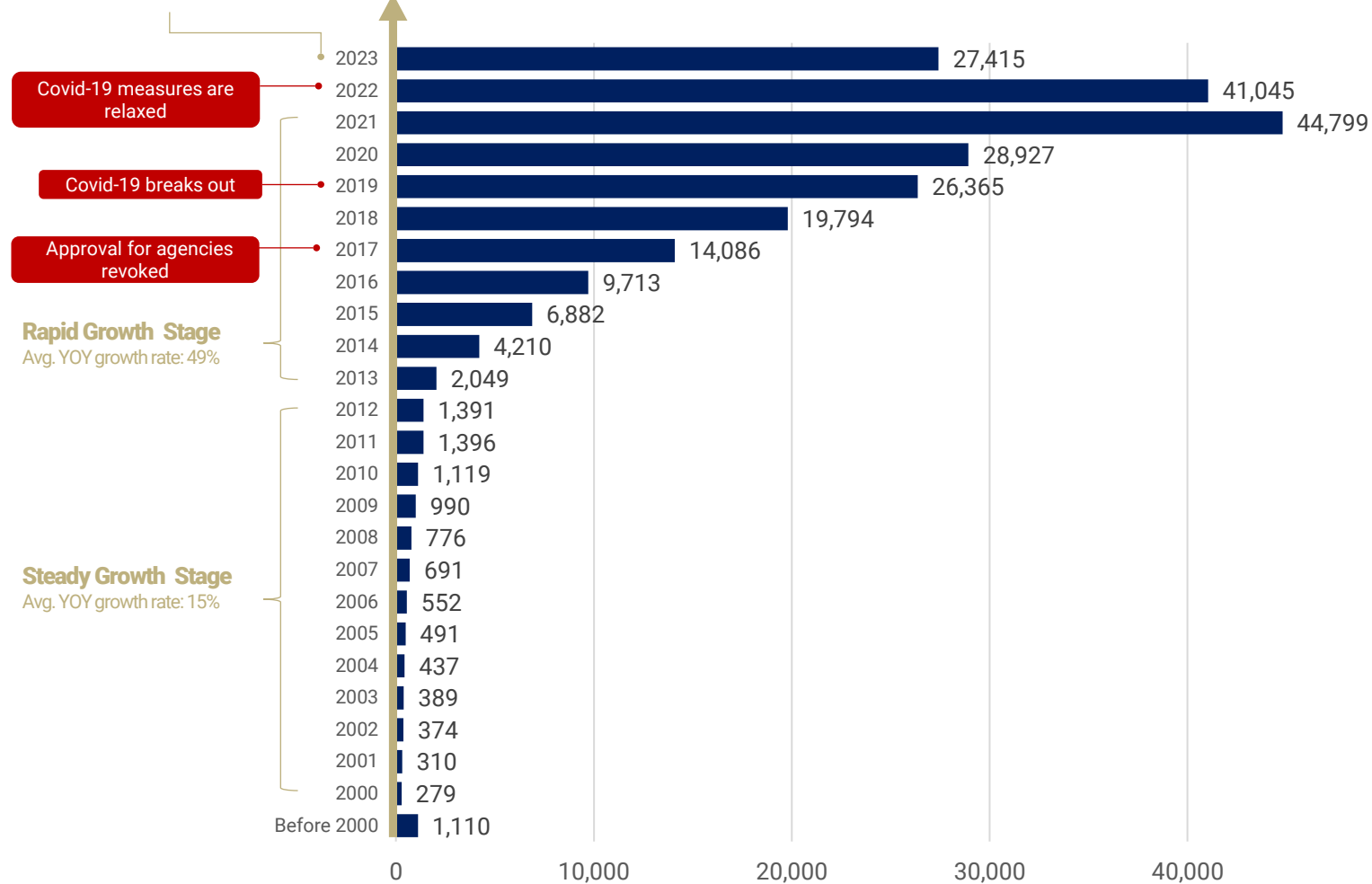


Agency establishment trends

- The number of agencies established per year reflects the level of activity in the institutional market and institutional confidence in the study abroad market.
- From 2000 to 2012, the number of agencies established per year grew steadily.
- From 2013 to 2021, the number of agencies established per year grew rapidly, especially after it became no longer necessary for study abroad service agencies to gain State Council approval in January 2017.
- In 2022, the number of agencies established decreased for the first time.
- However, the number of agencies established in the first five months of 2023 is already 67% of the total number established in 2022, leading to predictions that a higher number of agencies will be established this year.

Market becomes active again

First 5 months reached 67% of 2022 level



Covid-19 measures are relaxed

Covid-19 breaks out

Approval for agencies revoked

Rapid Growth Stage
Avg. YOY growth rate: 49%

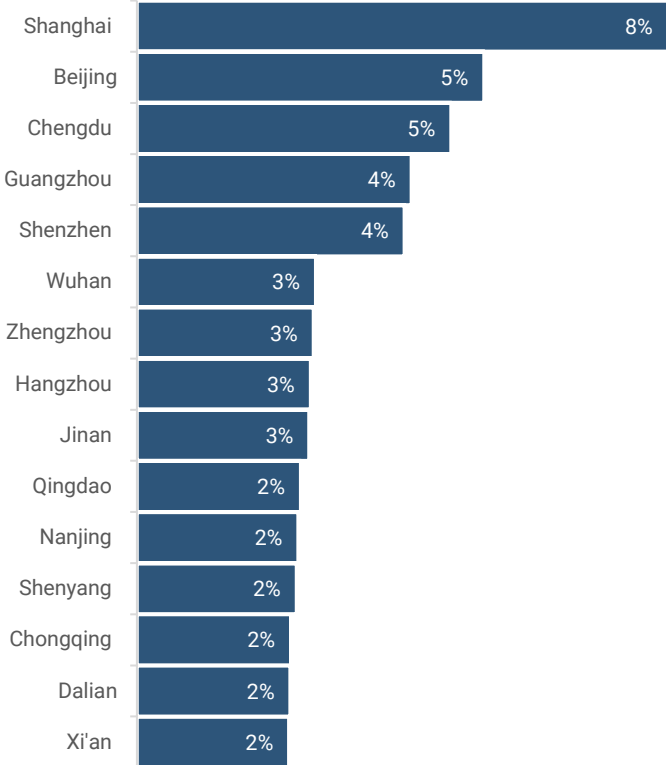
Steady Growth Stage
Avg. YOY growth rate: 15%

Source: Qichacha, 2023

DATA ANALYSIS | AGENCY ESTABLISHMENT TRENDS 2019-2023

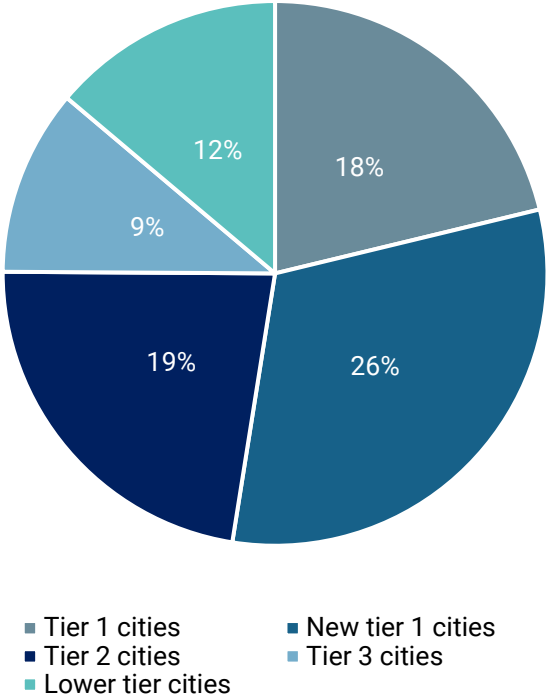
Top 15 cities where newly established agencies are located (15 Mar 2019 - 14 Dec 2022)

n=45,000



Number of agencies established by city tier (15 Mar 2019 - 14 Dec 2022)

n=45,000



Note: As we finished this research five months after the Covid-19 policy was relaxed in China, we studied the preceding five-month period. To maintain consistency, we then set five months as the study period and studied the changes in each five-month period from 2019 Mar 15 to 2023 May 15. Five thousand agencies established during each five-month period were then randomly selected for study.

Source: Qichacha, 2023

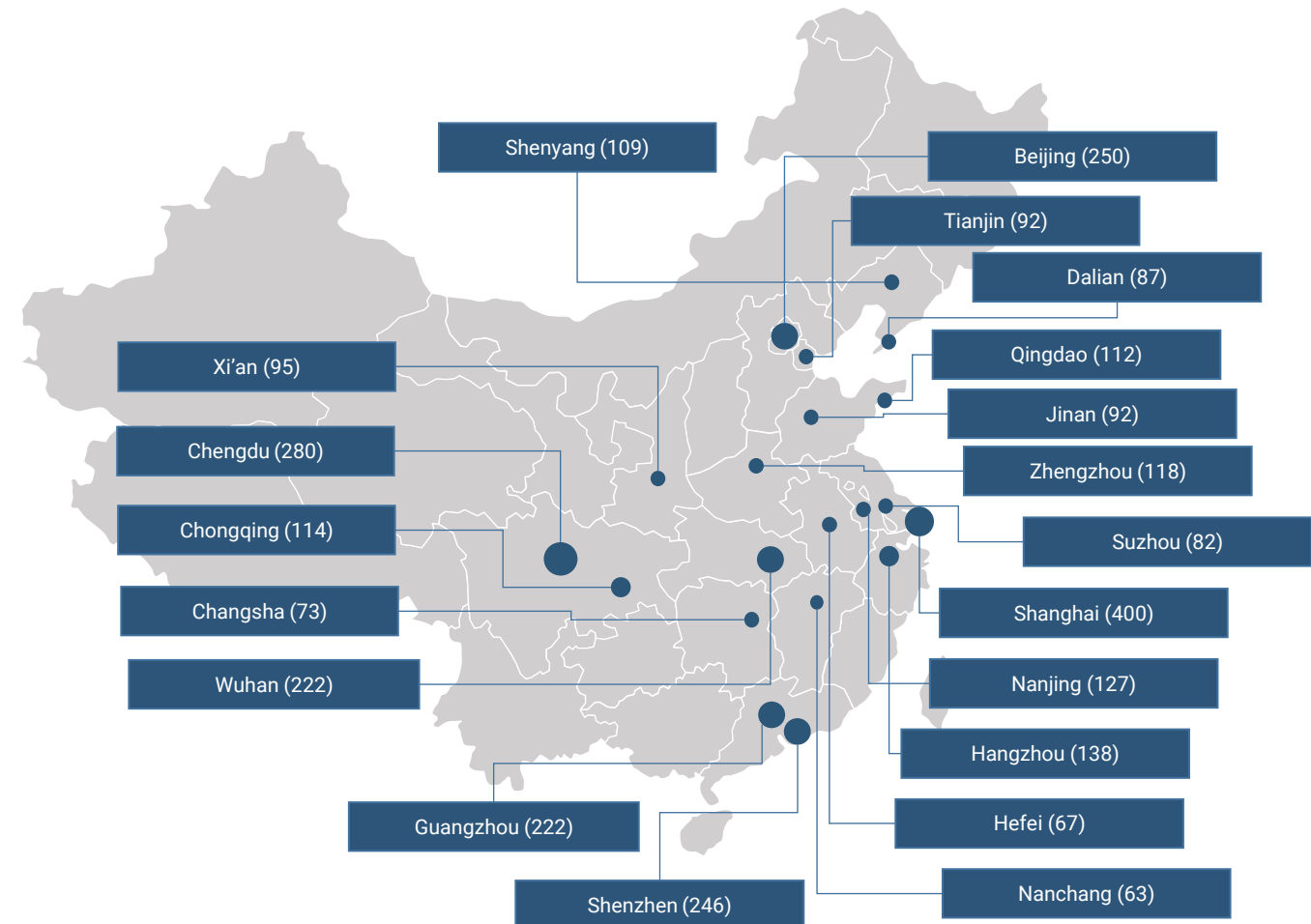
DATA ANALYSIS | NEWLY ESTABLISHED AGENCIES

n=5,000

Newly established agencies

- According to Qichacha, a business legal registration platform, 23,191 agencies were established between December 15, 2022, and May 15, 2023.
- These agencies applied for business licences containing permission to carry out 'study abroad consulting' after Covid-19 controls were relaxed in China.
- To better understand trends and make accurate predictions for the agency market, BONARD randomly selected 5,000 agencies from the pool of 23,191 for research.
- The research provides insight into the agencies' observations of the local study abroad market and how it is developing in China.

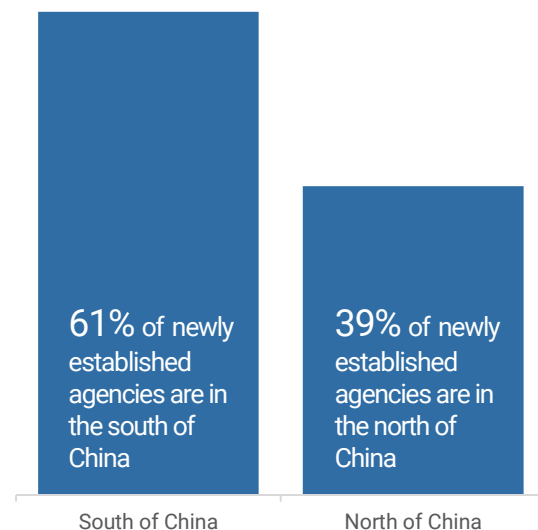
The top 20 cities hosting most of the newly established agencies (15 Dec 2022 - 15 May 2023)



DATA ANALYSIS | NEWLY ESTABLISHED AGENCIES

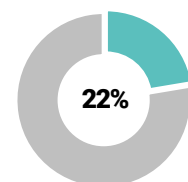
n=5,000

Ratio of agency established location (15 Mar 2019 - 14 Dec 2022)



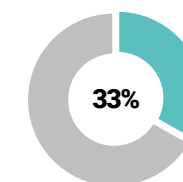
Total number of agencies in the north: 1,949
 Total number of agencies in the south: 3,051
 Number of agencies per city in the north: 117
 Number of agencies per city in the south: 145

Number of agency established by city tier (15 Mar 2019 - 14 Dec 2022)



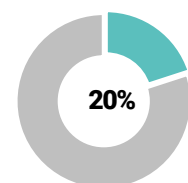
Tier 1 cities

Number of Tier 1 cities: 4
 Total number of agencies in Tier 1 cities: 1,118
 Number of agencies per Tier 1 city: 280



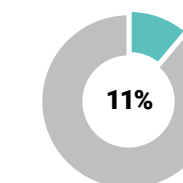
New Tier 1 cities

Number of New Tier 1 cities: 15
 Total number of agencies in New Tier 1 cities: 1,659
 Number of agencies per New Tier 1 city: 111



Tier 2 cities

Number of Tier 2 cities: 26
 Total number of agencies in Tier 2 cities: 987
 Number of agencies per Tier 2 city: 38

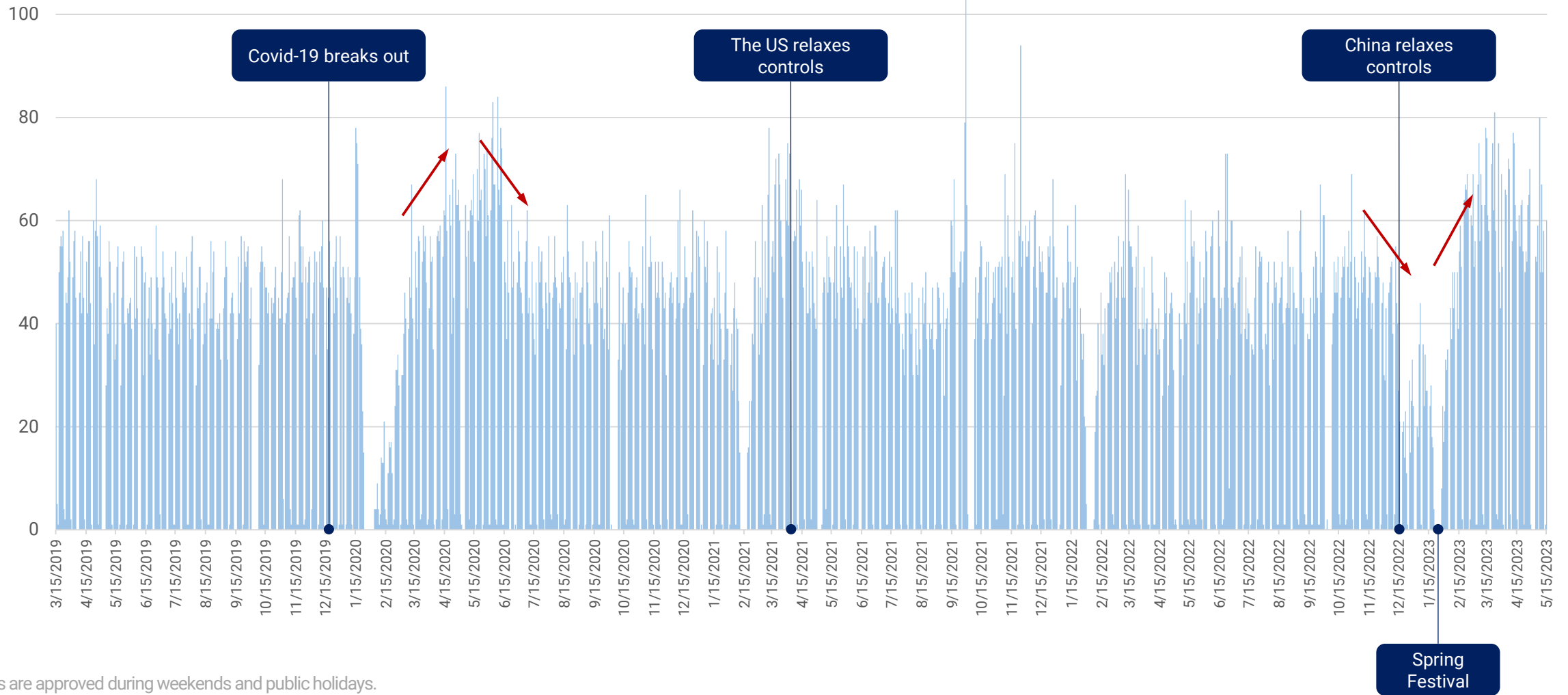


Tier 3 cities

Number of Tier 3 cities: 57
 Total number of agencies in Tier 3 cities: 557
 Number of agencies per Tier 3 city: 10

DATA ANALYSIS | AGENCY ESTABLISHMENT TRENDS 2019-2023

n=50,000

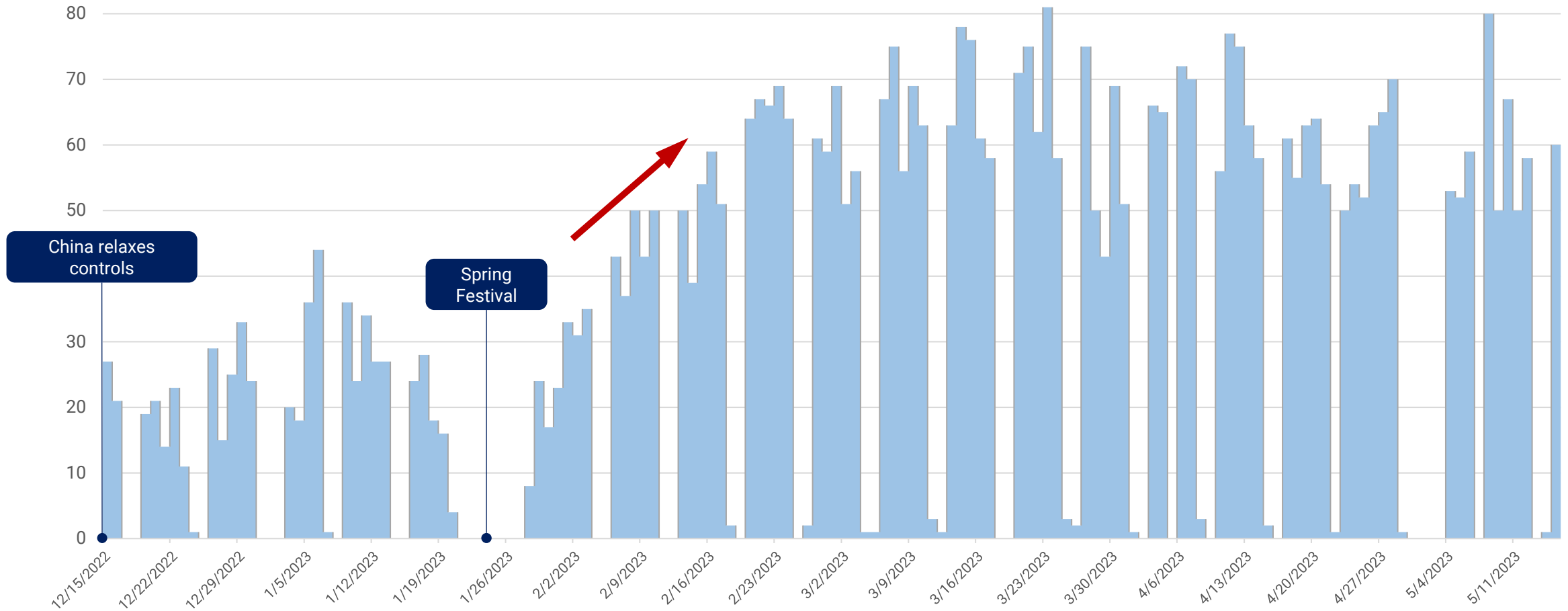


*No licences are approved during weekends and public holidays.

Source: Qichacha, 2023

DATA ANALYSIS | NEWLY ESTABLISHED AGENCIES

n=5,000



*No licences are approved during the weekends and public holidays.

Source: Qichacha, 2023

CHAPTER 3

AGENT INTERVIEW



AGENCY INTERVIEWS

Methodology

Interviews were held with agencies located in tier 1, new tier 1, and tier 2 cities namely: Beijing, Shanghai, Xi'an, Nanjing, Chengdu, Changsha, Hangzhou, Qingdao, Wuhan and Zibo.

The interviewed agencies have business in English-speaking, Asian, and European countries and promote programs including K-12, ELT, and higher education.

26% of the interviewed agencies were established in 2023 and the others were established before Covid-19 broke out.

Agency Profile

Agency size:

Large: 1
Middle: 5
Small: 9

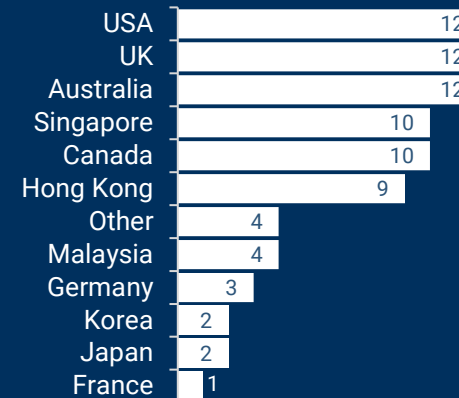
City tier agency is located:

Tier 1 city: 2
New Tier 1 city: 7
Tier 2 city: 1

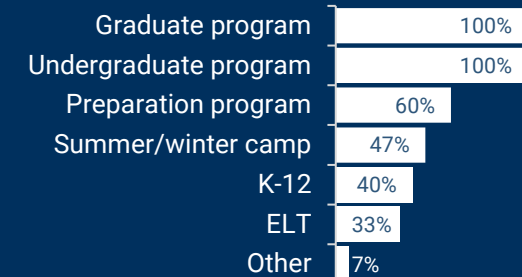
Interviewee position:

Consultant: 1
Manager: 7
CEO: 7

Destination countries:



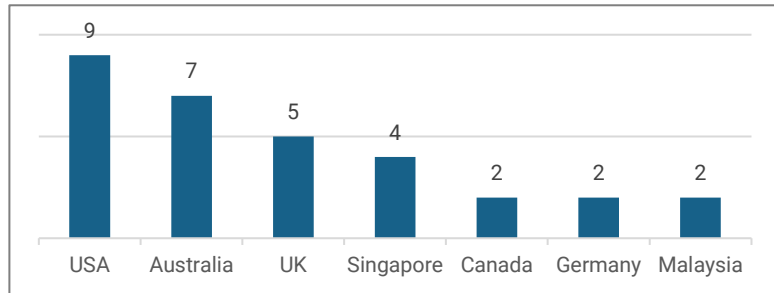
Program type:



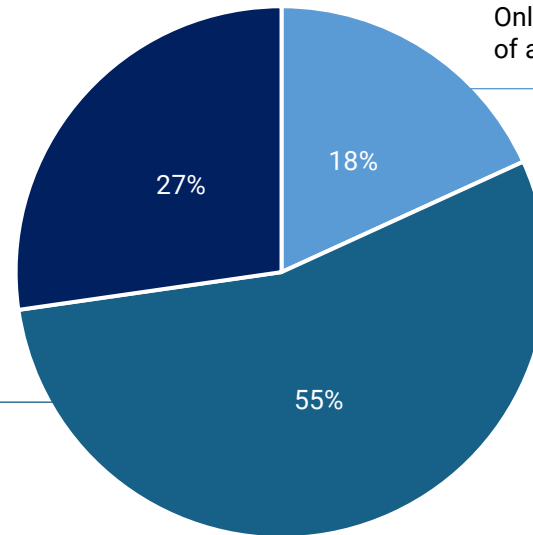
AGENT INTERVIEW

Has the number of applications changed compared with the same period last year?

n=11 (only agencies established before 2023 were asked)

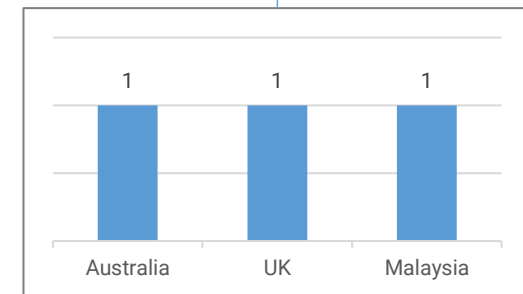


Among which, 67% of agencies say that the number of applications increased by 20%+



■ Decrease ■ Increase ■ No change

Only two agencies say that the number of applications decreased



AGENCY INTERVIEWS

Views on the study abroad market in 2024

n=15



Optimistic: 60%



Neutral: 27%



Pessimistic: 0%



Don't know: 13%

Why would you start a study abroad business in 2023?

n=4 (only agencies established in 2023 were asked)

"There is no Covid-19 control policy anymore so I see an opportunity."

"The market is recovering, and I predict it will get even better."

"Because I see opportunities in the market."

"I have established the agency in Shanghai because I see growing demand in this city."

How would you comment the current market?

n=10 (only angelicas established before 2019 were asked)

The market is recovering

"I see the market is recovering especially the number of students going to the top four English-speaking countries."

"I am quite confident that the market will recover at least to the pre-Covid level, slowly but it will."

More demand appearing in the K-12 sector

"I think K-12 will be a more popular sector in the near future, which might lead to a growth in immigration. People will want to send their kids abroad, especially after the whole Covid control thing."

Agencies are active

"I think agencies will want to explore the new market and expand their business at this stage. After a three-year lock-down, we will not hesitate to seize any opportunity to serve more students."

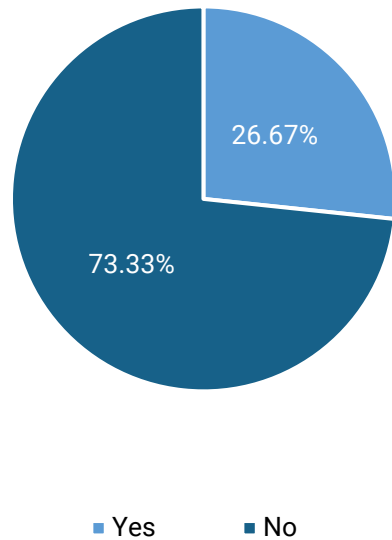
Studying abroad is becoming more popular

"I think study abroad is now being accepted by families with different economic backgrounds. I see more families considering sending their kids abroad."

AGENCY INTERVIEWS

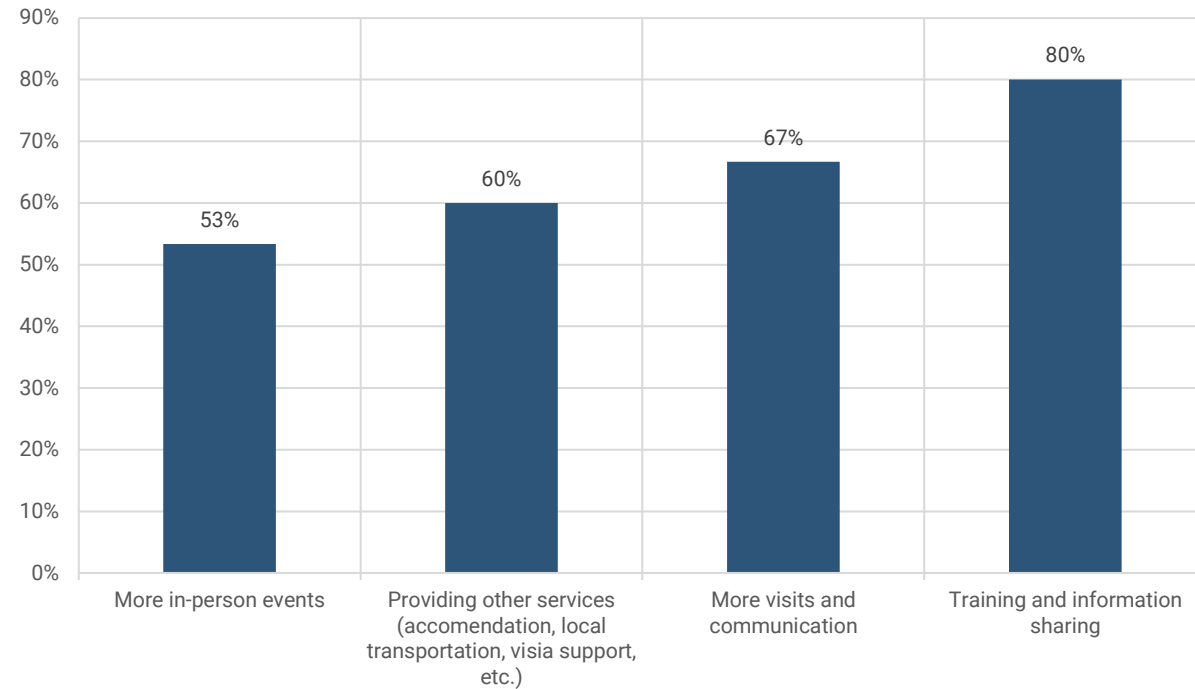
Have you participated in any B2B/B2C events in the last six months?

n=15

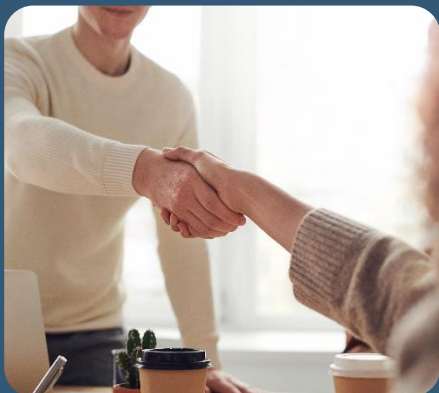


What demand do you see for overseas education in China?

n=15



- Of the 544 agencies that were actively operating in Tier 1 cities in 2022 (research sample), 62% are still active. The rest of the agencies were not reachable. Compared with 2022, there is no significant change regarding the program types promoted by agencies; however, slightly less agencies promote K-12 programs.
- When researching agency establishment trends, the number of agencies established per year grew rapidly between 2013 and 2021.
- In 2022, the number of newly established agencies decreased for the first time. However, in the first five months of 2023, the number of new entrants has reached 67% of the total number established agencies in 2022, indicating a further increase in the number of agencies to be established in H2 2023.
- Between March 2019 and December 2022, newly established agencies were predominantly distributed in Tier 1 cities and New Tier 1 cities. According to Qichacha,, 23,191 agencies were established between December 15, 2022, and May 15, 2023. The majority are located in New Tier 1 cities and two-thirds are in south China.
- When taking a deeper look at the agency establishment trend, the agencies typically decide on the timing to enter the study abroad industry based on market situation.
- Compared to the previous year, the majority of the agencies saw the number of applications increase – the most significantly for the US (an 83% increase).
- The agencies are generally optimistic about the market development in the upcoming academic year. They have noticed the recovery of the market and increasing demand for all major education sectors.



Market Strategy

Learn more about students' and parents' preferences, benchmark your performance, identify suitable cities, and base your next steps on a complex marketing and recruitment strategy.



In-country Representation

A cost-effective white label service where a dedicated staff member acts as your employee: be equipped with market intelligence, recruitment know-how, and our local management experience and partner network.



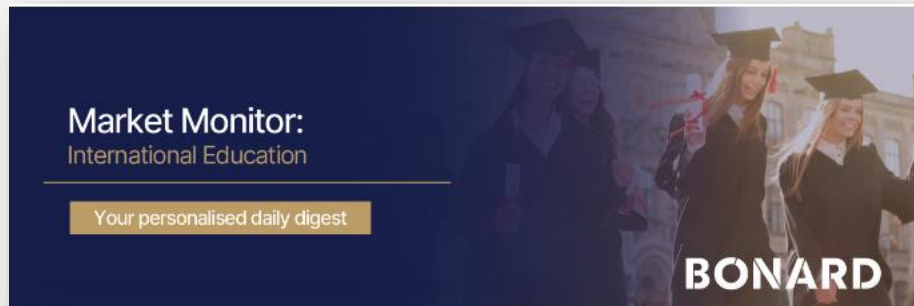
Partners Research & Introductions

Customised research aimed at finding and vetting potential partner agencies or schools based on your institution's profile and needs. Facilitation of an in-person trip or virtual meetings to engage with pre-selected partners.



Partner Events

A proven collective marketing tool for the education sector that allows schools to rapidly immerse themselves in the local source market and gives them the necessary platform to discuss commercial needs and long-term support in the market.



Market Monitor:
International Education

Your personalised daily digest

BONARD

EDITOR'S CHOICE

China and UK: Birmingham and HUST join forces in China to develop a dual degree programme
Author unknown, March 06, 2023
<https://www.birmingham.ac.uk/news/2023/birmingham-and-hust-join-forces-in-china-to-develop-a-dual-degree-programme>

- **The University of Birmingham** has joined **Huazhong University of Science and Technology** to develop dual degrees in **Pharmacy and Biomedical Sciences**. This **Joint Educational Programme** will integrate each university's excellence in these study areas and provide a high-quality learning experience for students in **China**.

Germany: Number of international students grew over 70% in the last decade
Author unknown, March 06, 2023
<https://erudera.com/news/number-of-international-students-in-germany-grew-over-70-in-the-last-decade/>

- Based on the figures of the **"Wissenschaft weltoffen 2022"** report by **DAAD** and the German Centre for Higher Education Research and Science Studies (**DZHW**), the number of international students at **German universities** during the winter semester of **2010/11 was 184,960** and went up to **324,729 in the same period** in the academic year **2020/21**, marking an increase of **5 percent**.



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