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TRADEMALTA 

Tertiary and Executive Education

An Industry Report Focusing On Business Opportunities
For Malta-based Firms in

Oman | Qingdao (China)

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Tertiary and Executive Education – An Industry Report Focusing On Business Opportunities For Maltese Firms In Markets In Oman

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2. Report Structure

Report Section		Purpose and Description
About TradeMalta & The Strategic Opportunities Reports It Is Publishing		This section provides the context within which this report and others like it are being made available to the public.
Executive Summary		This section provides an overview of the main points covered in the report while also going over the main pertinent findings, conclusions and recommendations. While not being a substitute for a full reading of the report, its intention is to be an accurate indication of what the report is about, thereby giving a good indication of whether it is worth investing the time in digesting the information that it contains.
An Overview of the International and Maltese Performance of the Tertiary & Executive Education Sector		This section of the report shall cover the performance of the general sector within which the product operates by identifying the market capitalisation of the international market and key trends. Key opportunities and challenges (economic, technological, and political), as well as important forces impeding or driving growth for the sector are expected to be identified. This section further explores the Maltese performance of the Tertiary and Executive education sector in an attempt to identify international market opportunism for the Malta-based operators.
For The 2 Geographical Markets analysed (Oman and Qingdao)	An Overview of the Education Sector	This section of the report shall cover the performance of the general sector within which the product operates by identifying key trends and growth opportunities as well as important forces impeding or driving growth for the sector are expected to be identified.
	Key Market Opportunities for Malta Based Operators	Key operational barriers in the sector are identified together with the opportunities that exist in the geographical regions studied. Both a quantitative and qualitative analysis of the opportunities involved has been undertaken. In quantitative terms, quantification of the growth of the sector, percentage of the population consuming products from the sector, types of firms operating in the sector as well as incentives offered by the country are considered. On a qualitative level, the analysis comprises an identification of the main political, economic, sociocultural and technological trends or events that might constitute an important opportunity for Malta-based operators.
	Routes to Market and Internationalise the Local Product	This section identifies and outlines a number of potential strategies that can be adopted by Malta-based service providers considering internationalisation. The aim of this section is to look at these various options, citing the pros and cons of each option for each of the 2 geographical markets studied. This section will provide the information on the basis of which local companies considering internationalisation can find their individual best route to market in each of the 2 markets studied.
	Country Weaknesses and Challenges	Having reviewed the possible opportunities for Malta-based service providers, this section will focus on the challenges that such companies might face in trying to internationalise their product.
Concluding Remarks		Having gone through a thorough analysis of the two geographical markets (for the product selected), this section will conclude by wrapping up the study, making some practical recommendations on how to internationalise in the markets selected and provide some key references should they require any further information.



3. About TradeMalta & The Strategic Opportunities Reports It Is Publishing



TradeMalta Limited was established in 2014 through a private-public partnership between the Government of Malta and the Maltese Chamber of Commerce. The primary objective of the entity is to provide support and assistance to local small and medium-sized enterprises (SMEs) seeking to explore internationalising beyond the Maltese shores. Such support comes in various forms and includes, *inter alia*, the provision of ad-hoc advisory services, the organisation of business missions in countries of interest, as well as education and training to local business owners in the fields of international business and marketing.

The global political and economic arenas are nowadays increasingly dynamic and the organisations and players therein are in a constant state of flux. Political uncertainty and upheavals, as well as instability and critical political decisions made by the world's leading economies, together with a number of emerging economies experiencing fuelling growth, are a few of the multitude of factors that continue to have an important bearing in the global business environment.

Taking calculated risks and making informed decisions has, now more than ever before, become imperative and no entity considering venturing abroad, be it through franchising, marketing to foreign markets or physically setting up shop in a foreign jurisdiction, can do so successfully without first having undertaken a thorough assessment. To this end, through TradeMalta, Maltese businesses considering internationalisation have the ability to access good-quality, well-researched, relevant and updated information on the market and sector parameters that matter most.

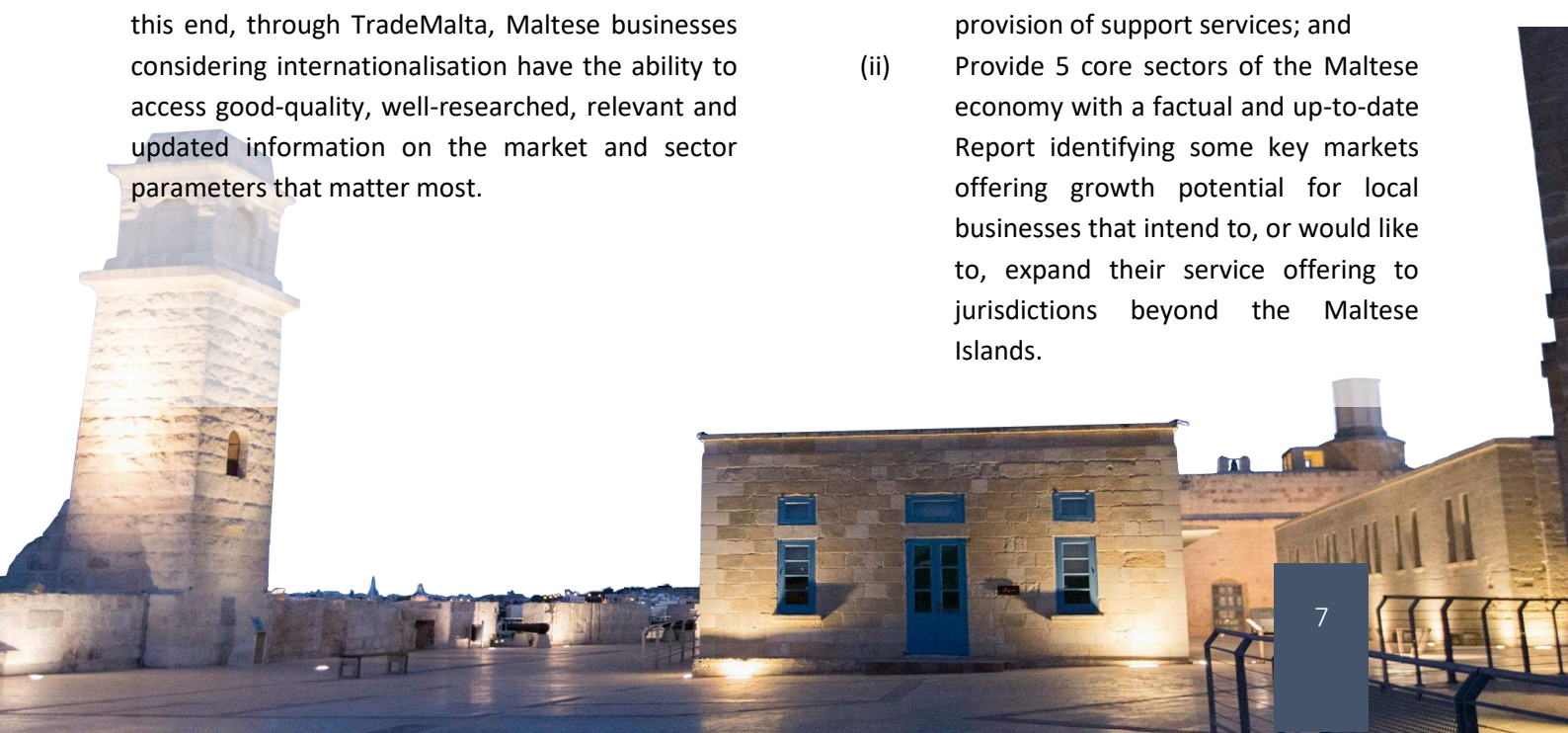
While tailor-made *ad-hoc* country reports can and should be commissioned when and where appropriate, they usually come at a considerable cost. In this milieu, Trade Malta's objective is to take on this cost itself with a view to facilitating internationalisation and trade.

It is in this context that this report and others like it are being published following the approval of the *Internationalisation Knowledge Platform* project for ERDF Funding. Through this project, TradeMalta is seeking to develop a digital platform within its new website with the key objective of providing SMEs access to relevant and updated international market and sector-specific reports for a certain number of countries and areas that TradeMalta deems to be strategically relevant to Maltese businesses.

Indeed, this is one of several initial Strategic Opportunities Reports that endeavour to analyse the key opportunities in five sectors that are deemed to be strategically important for the Maltese economy and that have shown great potential for growth.

In light of this, the Project that this report makes part of is to our understanding that the objectives of this Assignment are to:

- (i) Foster growth potential of SMEs at an international level through the provision of support services; and
- (ii) Provide 5 core sectors of the Maltese economy with a factual and up-to-date Report identifying some key markets offering growth potential for local businesses that intend to, or would like to, expand their service offering to jurisdictions beyond the Maltese Islands.





4. Executive Summary

Tertiary education, in its broadest definition, is the level of education that follows the successful completion of secondary education. This definition is very important to keep in mind as a number of reports often define tertiary education differently and thus arrive at seemingly contradictory and incompatible conclusions that are different only because the point of departure is itself different. In this report, we take the ISCED's definition of tertiary education and stick to ISCED education levels 5 to 8 in our analysis.

The term 'executive education' generally refers to academic programmes for executives and managers. Such programmes may or may not lead to credits, certificates, continuing education units, diplomas or other qualifications. For the purposes of this report, however, we have defined 'executive education' as courses that would be equivalent to levels 2 to 4 on the ISCED scale. Those targeting executives and managers that are equivalent to an ISCED level above 5 have been deemed to constitute tertiary education.

The purpose of defining executive education as distinct from traditional 'tertiary' degree programmes is due to the fact that the market and business dynamics are different, with different strategic and managerial demands on providers of this service.

As the world's youth population continues to swell and graduation rates in elementary and secondary education have increased dramatically in recent years, especially in regions like South Asia, Sub-Saharan Africa, Latin America and the Middle East and North Africa, there is an intense demand for expanded access to tertiary education.

Moreover, gaps between the education system and the labour market has created a growing demand for executive technical and vocational training. In today's world, executive education is fundamental, offering new knowledge and the enhancement of skills which most often are either not taught or not

taught as completely at tertiary level. Executive education is highly complementary to other formal education, such as tertiary education. On the other hand, this type of education can be invaluable to persons who may not have had the opportunity or means to obtain knowledge at tertiary level. Furthermore, executive education will become increasingly important with the changing nature of work, where IT skills, as well as well-rounded 'soft skills' will become vital, if not indispensable.

The need for lifelong learning is now also well-recognised, not only by professionals whose continued certification recognition mandates continued professional development, but by all persons working in a professional capacity who recognise that they need to stay on top of their game in order to be able to compete effectively within a highly competitive market.

The increasingly competitive environment in the market for tertiary and executive education has required continuous improvement of the quality assurance standards and the international criterion of countries' education systems. In any increasingly connected world, most institutions must consider internationalisation of both teaching and research, as well as international ranking visibility in order to maintain global relevance.

In this report, we look at internationalisation opportunities in two markets that are structurally very different, but which nevertheless offer significant growth opportunities for the expansion of local education service providers. In the education sector, internationalisation can take various forms. Attracting students from another market to come to study in Malta could be one of the forms. Another would be to open branches in the markets of interest. Another yet would be to partner up with service providers in the target countries who would already have established setups, but which would not currently offer what the Maltese educational sector can offer.

Oman

The Omani government's efforts to focus incentives to make basic education available to all Omanis was a success and resulted in a large increase in secondary school graduates in recent times.

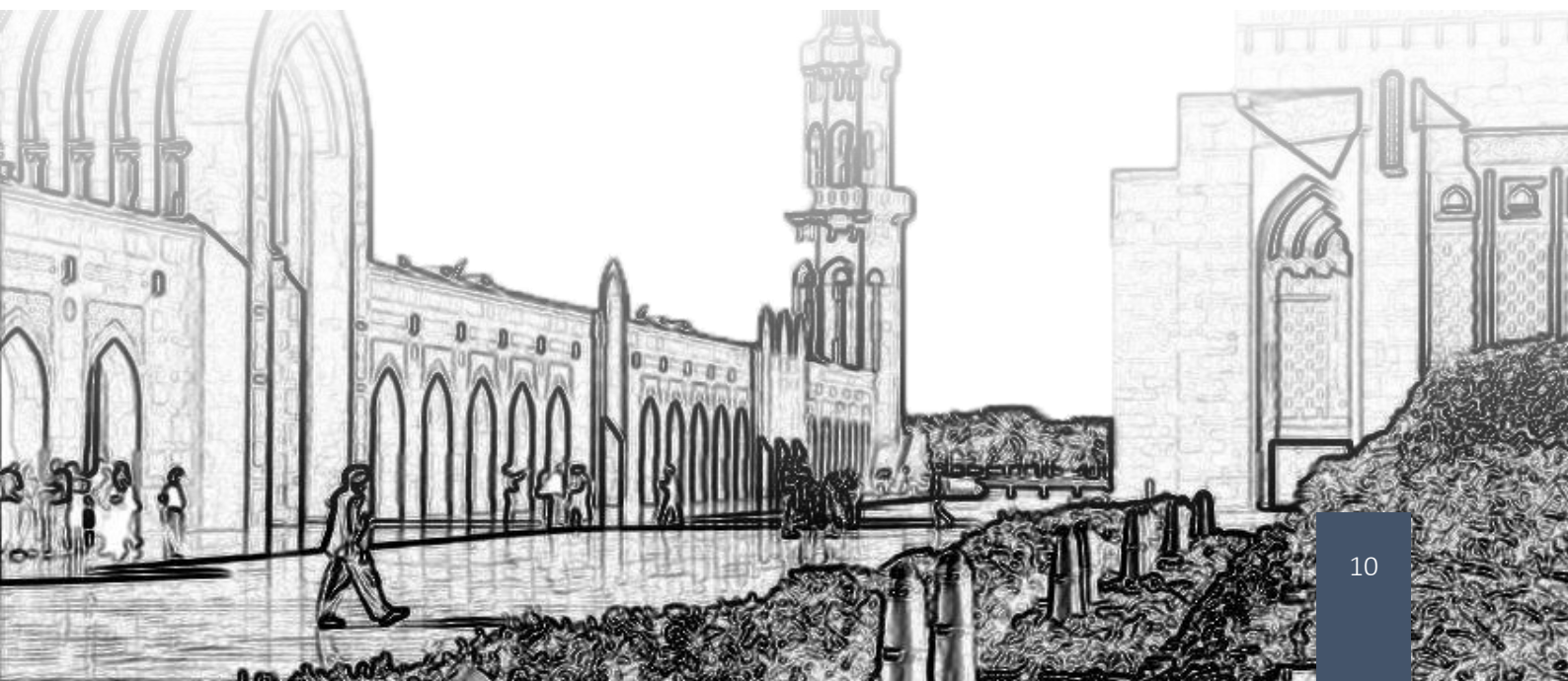
The sultanate's higher education institutions began to appear in the 1980s, starting in 1983 with the establishment of the Oman Institute of Banking, which eventually evolved into today's College of Banking and Financial Studies. Thereafter, the Teacher's College (known today as the College of Applied Sciences) and the Technical Industrial College (currently still in operation as the Higher College of Technology) were founded, and in 1986 Sultan Qaboos University, being the first and only public university in Oman, started admitting its first students.

This active and rapid expansion in the general demand for education outgrew the growth capacity of the public (state) higher education system, resulting in a huge number of secondary education leavers denied opportunities to enrol in higher education. For some time, this created a serious challenge to the government, even becoming a national concern.

In 1996, due to the increasing demand for higher education, by virtue of Royal Decree No. 41, the Omani government allowed for private colleges and institutes to be established in the country for the first time, with the intention that Omani citizens would become qualified to meet the requirements of the local labour market.

The government legalised private higher education and endorsed its development through a generous set of incentives targeting those willing to operate or invest in this field. It provided the land on which to build private universities and colleges, exempted private institutions from taxes for five years, provided them with scholarships for students from low-income families, and awarded each of the private universities' capital grants.

With a view to ensuring that this investment resulted in high-quality education, it was required that all Omani private institutions be affiliated with recognised foreign universities, also employing foreigners with the aims of transferring knowledge from abroad, amplifying the local knowledge base and experiencing the education system.



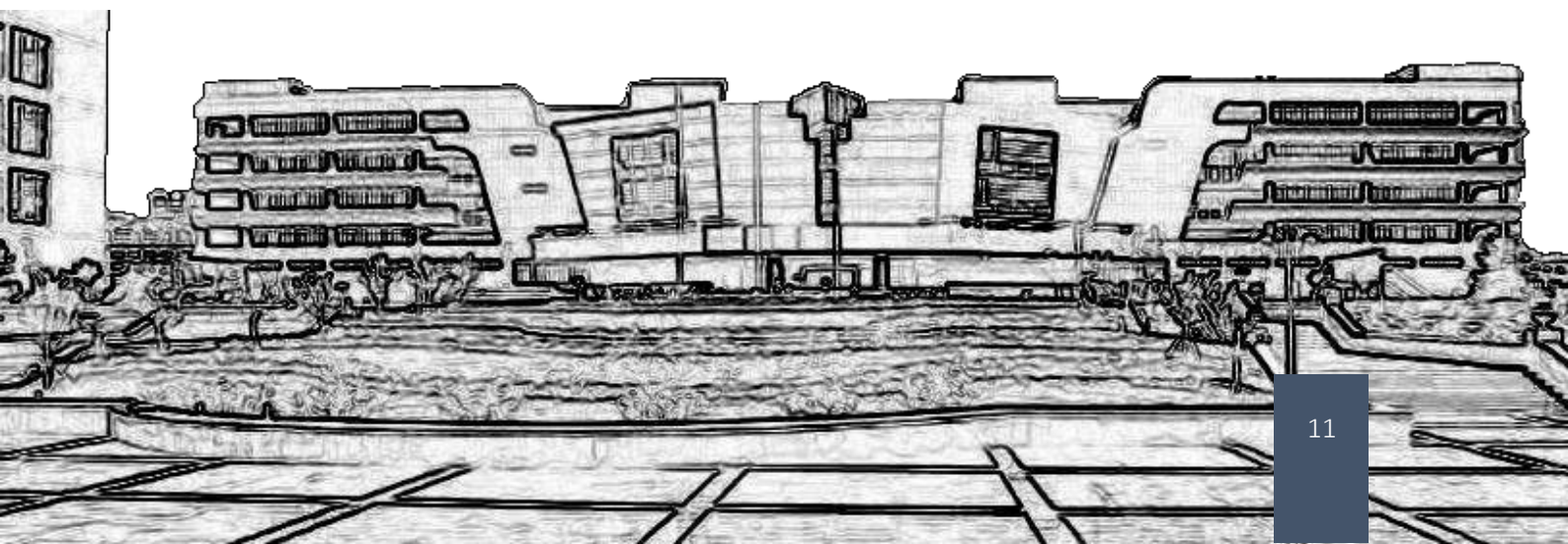
Qingdao (China)

At the time when China adopted its open-door policy in 1978, there were only around 400 higher learning institutions in the country, with a gross enrolment rate of only 1.56%. After nearly 40 years of development, Chinese tertiary education has become quite different. The “paradigm shift” away from an exclusive system to elite and toward mass access was significant. Today, the Chinese tertiary education environment consists of regular (public) higher education, adult higher education, Minban (private-like) higher education, independent (private-like) colleges and universities, and self-study programmes provided by distance education universities.

In January 2017 China’s State Council issued the Thirteenth Five Year Plan on Education, outlining major objectives and targets for the education sector over the period 2016-2020, including the enhancement of international cooperation. By the end of 2020, China aims to have strengthened and modernised its education system, and to be in a position to play a more influential role internationally in education. Life-long learning will be supported with faster development of online and distance education, vocational and continuing education to help meet the growing demand for a more educated and skilled workforce.

Qingdao, set along China’s Eastern coast, is one of the largest cities in Shandong Province and one of the most important and influential cities in Eastern China. The city has in the past years seen an increased investment by private institutions which have sought to fill in the gaps of the education system by providing a number of services to the local population. This investment, also supported by the Government, allowed more students who could not meet the admission criteria of more well-established public universities, to enrol in private institutions to receive higher (tertiary) education. The privatization of education has however forced citizens to bear more financial responsibilities on their own in receiving education, which relieved the government from financial stress to a certain extent.

Qingdao, unlike other parts of China, has been receiving worldwide attention from the finance sector, thanks to The Qingdao Wealth Management Financial Comprehensive Reform Pilot Zone. The project, which started in 2014, was aimed to bring Qingdao as one of the main financial hubs of the country. This in itself brought significant investment towards the education system infrastructure, in an attempt to meet the market’s demand for qualified labour. Foreign institutions have taken a fancy to Qingdao as they see tremendous prospects in the city's financial sector due to the city's geographic advantages, strong industrial foundation, government support and preferential economic policies.





5. An Overview Of The International & Local Performance Of The Tertiary & Executive Education Sectors



5.1 Tertiary Education



5.1.1 Defining Tertiary Education

Tertiary education, broadly defined, is the level of education that follows the successful completion of secondary education. Secondary education generally commences after around six years of primary education and comprises two levels: 'lower secondary education', being the second and final phase of basic education, and 'upper secondary education', being the stage before tertiary education.

Any education following this secondary phase would therefore be considered, in accordance with the broad definition above, as tertiary education. For the purposes of this report, however, we shall consider 'tertiary education' as defined in the International Standard Classification of Education scale (ISCED) ¹, which makes a distinction between post-secondary non-tertiary education and tertiary education: the former being referred to as ISCED level 4 Programmes, and the latter being referred to as ISCED level 5, 6, 7 and 8. The following qualification is provided: "Tertiary education builds on secondary education, providing learning activities in specialised fields of education. It aims at learning at a high level of complexity and specialisation. Tertiary education includes what is commonly understood as academic education but also includes advanced vocational or professional education. It comprises ISCED levels 5, 6, 7 and 8, which are labelled as short-cycle tertiary education, Bachelor's or equivalent level, Master's or equivalent level, and doctoral or equivalent level, respectively. The content of programmes at the tertiary level is more complex and advanced than in lower ISCED levels" ². In order to identify the lower end of the bracket within this definition, it is useful to understand that "ISCED level 5 has a minimum duration of two years and is typically (but not always) shorter than three years. For education systems with modular programmes where qualifications are awarded by credit accumulation, a comparable amount of time and intensity would be required" ³.

5.1.2 The Importance of Tertiary Education

As the World Bank avers, the importance of tertiary education is "instrumental in fostering growth, reducing poverty and boosting shared prosperity. A highly-skilled workforce, with a solid post-secondary education, is a prerequisite for innovation and growth: well- educated people are more employable, earn higher wages, and cope with economic shocks better. Higher education benefits not just the individual, but also society at large. Graduates of higher education are more environmentally-conscious, have healthier habits, and have a higher level of civic participation. Moreover, it is commonly acknowledged that increased tax revenues from higher earnings, healthier children, and

¹ UNESCO International Classification of Education.

² Ibid.

³ Ibid.

reduced family size all build stronger nations. In short, higher education institutions prepare individuals not only by providing them with adequate and relevant job skills, but also by preparing them to be active members of their communities and societies. The economic returns for higher education graduates are the highest in the entire educational system — an estimated 17 percent increase in earnings as compared with 10 percent for primary and 7 percent for secondary education. Today, there are around 200 million higher education students in the world, up from 89 million in 1998. In Latin America and the Caribbean, for example, the number of students in higher education programmes has nearly doubled in the past decade. This is critical because, according to a World Bank Group (WBG) report, a student with a higher education degree in the region will earn more than twice as much as a student with just a high school diploma.

As the world's youth population continues to swell and graduation rates in elementary and secondary education have increased dramatically in recent years, especially in regions like South Asia, Sub-Saharan Africa, Latin America and the Middle East and North Africa, there is an intense demand for expanded access to tertiary education. Technical and vocational education and training can provide students with skills and knowledge relevant to the labour market. This massive growth is expected to continue, making higher education a critical public policy issue”⁴.

Furthermore, the World Bank's World Development Report 2019, entitled “The Changing Nature of Work”, also makes the point that with new disruptive technologies and the increasing role of technology in value chains, tertiary education becomes even more relevant for workers to find a place in the labour market. The report states that the changing nature of work makes tertiary education more attractive in three ways. First, technology and integration have increased the demand for higher-order general cognitive skills – such as complex problem-solving, critical thinking, and advanced communication – that are transferable across jobs but cannot be acquired through schooling alone. The rising demand for these skills has enhanced the wage premiums of tertiary graduates, while reducing the demand for less educated workers. Second, tertiary education increases the demand for lifelong learning. Workers are expected to have multiple careers, not just multiple jobs over their lifetime. Tertiary education – with its wide array of course offerings and flexible delivery models such as online learning and open universities – meets this growing demand. Third, tertiary education – especially universities – becomes more attractive in the changing world of work by serving as a platform for innovation. The relevance of tertiary education systems for the future of work depends on how well they deliver on these three fronts. Increasingly, skills acquisition is a continuum, not a finite, unchangeable path.” Furthermore, close collaboration between industry and vocational education also plays a role. In China, Lenovo is working with tertiary education institutes to train vocational students in high-tech areas, such as cloud computing, that feature practice-based curricula, practitioner-led instruction, and professional certification. All these points make tertiary education increasingly vital.

⁴ <https://www.worldbank.org/en/topic/tertiaryeducation>

5.1.3 Global performance of the market for Tertiary Education

The competitive environment in the market for tertiary education has required continuous improvement of the quality assurance standards and the international criteria of countries' education systems. In an increasingly connected world, most tertiary institutions must consider internationalisation of both teaching and research, in order to maintain global relevance. This is clearly identified in the British Council's report entitled: *The Shape of Things to Come: higher education global trends and emerging opportunities to 2020*⁵, which provides an analysis of prevailing trends that are shaping higher education globally. It also attempts to determine how the sector will develop over the next decade, identifying the most significant emerging markets for international students and the fastest growing education systems, as well as predicting which countries' systems will be most open for international collaboration in teaching and research. The report draws on the relationships between Gross Domestic Product (GDP) growth and tertiary education enrolments, which are especially relevant for emerging economies with a GDP per capita less than US\$10,000 (€ 8,850) where a small increase in the GDP contributes to a significant rise in the enrolment rate.

This report states that "[t]he fast-paced growth in global tertiary enrolments and mobile students has followed closely world trade growth and far outpaced world GDP growth over the past 20 years. Increasingly, this expansion is being seen by governments as a means to deliver on national priorities and contribute to economic growth. To arrive at an accurate forecast on international student flows, particular attention has been paid to global tertiary enrolments and their projected growth to 2020. In addition, countries' outward and inward student mobility ratios have been studied to establish how many students from each sending country will study abroad and determine the respective study destinations. Global tertiary enrolments reached 170 million in 2009 (UNESCO Institute for Statistics, referred to hereafter as UIS). Four countries alone – China, India, US and Russia – have a combined share of 45 per cent of total global tertiary enrolments. Other emerging economies with significant numbers of tertiary enrolments include Brazil (6.2 million), Indonesia (4.9 million), Iran (3.4 million), South Korea (3.3 million) and Turkey (3.0 million).

A key feature of the global tertiary education sector has been the growth in internationally mobile students. Their number has risen from 800,000 in the mid-1970s to over 3.5 million in 2009. However, the global average outbound mobility ratio (mobile tertiary students divided by total tertiary enrolments) has remained remarkably stable from the early 1990s onwards at just over two per cent per annum, reflecting a stable 'propensity' to study abroad amongst the tertiary age cohort.

Outbound mobility ratios vary significantly across countries. According to UIS data, the distribution of destination countries for mobile tertiary students is concentrated in the US, UK, Australia, France, Germany, Russia, Japan and Canada. Together these countries account for 60 per cent of total international students. Other countries play an important and increasingly large destination role at regional level: South Africa (Sub-Saharan Africa); Singapore, Hong Kong and Malaysia (South East Asia); and South Korea (North East Asia)."

⁵ British Council: *The Shape of Things to Come: higher education global trends and emerging opportunities to 2020* (Going Global 2012).

The same report points towards transnational education (TNE) programmes and collaborative research partnerships becoming increasingly popular. TNE programmes are those where the learners are located in a country different from the one where the awarding institution is based.⁶

In relation to global tertiary enrolments, the report forecasts that these are to grow by 21 million by 2020, or 1.4 per cent per year on average. The report expects that by 2020, China, India, US and Brazil will account for more than half of the world's tertiary enrolments. Moreover, while Indonesia, Turkey and Nigeria will become more significant, Russia, Iran and South Korea will become less so.

Tertiary enrolments – 170 million globally in 2009, with just four countries (China, India, US and Russia) accounting for 45 per cent of the total; growth has averaged five per cent per annum (the world's 18–22 age population over the same period grew by one per cent per annum, implying a significant rise in the global gross tertiary enrolment ratio).

International student mobility – 3.5 million mobile students in 2009, up from 800,000 in the mid-1970s; global tertiary mobility rate stable at two per cent since early 1990s; major countries where inbound mobile students exceed outbound mobile students are the US, UK, Australia, France, Germany, Japan, Russia, South Africa and Canada; major countries where outbound mobile students exceed inbound mobile students are China, India, South Korea, Kazakhstan, Turkey, Morocco and Vietnam.

TNE – globally some 200 branch campuses now exist around the world, serving around 120,000 students, with 37 more set to open by 2013; UAE remains the most popular host country (with 37 campuses), and the US by far the most popular source (accounting for 78 campuses worldwide); more than 500,000 students in 2010–11 studying entirely overseas for a degree delivered in full or in part by a UK institution.

Academic international research collaboration – largest producers of collaborative research articles in 2010 are the US (143,000 in 2010), UK (62,000), Germany (58,000) and China (47,000); international collaboration rate is highest in Switzerland (62 per cent).

Business international research collaboration – rates of joint-working on research and development (R and D) between large companies and universities are highest in Finland, at 70 per cent (compared to 25 per cent in the UK).

Source: The shape of things to come: higher education global trends and emerging opportunities to 2020, British Council

The same report, and several others that have followed, also anticipate that by 2020, international students will continue to gravitate towards the US, UK, Australia, Canada, Germany, France and Japan. Additionally, a shift from high to low tuition fee countries, as well as the possibility that, due to an increase of postgraduate courses being taught in English, even in non-English speaking European countries, such countries may see an increase in students (for example from countries such as India, Pakistan and Nigeria to countries such as the Netherlands, Scandinavian and Baltic countries, Germany and France).

Another significant factor identified by several reports is the volume of global research output that will increasingly be dominated by a few large countries, including the US, Germany, Japan, China and the UK. Rates of international research collaboration are much lower in the US and China than in smaller, more economically interdependent countries such as Switzerland and

the Netherlands. But volume dictates that the majority of future research collaboration opportunities up to 2020 and beyond will continue to come from the major players such as the US and China.

⁶ Council of Europe (2002). 'Code of Good Practice in the Provision of Transnational Education' Directorate General IV. DGIV/EDU/HE (2002) 8

The following tables and charts, also taken from the British Council report, provide the most reliable and credible additional information on global trends and statistics in the tertiary education market that we were able to come across in our research.

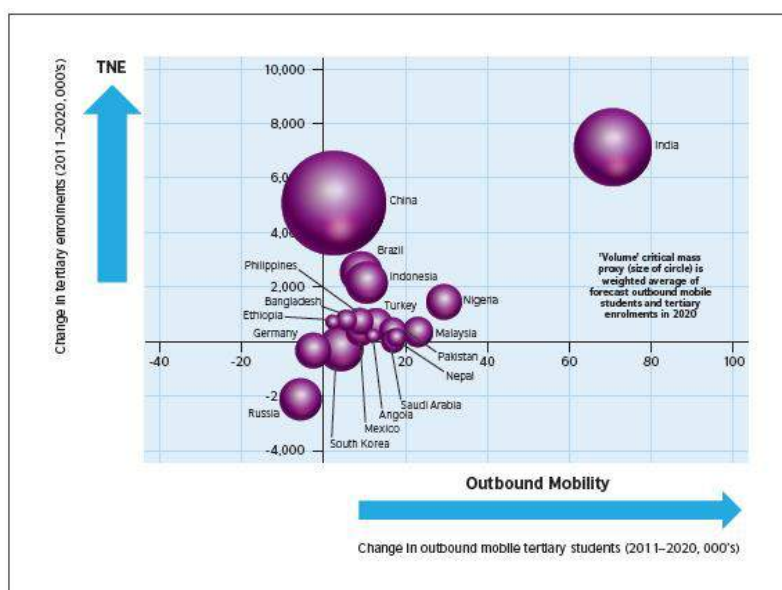


Figure 1: Future higher education opportunities for global engagement – major countries (2020)
Source: Oxford Economics (As quoted by the British Council)

Future higher education opportunities for global engagement – top country listings (2020)

Rank	Domestic tertiary education system		International student mobility – outbound		International student mobility – inbound	
	Size	Growth	Size	Growth	Size	Growth
	2020	Next decade	2020	Next decade	2020	Next decade
1	China	India	China	India	US	Australia
2	India	China	India	Nigeria	UK	UK
3	US	Brazil	South Korea	Malaysia	Australia	US
4	Brazil	Indonesia	Germany	Nepal	Canada	Canada
5	Indonesia	Nigeria	Turkey	Pakistan	Germany	See point b
6	Russia	Philippines	Malaysia	Saudi Arabia	France	
7	Japan	Bangladesh	Nigeria	Turkey	Japan	
8	Turkey	Turkey	Kazakhstan	Iraq	Russia	
9	Iran	Ethiopia	France	Zimbabwe	See point a	
10	Nigeria	Mexico	US	Angola		

Source: British Council

Table 1: Summary of future higher education opportunities for global engagement (2020)

International tertiary education opportunity	Future opportunities
International student mobility	• Largest outbound mobile student flows by origin (2020): China (585k), India (296k), South Korea(134k), Germany (100k), Turkey (84k), Malaysia (82k), Nigeria (67k) • Fastest growing (absolute) outbound mobile student flows (next decade): India (71k), Nigeria(30k), Malaysia (22k), Nepal (17k), Pakistan (17k), Saudi Arabia (16k), Turkey (13k) • Largest inbound mobile student flows by destination (2020): US (582k), UK (331k), Australia(277k), Canada (176k), Germany (155k) – China and Malaysia are also likely to feature here • Fastest growing (absolute) inbound mobile student flows (next decade): Australia (51k), UK (28k), US (27k), Canada (23k) – again China will surely feature here • Major bilateral mobile student flows (2020): India to US (118k), China to US (101k), China to Australia (93k), South Korea to US (81k), China to Japan (64k), India to UK (59k) – flows to China, and possibly India also • Fastest growing (absolute) bilateral mobile student flows (next decade): India to UK (20k), India to US (19k), China to Australia (17k), Nigeria to UK (14k), India to Australia (11k) – flows to China, and possibly India also • Fastest declining (absolute) bilateral mobile student flows (next decade): China to Japan (-14k), Japan to US (-8k), China to US (-8k), China to UK (-7k), Kazakhstan to Russia (-5k), Greece to UK (-4k) – the impact of China’s aggressive pursuit of international students could well lead to some well-established bilateral flows declining
Size and growth of domestic tertiary education systems	• Largest tertiary enrolment levels (2020): China (37.4m), India (27.8m), US (20.0m), Brazil (9.2m), Indonesia (7.7m), Russia (6.3m), Japan (3.8m), Turkey (3.8m), Iran (3.8m), Nigeria (3.6m) • Fastest growing (absolute) tertiary enrolment growth (next decade): India (7.1m), China (5.1m), Brazil (2.6m), Indonesia (2.3m), Nigeria (1.4m), Philippines (0.7m), Bangladesh (0.7m), Turkey (0.7m), Ethiopia (0.6m) – growth in certain markets could be larger still if ambitious international student recruitment targets are met • Largest falls in outbound mobile students (next decade): Japan (-10k), Greece (-10k), Poland (-8k), Singapore (-6k), Russia (-6k), Germany (-2k) – China is one to watch here given its demographic outlook and ambitious domestic tertiary sector expansion plans
TNE	• Dual and joint degrees: China, US, France, India, Germany • Franchising and validation: Asia, Latin America, possibly Africa (Nigeria) • Branch campuses: Far East, possibly Middle East • Online: Gulf countries, Asia, possibly Scandinavia

Academic international research collaboration	• Largest growth in research output: Volume growth to be driven by collaborations involving US and Chinese institutions • Highest collaboration rates: Research collaboration rates are higher in many smaller countries, such as Switzerland and Belgium (50–70%); they are lower in China (around 15%). Overall opportunity for collaboration depends on both the volume of research and propensity to collaborate • Highest average citation impacts: Switzerland, Netherlands, Denmark and US – collaborating with these countries in theory should help to maintain and increase research average citation impacts • Three core opportunity groups: Specifically for the UK, future growth in collaborations likely to be with (i) the US and other established high volume research leaders (Germany, France, Italy, Canada, Australia); (ii) high average citation impact leaders (also Switzerland, Netherlands, Denmark) and niche opportunities in smaller, technology-intensive countries such as the Nordic countries, Switzerland and Israel; and (iii) a chance to tap into rapid research output growth in key emerging markets, most notably China but also Malaysia, Iran, Saudi Arabia, India and Qatar
Business international research collaboration	• Large companies: Growth in collaboration opportunities with multinationals; large US, European, Chinese, Indian and Latin American companies; niche opportunities in research and technology-intensive countries e.g. Israel, Switzerland, learn from approach in Nordic countries, Netherlands. Opportunities in countries with high tertiary sector-large firm innovation collaboration rates (e.g. Finland, Sweden) and unexploited opportunities in countries with low tertiary sector-large firm innovation collaboration rates (e.g. Brazil, UK, Spain, Italy) • Smaller companies: Further growth opportunities in small and medium enterprises (SME) collaboration rates for research and development (R and D), focused on niche, high-value technology areas and/or links to multinational supply chains. Opportunities in countries with high tertiary sector-SME innovation collaboration rates (e.g. Finland, Belgium, UK) and unexploited opportunities in countries with low tertiary sector-SME innovation collaboration rates (e.g. Brazil, Italy) • Leading countries in internationally-filed patent application: Japan, US, South Korea and in volume terms, China and India • Innovation: Continuing promotion of open innovation models, with fluid collaboration between business and the higher education sector

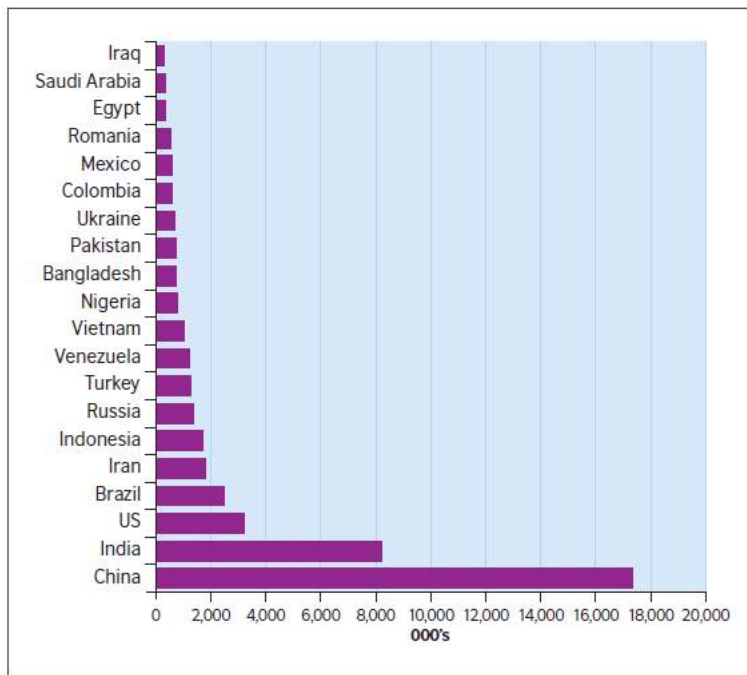


Figure 2: Tertiary enrolment growth (2002–2009, 000's)

Source: UNESCO, Oxford Economics (As quoted by the British Council)

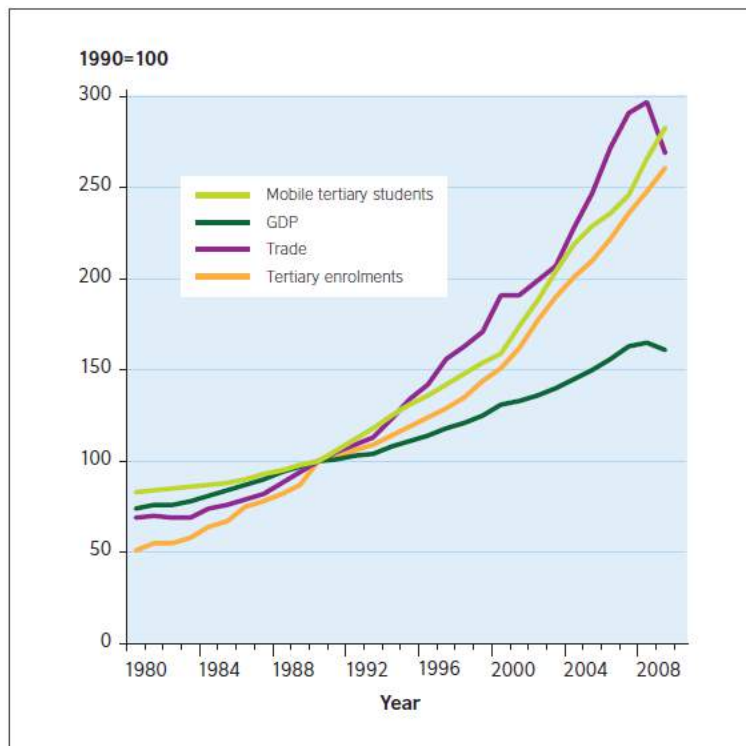


Figure 3: Global tertiary enrolments and mobile students and global GDP and trade (1980–2009)

Source: UNESCO, OECD, Oxford Economics (As quoted by the British Council)

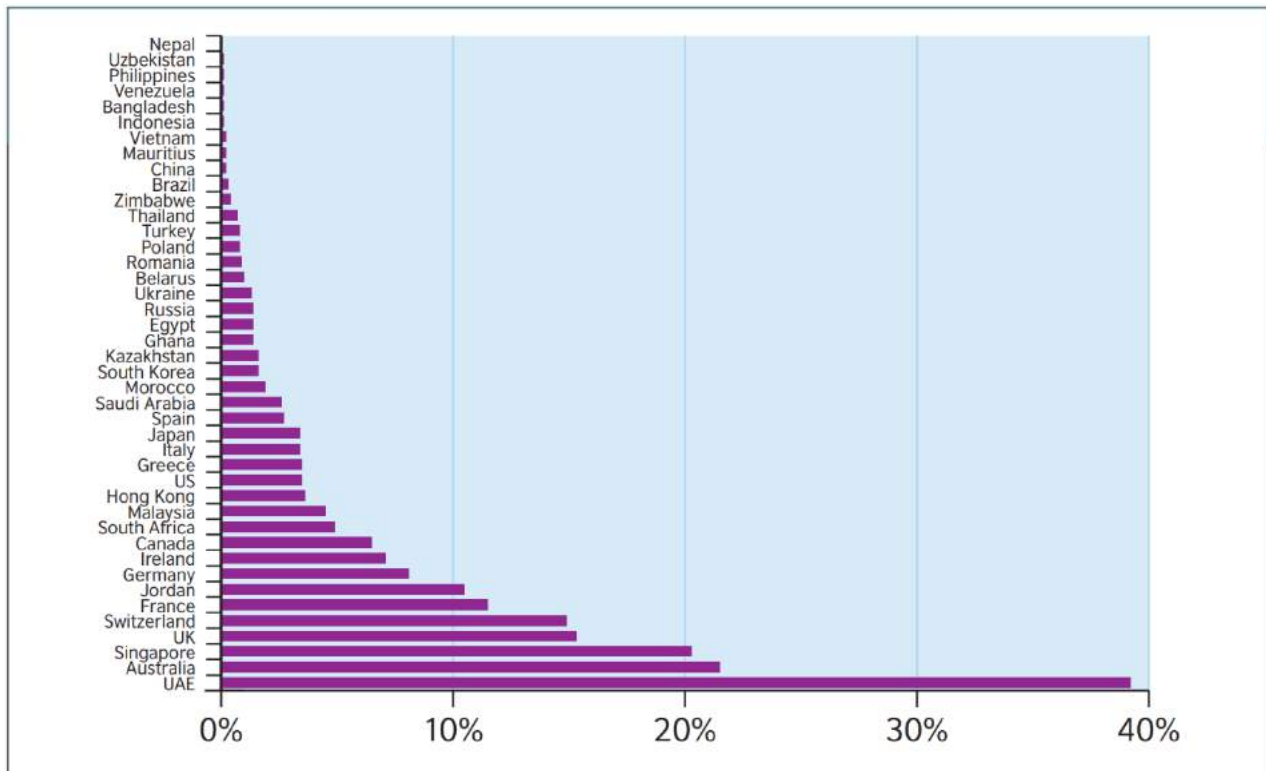


Figure 4: Global tertiary inbound mobility ratio by destination market (2009)
Source: UNESCO, Oxford Economics (As quoted by the British Council)

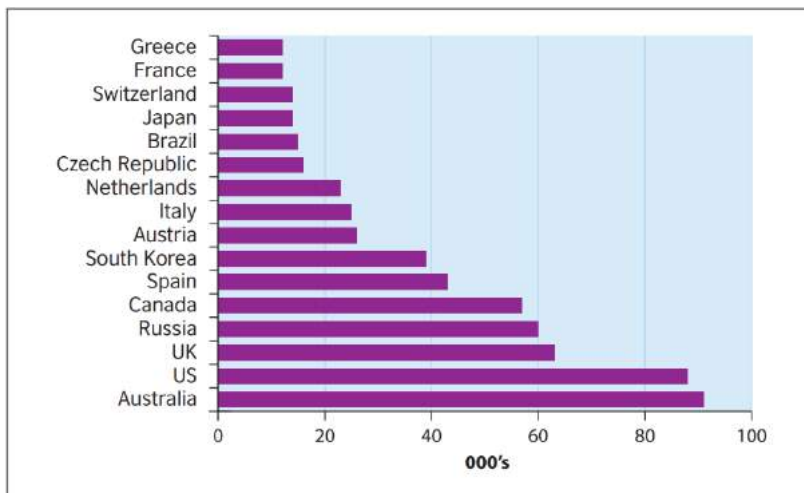


Figure 5: Global inbound mobile tertiary students by destination market growth (2004–09)
Source: UNESCO, Oxford Economics (As quoted by the British Council)

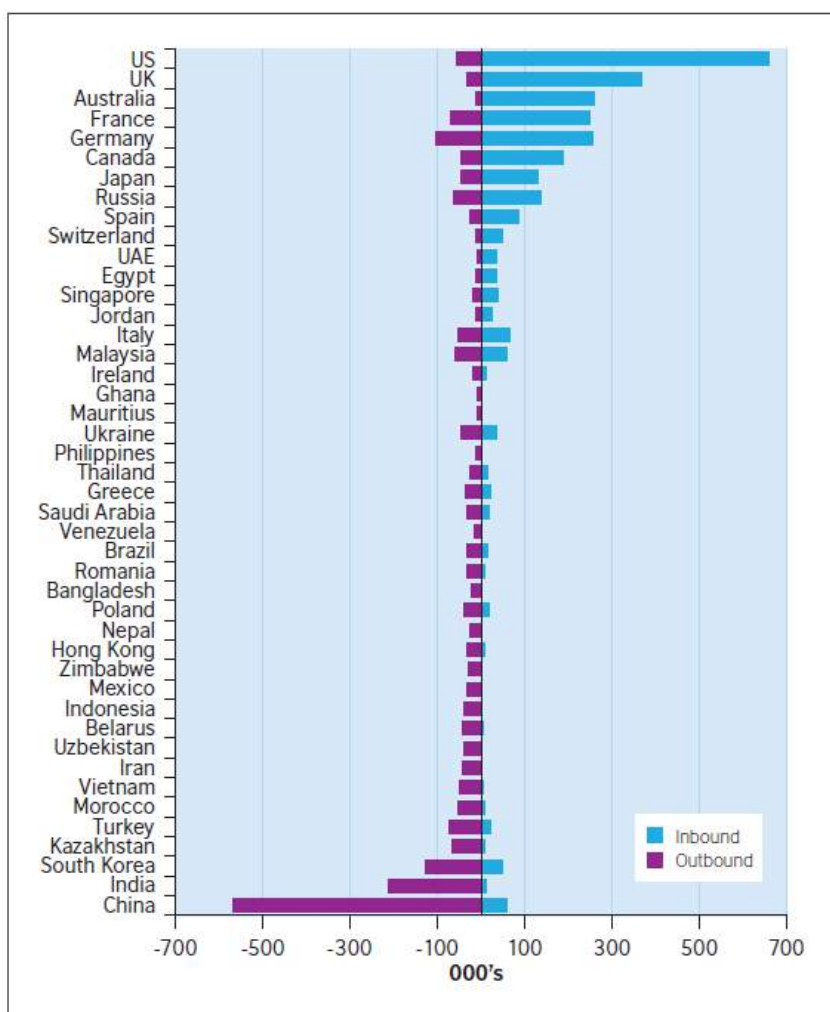


Figure 6: Global inbound mobile tertiary students by destination market growth (2004–09)
Source: UNESCO, Oxford Economics (As quoted by the British Council)

5.1.4 Local performance of the market for Tertiary Education

5.1.4.1 Defining Tertiary Education in Malta

Earlier in this report, we stated that we shall be using the ISCED definition for 'tertiary education'. Making use of the same definition within the Maltese context will mean understanding the equivalent of ISCED levels 5, 6, 7 and 8 under the Maltese Qualifications Framework (MQF). This mapping exercise has been carried out by the National Commission for Further and Higher Education (NCFHE) as follows; thus, when talking about 'tertiary education' in Malta our reference is to education leading to qualifications at MQF Levels 5 through to 8.

Malta Qualifications Framework			ISCED 2011
8	Doctoral Degree	8	ISCED 8 Doctoral Degree/PhD or equivalent
7	Master's Degree Postgraduate Diploma Postgraduate Certificate	7	ISCED 7 Master's Degree or equivalent
6	Bachelor's Degree	6	ISCED 6 Bachelor's Degree or equivalent
5	Undergraduate Diploma Undergraduate Certificate Higher Education Certificate	5	ISCED 5 Short-cycle tertiary education

5.1.4.2 The National Commission for Further and Higher Education (NCFHE) and the Malta Qualifications Recognition and Information Centre

The NCFHE was established by means of subsidiary legislation to the Education Act (Chapter 327 of the Laws of Malta) to advise the Maltese Government on the sustainable development of the further and higher education sectors. These regulations (SL 327.433 on Licensing, Accreditation and Quality Assurance) make NCFHE responsible for licensing, accreditation and quality assurance for further and higher education institutions in Malta and endorse the 2012 European Regulations for Further and Higher Education, including the European Standards for Guidelines and Quality Assurance in the Higher Education Area and the European Quality Assurance Reference Framework for Vocational Education and Training (EQAVET).

The NCFHE has strengthened quality assurance in Malta through the establishment of the National Quality Assurance Framework for Further and Higher Education ⁷, which was launched in July 2015. Through this framework, the NCFHE supports accredited and prospective Further and Higher education institutions in Malta by providing guidance on areas that are considered important to ensure a quality learning environment in further and higher education.

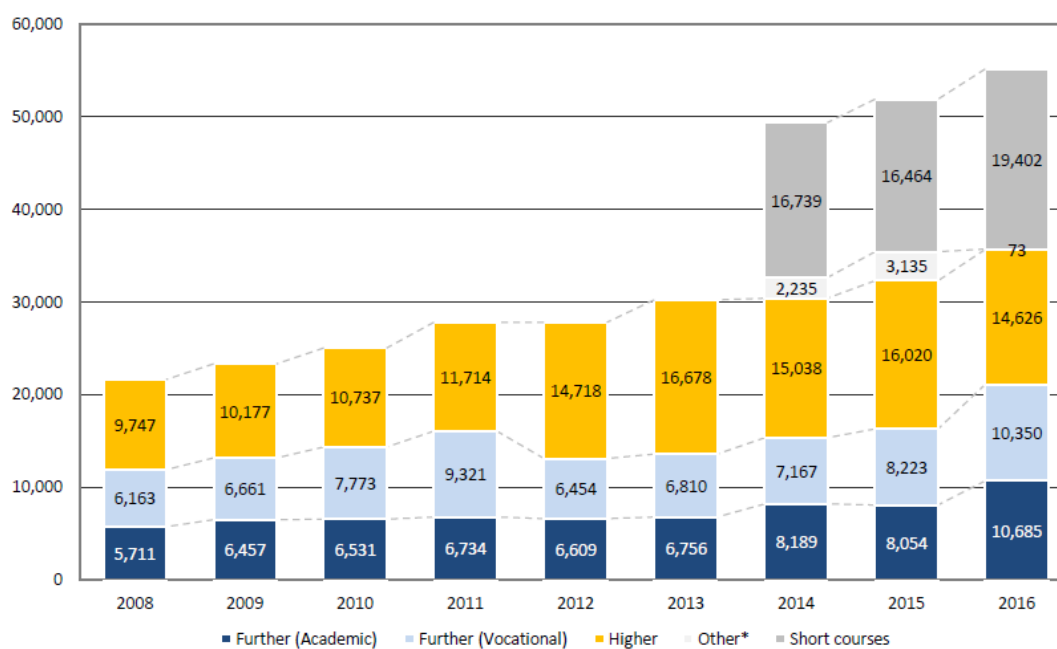
The Malta Qualifications Recognition and Information Centre (MQRIC) is the competent body within the National Commission for Further and Higher Education (NCFHE) that recognises qualifications against the Malta Qualifications Framework. It provides recognition and comparability of both academic and vocational qualifications, using both the Malta Qualifications Framework and the European Qualifications Framework (EQF) to provide recognition advice on both local and international qualifications. It also assists in the recognition of Maltese qualifications abroad. MQRIC is also the local official ENIC-NARIC centre in Malta and forms part of the ENIC-NARIC Network.

⁷ <https://ncfhe.gov.mt/en/>

The NCFHE compiles information about further and higher education in Malta on a yearly basis, to identify trends and formulate recommendations. The latest report available is based on statistics from the years 2015-2016⁸, from which the following information can be retrieved:

- During the academic year 2015/2016 compared to previous years there was a slight decline for enrolments in Further and Higher Education on a full-time basis. Females make up the majority of students in Higher Education (55%) but their share decreases consistently from MQF level 5 to MQF level 8, with males dominating at MQF level 8 (56%). Students enrolled in programmes at MQF level 6 and 7 generally follow programmes on a full-time basis, while students in programmes at MQF level 5 and 8 are often studying on a part-time basis. Programmes in Health and Welfare and Education tend to be chosen more by females, while courses in Engineering, manufacturing and construction, as well as Information and Communication Technologies tend to be chosen more by males.
- In terms of foreign students, the report does not differentiate between types of post-secondary education, therefore statistics provided comprise Further Education, Higher Education and Short courses. It appears that private education providers generally report a higher share of foreign graduates (11.3%) than public education providers (5.2%), with the share of foreign graduates in Higher Education being 6.1%. Foreign graduates have most often completed programmes in the Social sciences (14.7%), Health and Welfare (14.0%), Natural sciences (13.2%), Services (11.5%) and Arts and humanities (11.4%). This is illustrated in Figure 35 and Table 36. The largest share of foreign graduates are nationals from the Philippines (11.6%), United Kingdom (9.5%) and Italy (7.2%).
- It is also very clear that all categories of further and higher education in Malta are consistently growing and have historically done so with the exception of 2012.

⁸ <https://ncfhe.gov.mt/en/research/>



* 'Other' refers to programmes by non-licensed education providers or programmes not accredited locally by the NCFHE

Figure 7: total Student Population following Further and Higher Education in Malta 2008-2016

Source: NCFHE

Table 2: Student population in Higher Education by student status and MQF level for 2016 (in %)

	Full-time		Part-time		Total	
	Count	%	Count	%	Count	%
MQF level 5	943	30%	2,243	70%	3,186	100%
MQF level 6	6,815	88%	895	12%	7,710	100%
MQF level 7	2,034	57%	1,552	43%	3,586	100%
MQF level 8	56	39%	88	61%	144	100%
Total	9,848	67%	4,778	33%	14,626	100%

Source: NCFHE

Table 3: Student population in Higher Education by field of study 2008-2016

	Academic year 2007/2008	Academic year 2008/2009	Academic year 2009/2010	Academic year 2010/2011	Academic year 2011/2012	Academic year 2012/2013	Academic year 2013/2014	Academic year 2015/2016	Academic year 2015/2016
Education	1,482	1,507	1,460	1,556	1,766	1,457	1,264	1,580	1,681
Humanities and Arts	1,530	1,611	1,664	1,637	2,083	1,876	2,037	1,716	1,541
Social Sciences, Business and Law	3,543	3,591	3,953	4,408	5,359	7,648	5,774	6,445	5,643
Science	903	1,072	1,151	1,130	1,585	1,980	1,807	1,977	1,540
Engineering, Manufacturing Construction	786	777	813	805	858	1,110	1,078	1,074	1,188
Agriculture	61	34	40	33	46	45	53	42	57
Health and Welfare	1,290	1,405	1,454	1,888	2,113	2,112	2,519	2,596	2,663
Services	152	180	202	257	908	450	506	327	313
Total	9,747	10,177	10,737	11,714	14,718	16,678	15,038	15,757	14,626

Source: NCFHE

Table 4: Graduates in Further and Higher Education by MQF level and sector

MQF Level 5	1,411	4.3%	633	10.9%	2,044	5.3%
MQF Level 6	2,095	6.3%	203	3.5%	2,298	5.9%
MQF Level 7	1,079	3.3%	199	3.4%	1,278	3.3%
MQF Level 8	37	0.1%	1	0.0%	38	0.1%

Source: NCFHE

Table 5: Graduates in Higher Education by subject area and gender

	Females		Males		Total	
	Count	%	Count	%	Count	%
Education	630	19.3%	138	5.8%	768	13.6%
Arts and Humanities	480	14.7%	315	13.1%	795	14.1%
Social Sciences, Journalism and Information	346	10.6%	165	6.9%	511	9.0%
Business, Administration and Law	937	28.7%	789	32.9%	1,726	30.5%
Natural Sciences, Mathematics and Statistics	104	3.2%	95	4.0%	199	3.5%
Information and Communication Technologies	47	1.4%	285	11.9%	332	5.9%
Engineering, Manufacturing and Construction	87	2.7%	311	13.0%	398	7.0%
Agriculture, Forestry, Fisheries and Veterinary	13	0.4%	20	0.8%	33	0.6%
Health and Welfare	554	17.0%	203	8.5%	757	13.4%
Services	62	1.9%	77	3.2%	139	2.5%
Total	3,260	100.0%	2,398	100.0%	5,658	100.0%

Source: NCFHE

Table 6: Graduates in Higher Education by nationality and MQF level

MQF Level 5	1,955	95.6%	48	2.3%	41	2.0%	2,044	100.0%
MQF Level 6	2,226	97.0%	43	1.9%	27	1.2%	2,296	100.0%
MQF Level 7	1,095	86.0%	59	4.6%	119	9.3%	1,273	100.0%
MQF Level 8	33	86.8%	5	13.2%	0	0.0%	38	100.0%

Source: NCFHE

Table 7: Country of origin of foreign graduates in Further and Higher Education

Country	Count	%
Philippines	219	11.6%
United Kingdom	180	9.5%
Italy	136	7.2%
Nigeria	113	6.0%
Bulgaria	97	5.1%
Russian Federation	89	4.7%
Pakistan	87	4.6%
Libya	78	4.1%
Hungary	50	2.6%
Germany	50	2.6%
Other	794	41.9%
Total	1,893	100%

Source: NCFHE

Table 8: Country of origin of foreign graduates of Public Further and Higher Education

Country	Count	%
United Kingdom	124	10.0%
Philippines	103	8.3%
Italy	91	7.4%
Bulgaria	76	6.1%
Pakistan	71	5.7%
Nigeria	55	4.4%
Libya	53	4.3%
Russian Federation	48	3.9%
USA	40	3.2%
Hungary	31	2.5%
Other	546	44.1%
Total	1,238	100%

Source: NCFHE

Table 9: Country of origin of foreign graduates of Private Further and Higher Education

Country	Count	%
Philippines	116	17.7%
Nigeria	58	8.9%
United Kingdom	56	8.5%
Italy	45	6.9%
Russian Federation	41	6.3%
Libya	25	3.8%
Germany	21	3.2%
Bulgaria	21	3.2%
Hungary	19	2.9%
Serbia	17	2.6%
Other	236	36.0%
Total	655	100%

Source: NCFHE

5.1.4.4 Providers of Higher Education in Malta

Public tertiary education is provided by the following institutions: University of Malta (self-accrediting up to MQF level 8), the Malta College of Arts, Science and Technology (self-accrediting up to MQF level 7), and the Institute of Tourism Studies Malta (self-accrediting up to MQF level 5).

Similarly, a number of private education institutions offer tertiary education programmes. In accordance with SL 327.433 Licensing, Accreditation and Quality Assurance, the NCFHE maintains a register of accredited further and higher educational institutions in Malta. This means that institutions on this list have gone through the accreditation process and can be considered as 'licensed' institutions. A list of these institutions, together with accredited courses being provided, can be found on the following link: <https://ncfhe.gov.mt/en/register/Pages/register.aspx>.

5.2 Executive Education

5.2.1 Defining Executive Education

The term 'executive education' generally refers to academic programmes for executives and managers. Such programmes may or may not lead to credits, certificates, continuing education units, diplomas or other qualifications. Examples of such programmes range from short courses to develop skills relevant for employment (such as negotiation, strategy, leadership skills, or basic courses in finance, business managements, regulation and compliance, development of ICT skills) up to Executive MBAs and Executive master's degrees. A report commissioned by the Chartered Association of Business Schools ('CABS') entitled "The Impact of Executive Education: A review of current practice & trends", in this regard, states that "given the various definitions of executive education held by

schools, it is difficult to reach a fixed view of the potential impact in economy”. The figure below shows the varied responses from school participating in their survey:

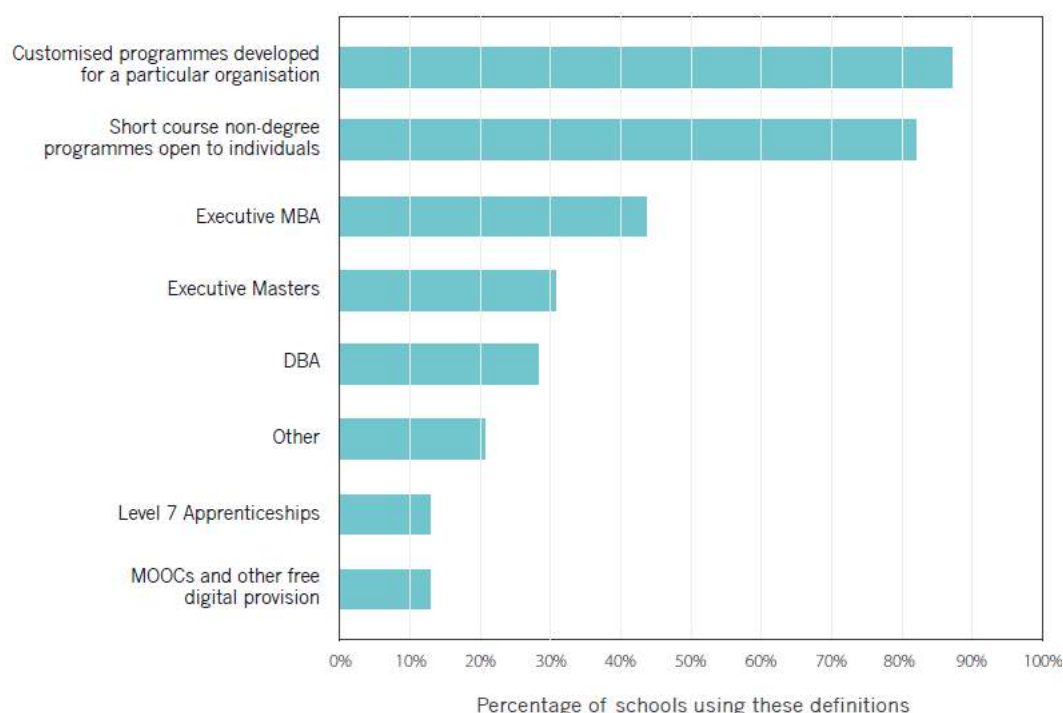


Figure 8: How business Schools define executive education

For the purposes of this report, however, we shall define ‘executive education’ as courses that would be equivalent to levels 2 to 4 on the International Standard Classification of Education scale (ISCED) ⁹ and that are targeted towards the business community. While this definition clearly does not capture all forms of executive education as broadly understood, this delimitation is in order in view of the fact that we have classified programmes which go beyond ISCED level 4 as ‘tertiary education’ and the best available datasets do not allow us to drill down into tertiary education to distinguish between executive tertiary education and non-executive tertiary education. This is irrespective of the definition given to ‘executive education’. It also stands to reason – and this is something that needs to be kept in mind – that not all programmes at ISCED levels 2 to 4 necessarily constitute ‘executive education’. Some ISCED 2 to 4 programmes refer to disciplines such as dance or art or other types or knowledge or skill that are not relevant for the purposes of this report. The aim of classifying ‘executive education’ within the ISCED system then is simply to understand the level of education provided by such programmes.

ISCED levels 2 and 3 are equivalent to lower and upper secondary education respectively, while ISCED level 4 is essentially equivalent to a Matriculation Certificate or British A Level. To provide some more detail ¹⁰:

- ISCED level 2: Programmes at ISCED level 2, or lower secondary education, are typically designed to build on the learning outcomes from ISCED level 1. Usually, the aim is to lay the

⁹ UNESCO International Classification of Education.

¹⁰ Quoting directly from UNESCO International Classification of Education.

foundation for lifelong learning and human development upon which education systems may then expand further educational opportunities. Programmes at this level are usually organized around a more subject-oriented curriculum, introducing theoretical concepts across a broad range of subjects. Teachers typically have pedagogical training in specific subjects and, more often than at ISCED level 1, a class of students may have several teachers with specialised knowledge of the subjects they teach.

- ISCED level 3: Programmes at ISCED level 3, or upper secondary education, are typically designed to complete secondary education in preparation for tertiary education, provide skills relevant to employment, or both. Programmes at this level offer students more varied, specialised and in-depth instruction than programmes at ISCED level 2. They are more differentiated, with an increased range of options and streams available. Teachers are often highly qualified in the subjects or fields of specialisation they teach, particularly in the higher grades.
- ISCED level 4 is also referred to as “post-secondary non-tertiary” which provides learning experiences building on secondary education, preparing for labour market entry as well as tertiary education. It aims at the individual acquisition of knowledge, skills and competencies lower than the level of complexity characteristic of tertiary education. Programmes at ISCED level 4, or post-secondary non-tertiary education, are typically designed to provide individuals who completed ISCED level 3 with non-tertiary qualifications required for progression to tertiary education or for employment when their ISCED level 3 qualification does not grant such access. For example, graduates from general ISCED level 3 programmes may choose to complete a non-tertiary vocational qualification; or graduates from vocational ISCED level 3 programmes may choose to increase their level of qualifications or specialise further. Usually, programmes at this level are designed for direct labour market entry. In some education systems, there are general programmes at this level. Such programmes typically target students who have completed ISCED level 3 but who want to increase their opportunities to enter tertiary education” or ameliorate their working status.

5.2.2 The Importance of Executive Education

In today’s world, executive education is fundamental both as a business in itself, as well as in enabling other businesses to acquire the skills they require of their employees. Executive education, together with tertiary education geared towards business learning, offers new knowledge and the enhancement of skills. With the hastening of the pace of life, business students are opting increasingly for shorter courses that are laser-focused on imparting the skills that they are after. In most cases, excepting the more generic MBAs, such skills are often not taught at tertiary level and when they are, they form part of longer formal education programmes. The situation is still changing insofar as the NCFHE and other accrediting institutions have, over the past 5 years, realised that short courses the complexity of which goes beyond ISCED level 4 are also being sought with a higher frequency than other courses and are also considering accrediting such courses, something which was hitherto not possible. Executive education is highly complementary to other formal forms of education, such as tertiary education in general, and tertiary education geared towards business skills in particular.

Executive education can also be valuable to persons who may not have had the opportunity or means to obtain knowledge at tertiary level. Furthermore, executive education will become increasingly important with the changing nature of work, where IT skills, as well as well-rounded 'soft skills' will become vital, if not indispensable. The need for lifelong learning is now also well-recognised, not only by professionals whose certification actually mandates continued professional development, but by all persons working in a professional capacity, who recognise that they need to stay on top of their game in order to be able to complete effectively within a highly competitive market.

Thus, we would argue that the demand for executive education may exceed that for tertiary education. Certainly, there is a market for this type of education, which can be properly exploited in a variety of creative ways by the provider who is ready to offer easily accessible, high-quality training at reasonable costs.

5.2.3 Global performance of the market for Executive Education

The purpose of defining executive education as distinct from traditional 'tertiary' degree programmes is due to the fact that the market and business dynamics are different, with different strategic and managerial demands on providers of this service.

A 2011 report entitled "University-Based Executive Education Markets and Trends" by Frank R. Lloyd and David Newkirk stated that "Chief Learning Officer magazine estimates \$200 billion [€ 177 billion] is spent annually on corporate learning. General Electric alone spends \$1 billion [€ 0.885 billion] on training and development. Typically, two-thirds of this is spent on internal resources (staff, systems, facilities, programmes), with the balance covering everything from learning materials and software to conferences, individual speakers and university delivered programmes. While firm figures are elusive, universities are likely to account for less than 1% of this market. Estimates by BusinessWeek magazine suggest that executive education in the United States [executive education here is defined differently than in this report] is approximately an \$800 million [€ 708 million] annual business, with roughly 80 percent provided by university-based business schools. Furthermore, no university has a dominant position in this market. Although the largest providers across the globe have come close to or surpassed the \$50 million [€ 44.25 million] revenue mark, no university provider has actually achieved revenues much greater than \$100 million [€ 88.5 million]. In fact, of the nearly 100 top business schools worldwide that are members of UNICON, one half report annual revenues below \$7 million [€ 6.19 million], with one quarter below \$3 million [€ 2.65 million]."¹¹

More recently, Ken Research, in its report entitled "US Executive Education Programs Market by Type (Open and Customized Programs), By Universities (Private and State), By Mode of Delivery (Business Schools, Online, Foreign Collaborations) – Outlook to 2022"¹² states that in relation to the market in the United States, in terms of revenue, the executive education program market witnessed positive growth rate, due in part to an increasing working age population (age group 15-64) in the country. It

¹¹ "University-Based Executive Education Markets and Trends" by Frank R. Lloyd and David Newkirk, referencing: David Vance, "Running Learning Like a Business", Chief Learning Officer Magazine, January 2011; Susan Peters, GE's Chief Learning Officer, quoted in Knowledge@Wharton <http://mbvt.knowledgeatwharton.com/>; and American Society for Training and Development, 2010 State of the Industry Report.

¹² US Executive Education Programs Market Outlook <https://www.kenresearch.com/>

was also quite pertinent that “the Executive Education Market is a brand driven market and for this reason customers have preferred the branded certifications which would aid them in the career development.” Furthermore, “the short term (0-2 days) programs dominated the US Executive Education Programs market in terms of number of open enrolment programs during 2017. Medium term courses followed short-term courses in terms of number of programs in the US Executive Education Programs market during 2017”¹³. Another matter to note is that online delivery is, as expected, gaining a lot of ground, and this report also mentions that “the online executive education segment has been trending in the US in recent years. In the online market, the companies and private players act as intermediaries that tie-up with institutions and B-schools who provide online executive education. These intermediaries provide facilities and access for online programmes such as flexible schedules, accommodation if needed, classrooms and others. Online education is advantageous as subscribers can take repeated lectures on request, which is not possible in the case of the on-campus or offline courses. Over the years, foreign players have increased their presence in the US market with increasing alliances with institutions and universities.” The latter point is a vital one and merits further discussion.

Another report which provides some interesting insight is entitled “The Impact of Executive Education: A review of current practice & trends”, dated December 2017 and commissioned by the Chartered Association of Business Schools (‘CABS’). It should again be noted, to begin with, that the CABS report takes a wide definition of ‘executive education’, including even tertiary-level programmes within this definition. The CABS report states that in the 2015/2016 academic year, UK universities recorded £668 million (€ 773 million) of income under the CPD and Continuing Education heading, slightly down from the 2014/2015 academic year figure of £703 million (€ 790 million). The Chartered ABS Annual Membership survey conducted in 2016, showed that approximately 5.6% of business school revenue came from executive education, amounting to a total of £222 million (€ 888 million) across the sector. As a comparison, income from research activities also generated 5.6% of business school revenue.

Around the world, revenue data for business school providers of executive education is often similarly unclear, but there is some reliable data available. At Harvard Business School, executive education contributed \$168 million (€ 149 million) out of \$707 million (€ 625 million) total revenue in 2015, according to the university’s financial report. At the London Business School, the 2015-16 Financial Statements showed open programme revenue of £20 million (€ 17.7 million) consistent with the previous year. Custom programme revenue was £24 million (€ 21.2 million) against prior year revenue of £27 million (€ 23.9 million). The same report, in analysing the results of its survey, also concluded that “There are clearly more schools making more money from custom programmes than they are from open programmes.”

It would thus appear that customised programmes, which are tailored for and offered to executives of a single company, are particularly popular. Customised programmes help organizations increase management capability by combining the science of business and performance management into specialised programmes that enable executives to develop new knowledge, skills and attitudes. Knowledge translates into the capability an organization applies to the products and services it brings to the marketplace.

¹³ One must mention that it is unclear what definition of ‘executive education’ is being used in the report.

Of course, open enrolment programmes are also generally available as part of university-based executive education offerings, which occur throughout the year on selected dates, and are available to participants from different companies and organisations. Shorter executive education programmes tend to focus on specific roles or industries, or on improving specific leadership skills, teambuilding or communication.

Referring one last time to the CABS report, which in turn references an analysis of a few leading international business schools and the revenue derived by such schools from executive education ¹⁴, the following excerpt is being provided ¹⁵:

Table 10: Poet's & Quants' Analysis of Executive Education Revenue

Business School	Executive Education Revenue	Total Revenue (EUR Million)
Chicago Booth	22	255
Wharton	104	219
INSEAD	21	210
HEC Paris	4	96
ESADE	38	84
ESMT	12	29

Source: CABS Report. Conversions from USD to EUR are the present authors'

In terms of key players, the Financial Times provides the following list of the 50 top schools for executive education in the world, with a ranking for both 'open' and 'customised' programmes, as follows:

¹⁴ <http://poetsandquants.com/2016/05/23/worlds-highest-earning-business-school/2>

¹⁵ Table taken from "The Impact of Executive Education: A review of current practice & trends", dated December 2017 and commissioned by the Chartered Association of Business Schools ('CABS')

Financial Times Executive Education 2018

The top 50 schools

Rank	School	Custom Rank	Open Rank
1	Iese Business School	1	3
2	IMD	3	1
3	Insead	6	5
4	London Business School	4	13
5	Harvard Business School	9	4
6	HEC Paris	5	14
7	Stanford Graduate School of Business	8	7
8	University of Michigan: Ross	11	6
9	University of Oxford: Saïd	26	2
10	Center for Creative Leadership	16	9
11	SDA Bocconi	7	28
12	Fundação Dom Cabral	14	19
13	ESMT Berlin	23	11
14	Essec Business School	12	23
15	University of Pennsylvania: Wharton	24	12
16	MIT: Sloan	15	20
17	Shanghai Jiao Tong University: Antai	19	17
18	University of Virginia: Darden	39	9
19	Esade Business School	30	21
20	University of Chicago: Booth	53	8
21	Stockholm School of Economics	35	25
22	ESCP Europe	18	37
23	Henley Business School	46	18
24	University of Cambridge: Judge	37	27
25	University of St Gallen	36	28
26	Thunderbird School of Global Management at ASU	39	23
27	Columbia Business School	48	22
28	Ipade Business School	16	47
29	Incae Business School	29	35
30	Ashridge Executive Education at Hult	25	39
31	Edhec Business School	27	37
32	Cranfield School of Management	31	36
33	National University of Singapore Business School	20	48
34	Ceibs	55	30
35	University of Toronto: Rotman	70	15
36	Western University: Ivey	49	33
37	UCLA: Anderson	69	16
38	Vlerick Business School	44	40
39	Aalto University	44	42
40	Católica Lisbon School of Business and Economics	42	50
41	York University: Schulich	54	43
42	Gordon Institute of Business Science at UP	51	45
43	Eada Business School Barcelona	52	45
44	Universidad de los Andes	38	57
45	Melbourne Business School	50	56
46	Peking University: Guanghua	58	52
47	Queen's University: Smith	75	31
48	EMLyon Business School	43	65
48	Inspira	60	52
50	Nova School of Business and Economics	62	57

Footnotes

This table is compiled from the scores underlying the Financial Times Executive Education 2018 open enrolment and custom rankings, rather than the printed rankings; both sets of data are given equal weight, but the overall result is therefore not equal to the average of the two printed figures for each school.

5.2.4 Local performance of the market for Executive Education

5.2.4.1 Defining Executive Education in Malta

Earlier in this report, we referred to the ISCED levels which would apply to our working definition for 'executive education' (Part 5.2.1). Making use of the same definition within the Maltese context will mean understanding the equivalent of ISCED levels 2 to 4 under the Maltese Qualifications Framework (MQF). This mapping exercise has been carried out by the National Commission for Further and Higher Education (NCFHE) as follows:

5	Undergraduate Diploma Undergraduate Certificate Higher Education Certificate	Foundation Degree VET Higher Diploma	5	ISCED 5 Short-cycle tertiary education
4	Matriculation Certificate Advanced Level Intermediate Level	VET Diploma ^(d)	4	ISCED 4 Post-secondary education
3	General Education Level 3 SEC Grade 1-5	VET Level 3 ^(c)	3	ISCED 3 Upper-secondary education
2	General Education Level 2 SEC Grade 6-7 Secondary Education School Certificate and Profile (B)	VET Level 2 ^(b)	2	
1	General Education Level 1 Secondary Education School Certificate and Profile (A)	VET Level 1 ^(a)	1	
B	Introductory Level B		B	ISCED 2 Lower secondary education
A	Introductory Level A		A	

'Executive education' in this report only refers to academic programmes within these MQF levels, which are intended for executives and managers (e.g. short courses to develop skills relevant for employment - negotiation, strategy, leadership skills, or basic courses in finance, business managements, regulation and compliance, development of ICT skills).

5.2.4.2 The National Commission for Further and Higher Education (NCFHE) and the Malta Qualifications Recognition and Information Centre

As already mentioned in Section 5.1.4.2 of this report, the NCFHE is responsible for overseeing the 'higher education' sector in Malta. The NCFHE's report entitled "National Commission for Further and Higher Education (2018): Further and Higher Education Statistics 2015-2016. Malta" of May 2018 ¹⁶, provides data in relation to the performance of the higher education sector in Malta. It is important to keep in mind, however, that some of the data mentioned hereunder may refer to disciplines such as dance or art or other types or knowledge or skill that are not relevant for the purposes of this report and that is impossible to disentangle from the executive-type education. By 'executive education' we are referring only to academic programmes that are intended for executives and managers (e.g. short courses to develop skills relevant for employment - negotiation, strategy, leadership skills, or basic courses in finance, business managements, regulation and compliance, development of ICT skills. This

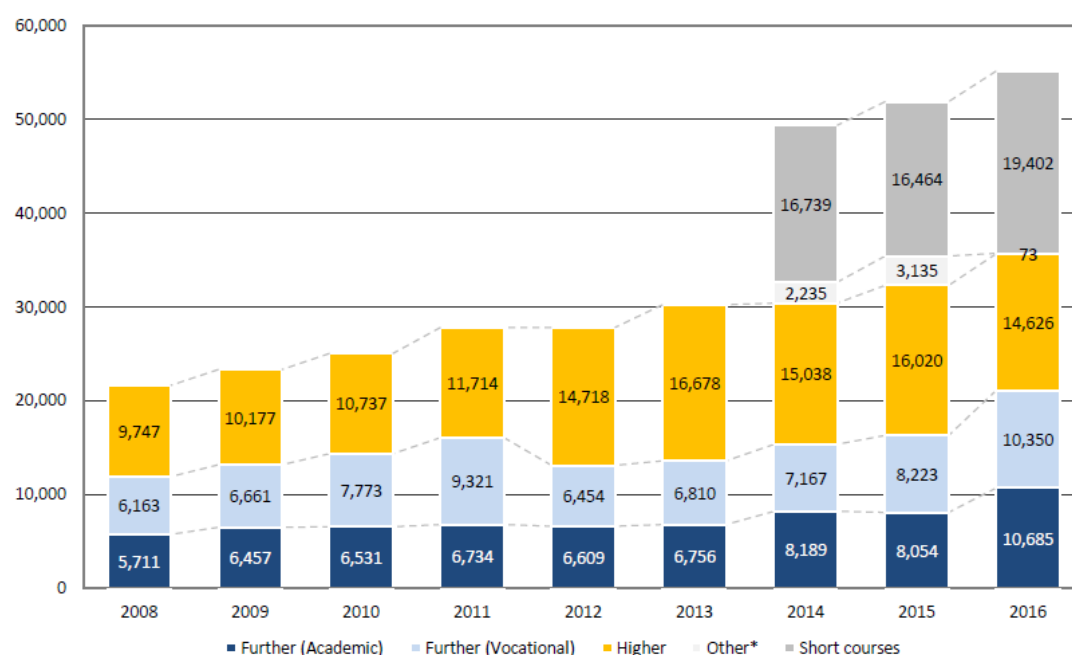
¹⁶ <https://ncfhe.gov.mt/en/research/Pages/FHE-Statistics.aspx>

information should therefore be considered to be a generic picture of further education in Malta, rather than an accurate position of executive education. Moreover, certain statistics will refer to further and higher education.

5.2.4.3 Further Education Statistics for Malta

The latest report available is based on statistics for the years 2015-2016 ¹⁷, from which the following salient points and information can be retrieved:

- Whereas there was some decline in enrolments in Further and Higher Education on a full-time basis in Malta, overall increases were observed in Further Education and Short courses. This is in line with other trends observed in the UK and the USA;
- There are more foreign graduates in Further Education (8.6%) than in Higher Education (6.1%) and Short courses (5.0%);
- Foreign graduates have most often completed programmes in the Social sciences (14.7%), Health and welfare (14.0%), Natural sciences (13.2%), Services (11.5%) and Arts and humanities (11.4%);
- The largest share of foreign graduates are nationals from the Philippines (11.6%), United Kingdom (9.5%) and Italy (7.2%).



* 'Other' refers to programmes by non-licensed education providers or programmes not accredited locally by the NCFHE

Figure 9: Total Student Population following further and higher education in Malta 2008-2016
Source: NCFHE

¹⁷ Ibid.

Table 11: Student population in Further Education by gender and MQF level for 2016 (in %)

	Females		Males		Total	
	Count	%	Count	%	Count	%
MQF level 1	2,989	71%	1,212	29%	4,201	100%
MQF level 2	1,212	46%	1,432	54%	2,644	100%
MQF level 3	2,571	59%	1,780	41%	4,351	100%
MQF level 4	5,071	52%	4,768	48%	9,839	100%
Total	11,843	56%	9,192	44%	21,035	100%

Source: NCFHE

Table 12: Student population in Further Education by type of programme and MQF level for 2016 (in %)

	Qualification		Award		Total	
	Count	%	Count	%	Count	%
MQF level 1	74	1.8%	4,127	98.2%	4,201	100.0%
MQF level 2	795	30.1%	1,849	69.9%	2,644	100.0%
MQF level 3	1,657	38.1%	2,694	61.9%	4,351	100.0%
MQF level 4	7,515	76.4%	2,324	23.6%	9,839	100.0%
Total	10,041	47.7%	10,994	52.3%	21,035	100.0%

Source: NCFHE

Table 13: Student population in Further Education by field of study and gender in 2016

	Female		Male		Total	
	Count	%	Count	%	Count	%
Generic programmes and qualifications	2,838	24.0%	2,495	27.1%	5,333	25.4%
Education	428	3.6%	40	0.4%	468	2.2%
Arts and Humanities	3,285	27.7%	1,359	14.8%	4,644	22.1%
Business, Administration and Law	1,128	9.5%	1,170	12.7%	2,298	10.9%
Natural Sciences, Mathematics and Statistics	125	1.1%	81	0.9%	206	1.0%
Information and Communication Technologies (ICTs)	400	3.4%	984	10.7%	1,384	6.6%
Engineering, Manufacturing and Construction	249	2.1%	1,243	13.5%	1,492	7.1%
Agriculture, Forestry, Fisheries and Veterinary	54	0.5%	73	0.8%	127	0.6%
Health and Welfare	1,608	13.6%	463	5.0%	2,071	9.8%
Services	1,728	14.6%	1,284	14.0%	3,012	14.3%
Total	11,843	100.0%	9,192	100.0%	21,035	100.0%

Source: NCFHE

Table 14: Graduates in Further and Higher Education by MQF level for 2016

	Females		Males		Total	
	Count	%	Count	%	Count	%
MQF Level 1	2,965	13.7%	1,160	6.7%	4,125	10.6%
MQF Level 2	969	4.5%	954	5.5%	1,923	4.9%
MQF Level 3	1,844	8.5%	1,227	7.1%	3,071	7.9%
MQF Level 4	3,083	14.3%	2,276	13.2%	5,359	13.8%
MQF Level 5	1,262	5.8%	782	4.5%	2,044	5.3%
MQF Level 6	1,282	5.9%	1,016	5.9%	2,298	5.9%
MQF Level 7	700	3.2%	578	3.4%	1,278	3.3%
MQF Level 8	16	0.1%	22	0.1%	38	0.1%
Not accredited	9,513	44.0%	9,236	53.5%	18,749	48.2%
Total	21,634	100.0%	17,251	100.0%	38,885	100.0%

Source: NCFHE

Table 15: Graduates in Further and Higher Education by MQF level and sector

	Public		Private		Total	
	Count	%	Count	%	Count	%
MQF Level 1	4,063	12.3%	62	1.1%	4,125	10.6%
MQF Level 2	869	2.6%	1,054	18.1%	1,923	4.9%
MQF Level 3	1,888	5.7%	1,183	20.4%	3,071	7.9%
MQF Level 4	3,805	11.5%	1,554	26.7%	5,359	13.8%
MQF Level 5	1,411	4.3%	633	10.9%	2,044	5.3%
MQF Level 6	2,095	6.3%	203	3.5%	2,298	5.9%
MQF Level 7	1,079	3.3%	199	3.4%	1,278	3.3%
MQF Level 8	37	0.1%	1	0.0%	38	0.1%
Not accredited	17,827	53.9%	922	15.9%	18,749	48.2%
Total	33,074	100.0%	5,811	100.0%	38,885	100.0%

Source: NCFHE

Table 16: Graduates in Further and Higher Education by nationality and sector

	Malta		EU		Non-EU		Total graduates	
	Count	%	Count	%	Count	%	Count	%
Private	5,144	88.7%	258	4.4%	397	6.8%	5,799	100.0%
Public	22,364	94.8%	519	2.2%	719	3.0%	23,602	100.0%
Total	27,508	93.6%	777	2.6%	1,116	3.8%	29,401	100.0%

Source: NCFHE

Table 17: Graduates in Further and Higher Education by nationality and level

	Malta		EU		Non-EU		Total graduates	
	Count	%	Count	%	Count	%	Count	%
Further Education	9,353	91.4%	313	3.1%	564	5.5%	10,230	100.0%
Higher Education	5,309	93.9%	155	2.7%	187	3.3%	5,651	100.0%
Short courses	12,846	95.0%	309	2.3%	365	2.7%	13,520	100.0%
Total	27,508	93.6%	777	2.6%	1,116	3.8%	29,401	100.0%

Source: NCFHE

Table 18: Graduates in Further and Higher Education by nationality and MQF level

	Malta		EU		Non-EU		Total graduates	
	Count	%	Count	%	Count	%	Count	%
MQF Level 1	184	85.2%	5	2.3%	27	12.5%	216	100.0%
MQF Level 2	1,488	93.6%	43	2.7%	58	3.7%	1,589	100.0%
MQF Level 3	2,615	85.2%	130	4.2%	324	10.6%	3,069	100.0%
MQF Level 4	5,066	94.6%	135	2.5%	155	2.9%	5,356	100.0%
MQF Level 5	1,955	95.6%	48	2.3%	41	2.0%	2,044	100.0%
MQF Level 6	2,226	97.0%	43	1.9%	27	1.2%	2,296	100.0%
MQF Level 7	1,095	86.0%	59	4.6%	119	9.3%	1,273	100.0%
MQF Level 8	33	86.8%	5	13.2%	0	0.0%	38	100.0%
Not accredited	12,846	95.0%	309	2.3%	365	2.7%	13,520	100.0%
Total	27,508	93.6%	777	2.6%	1,116	3.8%	29,401	100.0%

Source: NCFHE

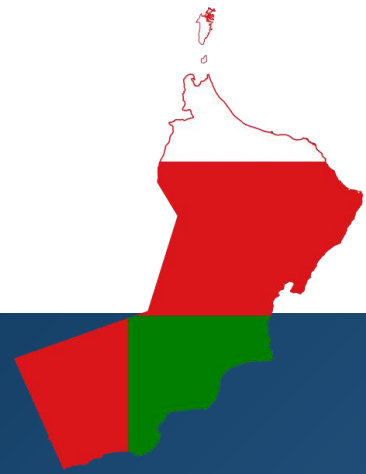
5.2.4.4 Providers of Further Education in Malta

There are different categories of licensed further and educational institutions in Malta, both public and private. In accordance with Subsidiary Legislation SL 327.433 Licensing, Accreditation and Quality Assurance, the NCFHE maintains a register of accredited further and higher educational institutions in Malta. This means that institutions on this list have gone through the accreditation process and can be considered as 'licensed' institutions'. A list of these institutions, together with the accredited courses being offered, can be found on the following link: <https://ncfhe.gov.mt/en/register/Pages/register.aspx>.



6. The Market in Oman

Quick Facts



Currency

Omani rial (OR)

Exchange Rate (5-Year Average): exchange rate pegged to the US\$ at 2.60 (equivalent to circa EUR 2.28)

Language

Arabic

Travel Visas

Visas are required for most nationalities and must be applied for in advance. Applications can be obtained through Omani embassies abroad or, more easily, online through the Royal Oman Police website (www.rop.gov.om). The visa should be printed, ready for presentation at the immigration desk on arrival at the airport or land border.

Currently, those with a Qatari or UAE tourist visa may visit Oman without paying for an Omani visa if travelling on direct flights or overland.

Admission may be refused if you have an Israeli stamp in your passport. Visa regulations change frequently, so check the website for updates. Multiple-entry visas cost OR50 (valid for one year) and are good for three-week visits for *bona fide* business travellers.

Money

ATMs are widespread and credit cards widely accepted.

Mobile Phones

Pay-as-you-go (Prepaid) SIM cards can be bought domestically for most mobile phones and recommended for in-country travel as roaming costs from the EU are significant.

Time

Malta CET time plus three hours.

Opening Hours

Oman's weekend is on Friday and Saturday.

- **Banks** 8AM to noon Sunday to Thursday; some reopen between 5PM and 8PM.

- **Government Departments & Ministries** 7.30AM to 2.30PM Sunday to Thursday; closing at 1.30PM during Ramadan.
- **Post Offices** 8AM to 4PM Sunday to Thursday
- **Restaurants** 11.30AM to 2PM and 5PM to midnight Saturday to Thursday; 5PM to midnight Friday.
- **Shops** 8am to 1PM and 4PM to 7PM Saturday to Thursday; 5PM to 7PM Friday
- **Malls** 10AM to 10PM

Travel for Business Development or Service Provision

There are three international airports in Oman, but the only one connecting major international destination is **Muscat International Airport**.

Getting Around

City and intercity buses are operated by Mwasalat (www.mwasalat.om), which has daily services to/from the main provincial cities for less than OR10. Tickets can be bought with local currency from the bus driver, but it is better to make a reservation for longer journeys. City bus services are currently only operating in Muscat but are being introduced from 2019 into Salalah and Sohar.

International car-hire chains in Oman include Avis, Budget, Europcar and Thrifty. Rates start from OR15.

Reliable, metered, red-and-white Mwasalat taxis (www.mwasalat.om) are beginning to operate in Oman and can be used around town and to points of interest outside the city. A system of long-distance shared taxis, painted orange and white, and minibuses are used by locals but are hard to navigate without some rudimentary knowledge of Arabic.

Basic Statistics

Land

Area: total: 309,500 km²

Land: 309,500 km²

Water: 0 km²

Population

3,424,386 (July 2017 est.)

Immigrants make up almost 45% of the total population, according to UN data (2017)

Growth Rate: 2.03% (2017 est.)

Urban population: 78.5% of total population (2017)

Rate of urbanization: 2.17% annual rate of change (2015-20 est.)

GDP

US\$ 71.93 billion (2016 est.)

Real growth rate: 0% (2017 est.) – 3% (2016 est.)

Composition, by sector of origin (2017 est.):

- agriculture: 1.7%;
- industry: 45.2%;
- services: 53%.

GDP Per Capita

US\$ 45,500 (2017 est.)

Distribution of income – Gini coefficient: *not available*

Religion

Muslim: 85.9%

Christian 6.5%

Hindu 5.5%

Buddhist 0.8%

Jewish <0.1%

Other 1%

Unaffiliated 0.2% (2010 est.)

Age structure

0-14 years: 30.1% (male 528,554/female 502,272)

15-24 years: 18.69% (male 335,764/female 304,207)

25-54 years: 43.8% (male 864,858/female 635,006)

55-64 years: 3.92% (male 71,477/female 62,793)

65 years and over: 3.49% (male 58,561/female 60,894) (2017 est.)

Dependency ratios

Total dependency ratio: 32.4

Youth dependency ratio: 29.4

Elderly dependency ratio: 3.1

Potential support ratio: 32.6

Important Contacts

Note: There is currently no embassy / consulate of Oman located in Malta. However, the Omani consulate in Rome also takes responsibility for Malta.



Ambasciata dell' Oman
Via della Camilluccia 625, 00135
Rome
Italy



+39-06-36300545

+39-06-36300517



rome@mofa.gov.om

consolato.oman@virgilio.it

For information with regards travelling please contact the:

Ministry for Foreign Affairs and Trade Promotion



Palazzo Parisio,
Merchants Street,
Valletta VLT 1171
Malta



+356 2124 2191



foreignaffairs@gov.mt

Maltese Consulate in Oman

Honorary Consul: Abdul Razzaq Ali Bin Issa Al Sabbagh

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6.1 Tertiary Education in Oman

The Omani government's efforts to focus incentives to make basic education available to all Omanis was a success and resulted in a large increase in secondary school graduates in recent times ¹⁸. This success, however, brought about an additional issue: the existing higher education institutions in Oman were not able to accommodate the resulting increase in demand for tertiary education.

The sultanate's higher education institutions began to appear in the 1980s, starting in 1983 with the establishment of the Oman Institute of Banking, today's College of Banking and Financial Studies. Thereafter, the Teacher's College (known today as the College of Applied Sciences) and the Technical Industrial College (currently called the Higher College of Technology) were founded, and in 1986 Sultan Qaboos University, being the first and only public university in Oman, started receiving students.

This active and rapid expansion in the general demand for education, outgrew the capacity of the public (state) higher education system, resulting in a huge number of secondary education leavers being denied opportunities to enrol in higher education. For some time, this created a serious challenge to the government becoming a national concern. Moreover, the rising demand of the expanding labour market for qualified workers created a social and economic demand for higher education.

In 1996, due to the increasing demand for higher education, by virtue of Royal Decree No. 41, the Omani government allowed for private colleges and institutes to be established in the country for the first time, with the intention that Omani citizens would become qualified to meet the requirements of the local labour market. The Omani government also wanted to promote scientific research, especially through the establishment of a link between private higher education and businesses ¹⁹.

By 2016, the number of higher education institutions in Oman had reached a total of 63, with 35 being public institutions and 28 being private.

Success Story

Strathclyde University's Business School has been offering postgraduate programmes at international centres since 1988, and also started offering an MBA programme in Oman in 2000. To, Strathclyde Business School also offers its MSc in Finance in Oman.

Both Strathclyde Business School MBA and MSc programmes are designed for busy executives who need to combine career and family commitments with the demands of MBA studies while ensuring that it retains the same content and structure irrespective of study location. Strathclyde Business School's faculty members usually travel to Oman to run intensive seminars, with the continuous support for its' students provided by its Oman centre employees. Students are also given the opportunity to take electives in summer school classes in Glasgow. Students in Oman take the same examinations as those in Glasgow or any of the other centres of the Strathclyde Business School around the world.

Strathclyde Business School has been able to make its Omani venture a success on the strength of its international reputation, Omani affluence and its processes that ensure that Omani students can have access to the same certification as that of students undertaking studies from Glasgow, where its main campus is.

¹⁸ "Private Higher Education in the Sultanate of Oman: Rationales, Development and Challenges"

Doctoral thesis submitted to The University of Kassel, February 2011, Masoud Ali Majid Al Harthy.

¹⁹ Ibid.

They vary in status between universities, university colleges and specialised institutions ²⁰, and altogether provide for quite a vast offering of programmes across various academic stages, together with programmes in the vocational, technical, language and management fields.

The public institutions include Sultan Qaboos University and six applied science colleges, as well as the sultanate's sole faculty for Islamic studies, and the College of Banking and Financial Studies. As at 2018, there were eight private universities and twenty private university colleges.

Public institutions remained prospective tertiary students' first choice due to the fact that they are free of charge and reportedly 'better equipped' than the private entities. Access to Omani public tertiary education thus seems limited to those with the best grades or academic ability, while students with lower performance levels end up in private education, if they can afford it ²¹. The funding of private tertiary education is certainly a concern, especially in science specialisations, as students from low-income families are not able to attend private higher education.

To address these issues, the Government of Oman has invited the private sector to participate in higher education by establishing private colleges and universities. The Omani government legalised private higher education and endorsed its development through a generous set of incentives to those willing to operate or invest in this field. It provided the land on which to build private universities and colleges, exempted private institutions from taxes for five years, provided them with scholarships for students from low-income families, and awarded each of the private universities capital grants.

In order to ensure that this investment resulted in high-quality education, it was required that all Oman private institutions be affiliated with recognised foreign universities, also employing foreigners to amplify the local knowledge and experience of the education system.

6.1.1 Executive and Vocational Education

The provision of executive and vocational training is given its due weight, with Sultan Qaboos in 2012 stating that it was "a national duty... to create thousands of working opportunities that did not require advanced degrees" ²². Foundation programmes, offered by all higher education institutions, are also very popular and these bridge the gap between secondary teaching, which for the most part is delivered in Arabic, and higher education, which is mostly delivered in English.

With the government focused on requirements for practical knowledge and diversification in the labour force, vocational schools and technical colleges are also pivoting to develop courses that align with diversification strategies in a variety of sectors, including finance, transport and logistics, mining and tourism.

²⁰ Education & Training chapter from The Report: Oman 2018, Oxford Business Group.

²¹ "Private Higher Education in the Sultanate of Oman: Rationales, Development and Challenges", op. cit.

²² Ibid.

6.1.2 Regulation

Regulatory powers in the sector are divided between the:

- Ministry of Education (MoE);
- Ministry of Higher Education (MoHE);
- Ministry of Manpower (MoM);
- Sultan Qaboos University (SQU); and
- other parties responsible for supervising educational institutes.

Each receives separate funding to support and guide affiliated educational institutions. The government is responsible for all programme and institution approvals in the sultanate, as well as quality assurance through the Oman Academic accreditation Authority (OAAA), established by Royal Decree No. 54/2010 to replace the former Oman Accreditation Council. Reporting directly to the Education Council, the OAAA engages in extensive consultation with all relevant stakeholders in the higher education sector in the process of accreditation design and implementation ²³.

6.1.3 Accreditation Process

The OAAA employs a generic standards model for accreditation to accommodate the current diversity of the higher education sector. Since 2008, the OAAA has employed a two-stage process for awarding institutional accreditation, beginning with a quality audit based on the institution's self-assessment and progressing to a second-stage standards assessment.

As part of the first-stage institutional quality audit, the OAAA selects a panel from its registered external reviewers to assess submitted institutional materials and carry out a site visit. More than 90% of the sultanate's institutions had been through a quality audit by the third quarter of 2016. The second stage utilises a set of standards to deliver a pass or probation assessment that allows institutions one year to address opportunities for improvement.

The OAAA is also in the process of developing a programme accreditation manual for use in determining how course offerings compare against a set of standards.

In order for a private institution to set up in Oman, the following conditions have to be met ²⁴:

- Evidence of the financial capacity of the applicant;
- Proof of accreditation from an internationally-recognised educational institution;
- The premises must be conformant with conditions stipulated by the Ministry of Education. If the premises have not yet been built, the applicant must provide proof of ownership of a piece of land (that has been attested by the Ministry of Housing);
- Programmes and qualifications offered are to be approved by the Ministry of Education;
- The institution needs to provide an integrated proposal for the project, including a detailed explanation of educational programmes and qualifications, the institution responsible for

²³ Education & Training chapter from The Report: Oman 2018, Oxford Business Group.

²⁴ Private Education in the Sultanate of Oman, Sultan Qaboos University (2015).

supervising the school, and the qualifications of candidates being considered for positions of administrative staff.

6.1.4 Qualification Frameworks

The OAAA is currently working with the Scottish Qualifications Authority to develop the Oman Qualifications Framework as a means of enabling stakeholders identify where certificates and qualifications sit in a national framework, and which pathways are available for different qualifications. The effort is aimed primarily at establishing equivalency across the education sector.

A Gulf Cooperation Council (GCC) Qualifications Framework is also under development. The objective is to create a dialogue between the qualifications framework used in each participating country and a regional meta-framework, thereby supporting the comparison and communication of qualifications, and enhancing the mobility of citizens from one GCC country to another.

GCC countries have also reportedly decided to implement a uniform admissions process in universities and centres of higher education, aimed at providing equal opportunities to GCC students who wish to be accepted to universities and seats of higher education institutions in the region.

6.1.5 Labour Preparedness

Linking the educational system to the requirements of the labour force is a dominant theme in the sector. The respective ministries are tasked with developing a competent local labour force to provide jobs for Omani citizens and address the country's economic diversification objectives.

In this context, a major challenge is the mismatch between the number of Omani students in higher education and the job requirements set by the labour market. The problem is largely attributed to a lack of communication and partnership between government organisations, training providers and employers in the private sector as to the skills required of graduates.

Many universities and colleges are also taking proactive steps to deliver qualified and prepared graduates that can compete in the labour market. Muscat University, for example, is providing specific executive and vocational courses oriented towards specific business sectors such as finance, management, tourism and logistics. Schools are also developing bilateral training agreements with a range of industry partners.

6.1.6 Foreign Investment

The Omani government actively encourages private sector participation in the country's education system, designing the regulatory legal framework to safeguard the interests of foreign and local investors. Although the number of students could seem low relative to the supply side of the market, made up of more than 60 Higher Education Institutions, investor interest in private higher education has been constant, primarily owing to the availability of infrastructure and the financial support granted by the government for student sponsorships and the construction of campuses. Moreover, complaints about student-to-teacher ratios seem to indicate that if anything, the problem is one of undersupply rather than oversupply.

Rules governing ownership of private universities require that the majority of funds in share capital is owned by Omanis. Founders are obliged to commit to the venture for a period of no less than five years as assurance that the primary objective is not the realisation of financial profits based on government grants.

The greatest opportunity in academic higher education is investment at the graduate level and delivery of internationally-recognised graduate programmes. At the undergraduate level, programme offerings in engineering, IT and business are fairly mature, with a sizeable contingent of providers. In vocational training, alignment with government strategies and relationships to industry are critical and the sector has lately been receiving a lot of attention especially to attract foreigners to work in Oman.

6.2 Routes to Market and Positioning Strategies

6.2.1 Oman Education Sector Shortcomings

In order for a Malta-based entity to internationalise its product in Oman, it first has to identify the key opportunities that are the result of the current sectorial shortcomings, and this is what we turn to next.

6.2.1.1 *Demand for Tertiary and Executive Education*

Basic education has always been made available to Omani nationals for free. The increasing growth in the population however, has created some challenges for the tertiary education sector. In light of the rising number of secondary school graduates seeking higher education and the widening gap between them and the recruiting capacity of public educational institutions, the government adopted policies and strategies to encourage the participation of the private sector in provision of higher education. Oman, like many other developing countries, will thus be dependent on the participation of the private sector to meet this increasing demand.

The main aim of the Omani Government is to reduce the number of students who are currently going abroad to study, particularly those who do so at their own expense. For a period of time, between the late 1970s and early 1980s, this method of studying was encouraged by the Omani government in order for students to be able to secure a suitable level of education. The idea behind this change in direction is to be able to have a local education hub which is affordable and at the same time of a high level of quality, thus being able to cater for the current excess demand.

Apart from this, there also seems to be a well-engrained belief among students and parents that studying abroad is better in terms of both quality and cost. For this reason, most families that can afford to have their children study abroad (a large part goes to the UAE) still opt for this study method. This is obviously something that Malta-based operators can capitalise and bank on.

6.2.1.2 Public Funding

As previously alluded to, the existing and projected provision of public higher education is insufficient to meet the increasing demand. Although it is generally accepted that higher education is important for the development of the nation, it is increasingly recognised that public funding alone is insufficient to guarantee sufficient access and coverage to such education.

By allowing the private sector to establish higher education facilities, the government aims to achieve a number of objectives, of which the most important is to relieve pressure on the budget, not only in capital expenditure but also in the current expenditure, which will continue to be a steady drain during the coming years, even though it should result in net gains in the long run through increased workforce productivity. Moreover, the bulk of the funding is mainly geared towards the primary and secondary education levels, while investment in tertiary education is low compared to neighbouring countries ²⁵.

Oman initially concentrated its finances on promoting early education through to secondary education, while higher education has been comparatively neglected. During the last three decades, investment in basic education has taken precedence. Free basic education has been made available to all Omani citizens, which resulted in a large population of secondary school graduates competing for limited opportunities for higher education in the country. Undoubtedly, aspirations are created in students as a result of the promotion of secondary school education, only for such aspirations to be frustrated when students complete secondary education and find there is no suitable avenue to pursue their higher education within the public education system.

6.2.1.3 Quality Aspects

Although private colleges and universities provide education at a relatively higher cost, particularly in science specialisations, there is no evidence that they perform better than public institutions. Similarly, it was found that private colleges and universities employed relatively lower qualified staff and have high student-to-teacher ratios when compared to public institutions ²⁶.

In order to improve on the education system, the Omani government has, in the past years, sought collaboration with international institutions as an assisting factor to ensure a high-quality level of education.

6.2.1.4 Meeting Labour Demand

One of the principal objectives of the country is to develop human resources. One way to do this is through the help of the private sector, which has been tasked with playing a pivotal role in this regard. The Omani government has realised the importance of enhancing and improving the higher education system to meet the demand for national development. Consequently, through the use of subsidies, grants and other forms of assistance, the government is calling for private sector enterprises to take part in this strategic plan, and is encouraging and incentivising them to participate in higher education to educate qualified national citizens in different spheres to meet these

²⁵ Private Education in the Sultanate of Oman, Sultan Qaboos University (2015).

²⁶ "Private Higher Education in the Sultanate of Oman: Rationales, Development and Challenges", op. cit.

objectives. A lot of attention is also being given to executive type education schemes whereby a number institutions have been seen to take proactive steps towards providing specific training courses to match the current labour market demand.

The goal of the Government is ultimately to have Omani nationals occupy leading positions in Omani institutions. Oman is one of the countries that host expatriate labour, as is the case with the rest of the GCC countries. The employment of large numbers of expatriates was originally a prerequisite for accelerating development, made possible by vast flows of petrodollars, given the absence of sufficient indigenous labour in terms of quantity and quality at that time.

It is noted that the share of the government sector in many of the GCC countries, including Oman, in expatriate labour has decreased. This, however, led to another challenge for these countries, as the favourable situation which the nationals have enjoyed for the last four decades has started to change. A growing number of Omanis have experienced difficulties in finding the right employment opportunities. The public sector, in which most nationals used to find employment, has already become highly saturated, while the private sector has remained too competitive for most of the Omanis and their laid-back lifestyle. As the number of job seekers among nationals began to grow, many of the governments of these countries decided to embark on the formulation of labour market strategies to improve this situation, to create sufficient employment opportunities for nationals, and to limit the dependence on expatriate labour.

In the Omani context, as part of the efforts made by the Omani government to 'Omanise' jobs in the private sector, Ministerial Decision No. 127/94 was issued, prescribing varying minimum percentages of Omanisation in private sector establishments operating in various sectors of the economy. Moreover, the number of expatriate staff allowed into the country was subject to a maximum quota. A fee was also levied as a deterrent measure to curb the inflow of expatriate labour and to make way for the Omanis to get employment.

6.2.1.5 Promoting Scientific Research

Among the rationales for encouraging the establishment of private universities and colleges in the country is to enhance the capacity for scientific research activities. The importance of scientific research derives from its role in the development of nations socially and economically, and it can be argued that in the era of globalisation, scientific research is considered as a cornerstone for boosting not only economies but also social stability and pride in national identity ²⁷. Although there is awareness among policy makers with regard to scientific research, only a few public and private organisations show any interest in R&D.

Currently, the status of scientific research in most higher education institutions in the country, with the exception of Sultan Qaboos University, is marginal. In examining the principal issues related to the lack of progress in research, The Education Council of Oman identified the following key elements as major deterrents in the private education sector ²⁸:

- Academically good quality of teaching staff with however, little experience in the research field;
- High student-to-teacher ratios;
- Higher than average teaching load (linked with previous point);

²⁷ Eggins, H. (2003). Globalization and Reform in Higher Education.

²⁸ Sultanate of Oman Education Council (2017). The Most Remarkable Projects Developed by The Education Council.

- Lack of funding support;
- Poor research infrastructure;
- Little involvement of the business community to direct both the Government and education institutions;
- Courses offered were mainly related to finance, business, computing and management with few institutions offering specialised research programmes.

To help boost the research sector, the Government has turned to private international companies situated in Oman in order to create an environment where both the private and the public sector may be able to reap the benefits of research. The plan is to incentivise private companies to locate their research departments in Oman in collaboration with universities and colleges, also incorporating scholarships with a focus on providing clear career paths to students.

6.2.2 Opportunities for Malta-based Operators

As reviewed in the previous section, the main shortcomings of the Omani education system for Tertiary and Executive levels of education are based on the following factors:

- The active and rapid expansion in the general demand for education has outgrown the capacity of the public higher education system, resulting in a number of secondary education leavers denied opportunities to enrol in higher education;
- Although the private sector can deal with this excess demand, it comes at a cost that not all students are able to afford;
- Although private institutions provide education at a relatively higher cost, there is no evidence that they perform better than public institutions;
- There is currently a discrepancy between labour market demand and the availability of the current student force meaning that the education system has not yet catered for a changing environment resulting in a lack of direction for students;
- There is little investment in research and development, which however, is lately being given importance by the Sultanate.

In our opinion, also given the changing environment in Oman with the advent of new policies aimed at amplifying foreign investment, it would be more appropriate to base the internationalisation of Malta-based operators on the following methods:

- Attracting Omani students to Malta;
- Cooperating with private education institutions based in Oman in an attempt to supply human resources (teaching staff);
- Cooperating with private companies in an attempt to offer executive level courses that the local market does not offer.

6.2.2.1 *Attracting Oman based students to Malta*

Although the Omani government is investing in the local economy to try and minimise the amount of students that go abroad to study, this is still a very interesting opportunity to explore. In Oman, there is still the belief among students and parents that studying abroad is better in terms of experience, quality and cost. This means that in most instances, when the family can afford it, they prefer to send their children out of the country to pursue their studies.

Malta is no stranger to this type of business model as can be seen from the multi ethnic student base that is present on the island. The country has the appropriate facilities, high level teaching staff and is becoming more accustomed to the Arab world.

Although in most instances, Oman students prefer to travel to neighbouring UAE for the purposes of attaining a higher level education, Malta can still position itself as a serious contender given the whole package that the country has to offer including touristic attractions, specialist areas of knowledge, the proficiency in English (which can also be offered as a separate service) and a friendlier setup.

6.2.2.2 *Cooperating with Private Education Institutions*

The findings in the previous sections indicate that one of the main concerns in Oman is the quality level of education being provided by the local private institutions. Despite the higher cost involved when students pursue the private route to education, recent studies have shown that this does not invariably result in a better quality. Sometimes it does and sometimes it does not.

When one looks at the local supply of Maltese teachers, one may see that there are certain sectors which are oversupplied. This, in most instances, would depend on the current state of the economy and imminent labour market demands. Having said that, given the relatively high level of attainment of the local business and tertiary education lecturing community, cooperation deals with Omani private institutions would seem to have business potential. Certain segments of the Omani market are lacking in quality and experience, and this provides ample opportunities for Malta-based operators to fill in that gap.

6.2.2.3 *Cooperating with Private Companies*

An alternative route to the previous entry method would be to cooperate with private businesses based in Oman in order to supply executive and vocational training directly to their workforce. As discussed, one of the main priorities of the Omani government is to have Omani nationals occupy leading positions in the local institutions. Recent history has shown that the level of education of Omani nationals tends to fall short when compared to that of expats. With a number of restrictions being imposed by the Government in order for private institutions to hire local talent, having an executive training centre which could assist in creating these synergies would thus seem to be another good entry strategy. In Middle Eastern countries, a friend of friends network seems to be the best entry point.

6.2.3 **Routes to Market**

In an attempt to bolster foreign investment, particularly with regards to the education system, the Omani government has been supporting a number of events and exhibitions particularly focused on tertiary and executive education. The main exhibitions are:

- Edutrac Oman Higher Education, Training and Career expo (www.edutracomman.com); and
- GHEDEX Global Higher Education Exhibition (www.ghedex.om).

As Oman's investment on higher education and training continues to grow, such exhibitions provide a direct gateway and an ideal platform for local and foreign universities and training institutions to network with students, parents, companies and working executives interested in education and

training at all levels. The expos offer a strategic awareness opportunity to higher education and training providers, opening doors of opportunity for a number of stakeholders.

6.3 Country Weaknesses and Challenges

A number of constraints affect trade and investment in Oman. The country has a relatively small population and there is no high-value consumer market. This situation is exacerbated by intense competition from nearby global trading hubs Dubai, Abu Dhabi and well-established industries in Saudi Arabia.

While Oman is an attractive market for a number of products and services, at times it can present challenges for foreign firms to do business. Several bureaucratic obstacles exist, including clearances for visas and permits for foreign workers, especially women, lengthy business registration requirements for specialised consultancies, and a prohibition on real property rights for foreigners outside of Integrated Tourism Complexes ²⁹.

Land ownership is not covered by the Free Trade Agreement. The divide between the government and the private sector is not well-defined in Oman, and this is perhaps most prominent in the pervasive closely-held businesses with familial ties to government officials.

Firms that have been successful in Oman usually have previous experience in the Middle East, or a full-time, well-connected in-country representative, partner or office. The “Omanization” process, wherein the government sets quotas for Omani employment on a sectorial basis is of particular concern for many international firms in Oman. Many companies, both Omani and international, have noted that some of the quotas are difficult to satisfy and are applied inconsistently.

²⁹ US Export Database <https://www.export.gov/>



7. The Market in Qingdao

Quick Facts



Currency

yuán (元; ¥)

Exchange Rate (5-Year Average): 7.66 yuán to the Euro

Language

6 Main Dialects, with the main ones being Mandarin and Cantonese

Travel Visas

Needed for all visits to China except for:

- Hong Kong;
- Macau; and
- trips of less than 72 hours to a number of cities including Běijīng, Shànghǎi, Xī'ān, Guǐlín, Chéngdū, Kūnmíng and Chóngqìng.

Money

Credit cards in big cities used and accepted, elsewhere less widely used and accepted. ATMs available in most cities and towns. Cryptocurrencies are banned but still in use.

Mobile Phones

Pay-as-you-go (Prepaid) SIM cards can be bought domestically for most mobile phones and recommended for in-country travel as roaming costs from the EU are significant.

Time

Malta CET time plus six hours

Opening Hours

China officially has a five-day working week with Saturday and Sunday being public holidays.

Banks are open Monday to Friday 9 AM to 5 PM (or 6 PM) China time but may close for two hours in the afternoon, depending on the bank. Most banks also open Saturday and some even on Sunday.

Bars open in the late afternoon and close at around midnight or later (in rural areas they tend to close relatively early whereas in towns and cities closing times occur later). Restaurants open at

around 10.30 AM and are open till 11 PM, with several restaurants closing between 2 PM and 5 PM or 6 PM.

Post offices are generally open daily.

Shops, department stores and shopping malls open daily from 10 AM to 10 PM.

Travel for Business Development or Service Provision

Běijīng Capital Airport

Airport Express train connects to subway lines 2, 10 and 13 every 10 minutes from 6 AM to 10.30 PM.

Express buses run to central Běijīng; every 10 to 20 minutes from 5 AM to midnight.

Taxi costs ¥90 to ¥120 and will take approximately anything between 40 minutes and an hour to the town.

Pǔdōng International Airport

Maglev train connects to Longyang Road metro station with a train passing every 20 minutes from 6.45 AM to 9.40 PM. Metro Line 2 takes 45 minutes to People's Square.

Shuttle buses run every 15 to 25 minutes from 7 AM to 11 PM.

Taxi costs ¥160 and will take approximately one hour to get to town.

Hong Kong International Airport

Airport Express train runs to Central Hong Kong Station every 12 minutes.

Buses spread out to many Hong Kong destinations in a hub-and-spoke setting.

Taxi costs HK\$280 to Central Station, with luggage costing an extra HK\$5. A Taxi will take 30 to 40 minutes to arrive at Central station.

Getting Around

An extensive modern train network covers the nation with high-speed trains connecting many cities, but the best way to go directly to Qingdao from any one of the major interconnecting airports would be an internal flight.

Bus network is extensive and is cheaper but slower than the train and might take quite long to make it to Qingdao. Bus service has more destination outreach and runs more regularly.

China is also interconnected through numerous domestic flights.

Car rental is also an option but roads are quite chaotic for people accustomed to EU driving practices, even those of relatively hectic roads like Malta.

Basic Statistics

Land

Area: total: 9,596,960 km²

Land: 9,326,410 km²

Water: 270,550 km²

Population

1,379,302,771 (July 2017 est.)

Growth Rate: 0.41% (2017 est.)

Urban population: 57.9% of total population (2017)

Rate of urbanization: 2.3% annual rate of change (2015-20 est.)

Data available excludes Hong Kong and Macau

GDP

€10.76 trillion (2016 est.)

Real growth rate: 6.8% (2017 est.)

Composition, by sector of origin (2017 est.):

- agriculture: 8.2%
- industry: 39.5%
- services: 52.2%

GDP Per Capita

€14,955 (2017 est.)

Distribution of income – Gini coefficient: 46.5 (2016 est.)

Religion

Buddhist: 18.2%

Christian: 5.1%

Muslim: 1.8%

Folk religion: 21.9%

Hindu: < 0.1%

Jewish: < 0.1%

Other: 0.7% (includes Taoist)

Unaffiliated (mostly atheist): 52.2%

Age structure

0-14 years: 17.15% (male 127,484,177/female 109,113,241)

15-24 years: 12.78% (male 94,215,607/female 82,050,623)

25-54 years: 48.51% (male 341,466,438/female 327,661,460)

55-64 years: 10.75% (male 74,771,050/female 73,441,177)

65 years and over: 10.81% (male 71,103,029/female 77,995,969) (2017 *est.*)

Dependency ratios

Total dependency ratio: 37.7

Youth dependency ratio: 24.3

Elderly dependency ratio: 13.3

Potential support ratio: 7.5

Note: data do not include Hong Kong, Macau, and Taiwan

Important Contacts

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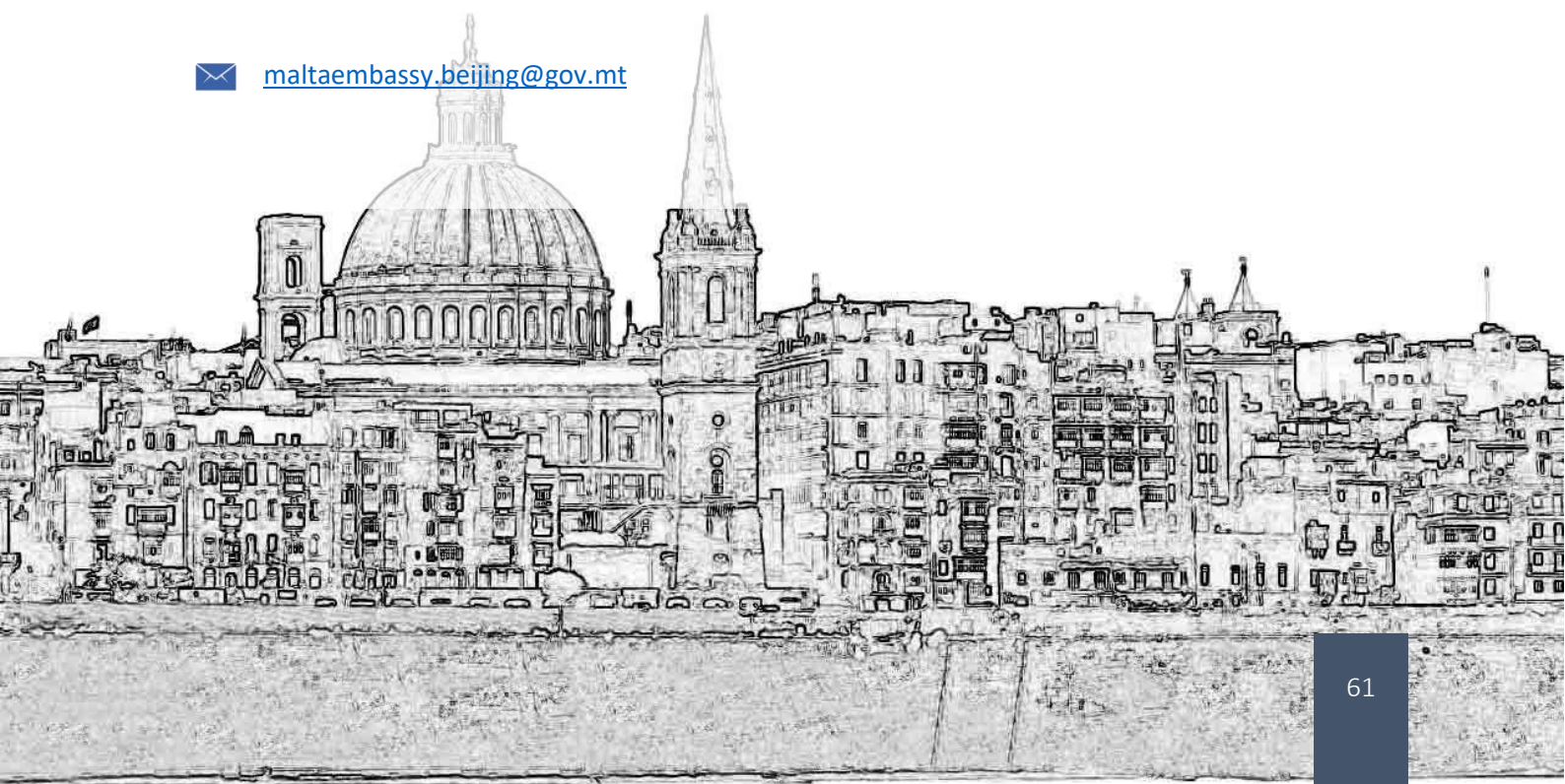


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7.1 Tertiary and Executive Education in Qingdao

At the time when China adopted its open-door policy in 1978, there were only around 400 higher learning institutions in the country, with a gross enrolment rate of only 1.56%. After nearly 40 years of development, Chinese tertiary education has become quite different. The “paradigm shift” away from an exclusive system towards a system of mass access was significant. Today, the Chinese tertiary education environment consists of regular (public) higher education, adult higher education, Minban (private-like) higher education, independent (private-like) colleges and universities, and self-study programmes provided by distance education universities ³⁰.

In January 2017, China’s State Council issued the Thirteenth Five Year Plan on Education, outlining major objectives and targets for the education sector over the period 2016-2020, including the enhancement of international cooperation. By the end of 2020, China aims to have strengthened and modernised its education system, and to be in a position to play a more influential role internationally in education. Life-long learning will be supported with faster development of online and distance education, vocational and continuing education to help meet the growing demand for a more educated and skilled workforce.

In January 2017, China also released implementation measures to drive the development of World Class Universities and First-class Disciplines that will see China gradually develop a group of world leading universities and disciplines from 2016 to 2050. The measures call for improvements in student exchange, credit transfer and qualifications recognition with world class foreign universities, and deeper academic exchange and scientific cooperation with foreign institutions.

China is seeking to become more involved in setting international standards and regulations around academic and student mobility, as part of its goal to play a more influential global role in education. The country also has a long-standing target to have 500,000 international students studying in China by 2020 ³¹ and is making great strides in being not only a recipient of knowledge from the West but also to create its own body of knowledge, as is increasingly being seen in its development of military technology.

In mainland China, there are 4 municipalities, 22 provinces and 5 autonomous regions. Higher education development differs greatly between province and region. The provinces, municipalities, and regions show great differentiation in relation to gross enrolments, investments in tertiary education and institutional diversity. Areas historically known as tertiary education centres have higher tertiary investments and experience higher gross enrolment levels, while the poor provinces with lower investment in education have low gross enrolment rates. Another factor is the uneven distribution of educational facilities across China. For example, Beijing is extremely well served when compared to other remote areas such as Inner Mongolia and Qinghai.

³⁰ Chinese Academy of Social Sciences <http://casseng.cssn.cn/>

³¹ The Central Compilation and Translation Press. The 13th Five Year Plan for Economic and Social Development of the People’s Republic of China 2016 – 2020 (2017)

Tertiary education in China experienced a huge expansion in the first decade of the twenty-first century. The gross enrolment ratio of tertiary education throughout China increased from 21% in 2006 to 39% in 2014 (UNESCO-UIS, 2016). During this period, various institutions and programmes were established and international mobility and cooperation were promoted dramatically. As a result, the tertiary education system became more diverse. In China, undergraduate degrees require four years of study. Associate degrees take three years to complete, and students spend two to three years completing a master's degree. A doctoral degree requires five years of study after a bachelor's degree, and three years after a master's degree. In addition to these tertiary education programmes, Chinese students can also enrol in professional higher education programmes, which normally take three years.

Even though the Government has sought to privatise the education system in order to reduce the burden on the state, several private colleges still have poor facilities, less choice of majors (main subjects) and a poor reputation. There is nevertheless also the other side of the coin featuring good educational institutions that do not leave much to be desired, but for which there is an excess demand situation. Tuition fees have also increased across the board in line with the cost of living increases in China and would depend on the specific area where the institution is set up. Although in general, the population can enjoy free education, the term 'free' may vary across provinces and regions making comparisons difficult. Bribery, which used to be commonplace until a decade ago, has also been very drastically slashed. Moreover, the country has seen a general increase of students going abroad to further their studies. Malta, for example, has in recent years received sizeable groups of Chinese students who, through bilateral agreements with the Government of Malta, choose to undertake their studies on the Island. According to some, this has affected the private institution intake of students who sometimes prefer to go abroad than have to pay locally for substandard education (when students get accepted for the good Chinese educational institutions, studying abroad becomes less attractive unless it relates to a top-rated University or business school).

It is worth noting that recently, public universities have also been allowed by the Chinese Government to establish wholly owned private subsidiaries to generate revenue. This allows a better outreach of the best local institutions and has resulted in the entry into the market of a number of international universities and business schools. These private institutions are also allowed to carry the prestigious name of the public university, which also guarantees the quality of the degree. In its 2016-2020 plan, the Chinese Government made it clear that it is aiming for private higher education to account for 40% of enrolments by 2020.

7.1.1 Qingdao

Qingdao, set along China's Eastern coast, is one of the largest cities in the Shandong Province, and one of the most important and influential cities in Eastern China. It has seen a rapid development over the last couple of decades. The city is home to a large number of Korean expats and was named China's most liveable city due to its cleanliness and unique appearance. Originally colonised by Germany, the city's architecture retains a European feel that gives it a unique look among Chinese cities. The city is also the business centre of the Shandong province. Its coastal location enables the undertaking of foreign trade in a convenient manner. Consequently, it is one of the five major ports for foreign trade

in China and also an ideal target for tertiary education and executive training. Qingdao is already home to more than 30 different institutions offering postgraduate courses and education ³².

The city has, in the past years, seen an increased level of investment by private institutions that have sought to fill in the gaps of the education system by providing a number of services to the local population. This investment, also supported by the Chinese Government, has allowed more students who could not meet the admission criteria of more well-established public universities, to enrol in private institutions to receive higher (tertiary) education. The privatisation of education has nevertheless forced Chinese citizens to bear more of the financial burden that education entails. This has released funds that would have gone to education that the Chinese administrative structures now have the opportunity to utilise elsewhere. This trend started when the Ministry of Education allowed the main public university in Qingdao, the Ocean University, to charge higher tuition fees in an attempt to reduce Government spending. From then on, all public universities in Qingdao city started to charge or raise tuition fees, even where education was previously provided for free.

The city is also focusing on 3 main areas:

- i) Student mobility;
- ii) Institution agreements;
- iii) Direct foreign investment.

Student mobility entails forming partnerships with other countries that would have Chinese students study in a foreign country. English speaking countries tend to be preferred as the package would include English language classes. The majority of postgraduate courses in Qingdao are taught in Mandarin. However, some courses, depending on popularity, are offered in English in all main institutions.

Institution agreements refers to instances where teachers or students are exchanged in an attempt to internationalise the education concept and widen the experience of both tutor and student.

Foreign direct investment, lastly, takes the form of private institutions setting up in Qingdao. In most instances, this takes the form of partnerships with existing bodies with the aim of improving infrastructure, resources and experience.

7.1.2 Executive and Vocational Education

Although Qingdao is regarded as one of the biggest trading economic blocs in China, investment in executive and vocational training has not been at par with that of tertiary education. There are gaps in this particular sector of education, and this provides market penetration opportunities. Currently, most executive and vocational courses are handled by smaller private colleges as they have the advantage of being flexible and better able to change their services to meet the demands of the employment market. Focusing on this type of education has been important for the survival of such institutions given the high level of competition that exists between bigger entities offering a tertiary level education.

³² https://www.cucas.edu.cn/studyinchina/province/Shandong_8/Qingdao

7.1.3 Regulation

The lion's share of compulsory education in China is state-run, with little involvement of private providers, and with the sector becoming increasingly decentralised. The Ministry of Education (MOE) is the agency of the State Council of the People's Republic of China that regulates all aspects of the educational system in mainland China, including compulsory basic education, vocational education, and tertiary education. The MOE certifies teachers, standardises curricula and textbooks, establishes standards, and monitors the entire education system.

To manage its vast territory, China's Constitution provides for three levels of administration, excluding the central government: provincial level, county level and township level. The provincial-level division is the highest level of classification. The primary responsibility for managing and delivering primary and secondary education lies with counties, whereas higher education falls under the jurisdiction of provincial authorities ³³.

Provincial-level divisions are directly administered by the central government. There are four kinds of provincial level divisions: province, municipality, autonomous region and special administered region. Provincial-level governments have the right to exercise their own management policies within the purview of the law and under regulations imposed by the central government. Provincial-level administrative divisions can further be subdivided into county levels and township levels.

Provinces and municipalities have their own local governments. They elect delegates to the National People's Congress (NPC), which governs the administration of economic, social and cultural affairs. A municipality has the same political, economic and jurisdictional rights as a province. The four municipalities are Beijing, Shanghai, Tianjin and Chongqing ³⁴.

In recent years, the Ministry of Education has shifted from direct control to macro-level monitoring of the education system. It steers education reform via laws, plans, budget allocation, information services, policy guidance and administrative means.

7.1.4 Accreditation Process

Quality assurance in the field of education in China is carried out by the Chinese Ministry of Education in conjunction with a number of accrediting agencies including the following:

- Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ);
- Jiangsu Educational Assessment Network (JEAN);
- Heilongjiang Educational Assessment Network (HEAN);
- Chinese Service Centre for Scholarly Exchange (CSCSE).

³³ OECD, Education in China: A Snapshot (2016)

³⁴ National Centre for Education Development Research (2008), National Report on Mid-Term Assessment of Education for All in China.

http://planipolis.iiep.unesco.org/upload/China/China_EFA_MDA.pdf

Accreditation of Chinese-Foreign joint institutions and programmes is carried out by the China Education Association for International Exchange (CEAIE) and the Centre for Credentialing and Education (CCE).

Apart from the accreditation process, there are also a number of quality controls that the Chinese Government has implemented to maintain the education levels. The Office of National Education Inspectorate is the agency that manages national educational inspection. In 2016, the office was renamed the Bureau of Education Inspections (BoEI). China's educational inspection system consists of four administrative levels covering all provinces.

The responsibility of the BoEI is to monitor and examine the implementation of state laws, regulations, principles and policies, and to evaluate and provide feedback to lower-level governments and institutions. The bureau sets standards for inspection, and organises inspections at every level. In addition, the bureau is responsible for monitoring and evaluating the quality of different types of education institutions, as well as setting standards and procedures for quality evaluation.

7.1.5 Qualification Frameworks

The China Academic Degrees and Graduate Education Development Centre (CDGDC) is an administrative institution directly under the Chinese Ministry of Education, with primary responsibility for researching the comparability between Chinese and foreign education qualifications, verifying Chinese education credentials, maintaining the database for China's academic degrees and graduate education, evaluating Chinese graduate education programmes, and quality assuring China-foreign jointly run schools and programmes. It is the Chinese equivalent of the NCFHE in Malta.

The Chinese government is currently exploring options to establish a National Qualifications Framework (NQF). This was included in the 2016-2020 five-year plan as part of the current education sector reform. The aim is to have a standardised qualification level which is comparable with other international jurisdictions. At a stage where the Government is trying to entice foreign investors to the education sector, this is being seen as a crucial step towards a harmonised system.

7.1.6 Labour Preparedness ³⁵

China has transitioned up the value chain from the 'world's factory' for low-end, cheap labour products to a purveyor of quality information products, high-end technology and services. This has led to greater demand for labour with upgraded skills and competences. Economic growth and Chinese citizen's aspiration for a 'quality' lifestyle has encouraged the rapid development of service industries in China, with the service sector accounting for more than 50% of GDP. To increase export earnings in a globalised economy, China must move further up the value chain from exporting cut-price goods to developing modern service industries and manufacturing with higher added value. Service industries

³⁵ J.P.Morgan, Skills Shortages in the Chinese Labour market (October 2016)

dealing with IT, software, accounting, finance, marketing, and customer management, are expected to continue growing and in the process to absorb a substantial number of professionals.

There are considerable disparities in economic development, labour supply, and industrial policies across Chinese cities. Not only does the demand for skilled workers have different distribution patterns across industries – or even within the same industry – but cities also have very different methods of production or levels of technology, resulting in varying demands for varying specialisations and skill levels of labour. In general, a region's attractiveness to high-skill workers is correlated with its economic structure and level of development. Compared with the Eastern provinces, skills are in particularly short supply in Western China. Firms located in provinces with a lower level of GDP per capita or with a smaller service sector as a proportion of GDP tend to find it more difficult to find highly-skilled workers. Eastern China has substantial demand for highly-skilled workers, but the ample skills supply typically balances out demand. The supply-demand gap that exists is mainly structural, reflecting a mismatch among different existing skills and skills in demand. Although the demand for highly-skilled workers in the western regions of China is not as high as in the East, the gap there is larger because of a smaller labour supply.

A current problem which China is facing relates to the skills of fresh graduates which do not match the labour demand. A fundamental problem is that school programmes, courses and enrolments are determined by higher educational institutions without a proper consideration of market demand. Secondly, students themselves are unprepared for employment, leading to a high turnover rate.

An important factor causing this disparity is the lack of investment in executive and vocational education facilities. Executive and vocational institutions only receive about a third of the government funding per student allocated to universities. Executive education schools also suffer from other problems, including sub-par practical training, an unwillingness on the part of firms to participate in training, and a lack of meaningful and effective cooperation between schools and firms.

7.1.7 Foreign Investment

The Chinese education sector is one of the service industries many investors, both foreign and domestic, see as particularly promising. In line with the Chinese government's vision on education, education in China has seen an increasing tightening of its regulatory and supervisory framework when it comes to investors and operators over the last two or three years. This is intended for quality assurance and this trend is set to continue for some time until the regulatory framework settles down to a stable one.

In response to such tighter regulation, such as the prohibition for foreign investors to directly invest into Chinese compulsory education of grades 1 to 9, the market made up of foreign educational institutions interested in China has mainly adopted contractual arrangements of different kinds to link up with Chinese partners, establish a certain degree of control over the business and extract profits from it. While these schools have thus become either profit-making or not-for-profit Chinese private schools, they appear and act on the education market as foreign schools. This practice has been widely adopted by school operators and investors and tolerated by the government authorities, but doubts have always remained whether these arrangements will last in the overall environment of an increasingly ideologically-motivated education environment.

For tertiary and executive level education, the market is more open for external investors, at least for the time being. In fact, it is the sector where the government is seeking to attract foreign investment as a means to offset some of the spending on the compulsory level education. Malta's amicable business and political ties with China also mean that Malta-based operators might be able to obtain certain concessions in the education and other sectors of interest that other jurisdictions might find harder to get hold of.

There are two types of schools in China that foreign groups can explore without going through the *sui generis* concession route. The first is the International Chinese-owned Private School (ICPS), which law requires to be fully Chinese-owned. As explained above, these schools can form business relationships with overseas investors or operators. Examples include Haileybury and Malvern College ³⁶. The other option is through Sino-Foreign Cooperative Schools. These are joint ventures between a Chinese owner and a foreign-education operator focused on secondary and tertiary education. Typically, the foreign organisation does the teaching, while the Chinese partner provides the land, backstop facilities and financial investment.

7.2 Routes to Market and Positioning Strategies

7.2.1 Qingdao Education Sector Shortcomings

In order to for a Malta-based entity to internationalise its product into Qingdao, it would be ideal to first identify the key opportunities that are the result of the current sectorial shortcomings.

7.2.1.1 Demand for Tertiary and Executive Education

Recent education reforms have placed an emphasis on eradicating illiteracy, accelerating the development of preschool education, universalising nine-year compulsory education and improving the quality of compulsory education, especially in rural areas. The Chinese government has made educational equity in compulsory education a priority. Following its efforts to universalise compulsory education nationwide, the government has put more emphasis on balanced development in order to narrow the rural-urban gap and regional differences. The government also uses educational inspection to promote equitable development and close the gap between urban and rural schools.

This focus on the basic foundations of the country's education system, has led to an increased number of students furthering their studies following compulsory education. Tertiary and executive education in China have experienced a huge growth in terms of demand. The Chinese government has met this demand by significantly increasing its investment in universities, as well as through international collaborations. However, the executive and vocational sectors remain highly-underserved, creating opportunities for international operators.

³⁶ The Investor, What Foreign Investors are Learning from China's Education Sector <https://www.theinvestor.jll/>

Another opportunity resides in the provision of courses provided in the English language. Although this sector is heavily-targeted by foreign investors and is the subject of another report issued by Trade Malta, the market is so vast and diversified that it still offers considerable points of entry, especially when it comes to technical subjects taught in English. Notwithstanding that cities such as Shanghai and Beijing have lately been saturated with international schools, the region of Qingdao is still relatively untapped, representing a perfect opportunity for smaller-scale operators like those typically found in Malta. The number of parents selecting a local private school that offers an international education, teaches in English, and enables students to achieve globally-recognised qualifications is growing tremendously in China, especially with an affluent middle class who can afford private education for their children. Qingdao follows this overall trend.

7.2.1.2 Public Funding

State budgetary allocation is the main source of funds for education in China. Investment in the education system in absolute terms has seen a 20 percent increase in the last ten years ³⁷. The government is also looking at ways to increase this investment through international collaborations, as can be seen from the numerous prestigious universities that have set up in China in the past years. Notwithstanding this, there are still numerous gaps especially in relation to executive and vocational training, which sector receives only a third of the budget allotted to universities. Given that China despite its rapid shift to services, is still significantly geared for manufacturing, the opportunities based on the skills gaps between what the education sector offers and what the labour market demands are likely to be significant for some time to come.

Qingdao, unlike other parts of China, has been receiving worldwide attention from the finance sector, thanks to The Qingdao Wealth Management Financial Comprehensive Reform Pilot Zone. The project, which started in 2014, was aimed to establish Qingdao as one of the main financial hubs of the country. This, in itself, brought significant investment towards the education system infrastructure, in an attempt to meet the market's demand for qualified labour. Foreign institutions have taken Qingdao to heart as they see tremendous prospects in the city's financial sector due to the city's geographic advantages, strong industrial foundation, government support and preferential economic policies.

This has alleviated general government spending in education and allowed for a targeted approach towards funding areas of the education sector which had been previously underserved.

7.2.1.3 Quality Aspects ³⁸

In an effort to promote sustainable development, Chinese leaders have sought to improve educational quality and increase access to education across the country. Yet, educational access remains uneven in China. Students born into affluent families generally have much better access to high-quality education than those from lower income backgrounds. Data from the National Bureau of Statistics

³⁷ OECD, Education in China: A Snapshot (2016)

³⁸ China Power <https://chinapower.csis.org/education-in-china/>

suggest that urban residents in China enjoy a nearly threefold income advantage over their rural counterparts. The household registration system (*hukou*) has further widened this development gap by restricting the internal movement of persons. Education-finance policies requiring local governments to bear partial responsibility for funding schools have compounded this issue, leaving less affluent areas without sufficient resources to pay skilled teachers, procure necessary instruction materials, and maintain school facilities.

Urbanisation has amplified regional differences in educational access. It is no exaggeration to say that the movement of people from rural to urban areas within China in search of employment opportunities and higher wages is representative of one of the largest internal migrations in human history. Rural migrants have flooded the labour market in urban centres, including Beijing and Shanghai, such that migrant labourers comprise roughly one-third of China's total labour force. These population shifts have contributed to overcrowded classrooms, which may come under even greater strain as the number of children of migrant workers residing in China's biggest cities is expected to increase by 1.5 million annually.

In order to address these imbalances, the central government has implemented policies to realign education funding. The National Plan for Medium- and Long- term Education Reform and Development (2010-2020) set ambitious achievement targets for primary and secondary education. Local governments are also taking action to tackle disparities in education access.

Over the last decade, China has made considerable strides in prodding tertiary education forward. At present, however, the quality of several Chinese universities, typically those which are not based in the highly-urbanised centres, lags behind that of the more urbanised centres and of other advanced countries, at least in reputation. The Times Higher Education World University Rankings 2016-2017, a widely respected London-based university measure, includes only two Chinese institutions among the top 100 universities worldwide.

China's top universities are highly selective. Peking University does not publicise its admission rates, but applicants from Beijing are believed to have a 0.5 percent chance of acceptance, which is up to 40 times higher than applicants from elsewhere in the country. When compared globally, Peking University's low admission rate reveals the exceptionally competitive nature of tertiary education in China. Two of the world's most well-regarded higher education institutions in the United States, Harvard University and Stanford University, have admission rates that are around 5 percent. In the United Kingdom, the University of Oxford and the University of Cambridge have acceptance rates of over 17 percent.

The structure of the national admissions process further compounds this disparity. College hopefuls are bound by their *hukou* (household registration) and performance on the *gaokao*, China's National Higher Education Entrance Examination. Every year, universities set quotas for how many applicants may be admitted from each province. Institutions allocate the highest number of spots to applicants from the institution's home province, and typically preferential treatment is given to urban residents from elsewhere for the remaining spots. Consequently, students from rural or lower-income Chinese provinces must often score significantly higher on the *gaokao* than their counterparts with urban *hukou* in order to be admitted into the same institution.

Chinese universities are generally understood to be divided into four tiers, with Tier 1 universities encompassing those universities designated to receive substantial central government funding to develop China as a world-class research centre. The cut-off *gaokao* scores (*fenshuxian*) required for admission into each tier are determined annually, but a student's chances for acceptance usually depend on the difficulty of the *gaokao*, university quotas, academic interests, and their *hukou*. A high number of Tier-1 institutions are concentrated in wealthy municipalities and provinces, which earmarks them for more government funding than their lower-ranking counterparts. Specifically, five of the top ten universities in China are located in Beijing and Shanghai.

7.2.1.4 Meeting Labour Demand

Many of those who attend Chinese universities pursue degrees in the science and engineering fields. According to the 2016 Science and Engineering Indicators Report ³⁹, China and India supply almost half of (46.4 percent) the global 6.4 million Science and Engineering (S&E) bachelor's degrees. The two countries are projected to collectively account for two-thirds of the increase in global S&E graduates by 2030. By comparison, the European Union and United States supply 11.5 percent and 9.2 percent, respectively, of the global share of S&E graduates.

This outpouring of S&E graduates may present its own problems for China as it seeks to transition to a consumer-driven economy. Specifically, western provinces have skills shortages in fields such as research and development and capital operation, and eastern provinces lack skilled technical workers. Cultivating a highly-skilled domestic labour force is crucial for China's endeavour to transition to an innovation-based economy.

This problem is also evident in Qingdao as the high influx of financial institutions has created a skill gap which has seen many universities scramble to restructure their courses. There is, in general, a lack of skilled or experienced labour when compared to the demand of this ever-growing market, and although vocational institutions, such as the Qingdao Vocational and Technical College, that offer executive courses are on the increase, they still lag behind on the quality and level of courses being offered. We expect this gap to close over time, so the opportunity present in this market is time-sensitive and will not be there in a decade's time.

7.2.2 Opportunities for Malta-based Operators

In the light of the foregoing review, the main shortcomings of the Chinese education system in Qingdao (this does not necessarily apply to other parts of China), for Tertiary and Executive education lie in the following aspects:

- i) Lack of investment in executive and vocational sectors as a result of government spending being more concentrated in tertiary level education;

³⁹ <https://www.nsf.gov/nsb/publications/2016/nsb20161.pdf>

- ii) Although investment in tertiary education has increased, there is still a lack of technical courses being offered in English, a factor which is being seen as a major constraint given the importance that the general Chinese household is giving to an intentional based education system;
- iii) In Qingdao, there is also a lack of labour supply when it comes to the financial sector which has seen enormous growth in the past 5 years;
- iv) In general, the quality of education in Qingdao is not up to standard, especially when compared to more internationally-oriented jurisdictions such as the US and Europe.

In our opinion, given the challenging environment that China presents when it comes to foreign investment, it would be appropriate to base the internationalisation of Malta-based operators on the following methods:

- i) Attracting Chinese students to Malta (here might be visa issues, but they are surmountable);
- ii) Cooperating with private education institutions based in China in an attempt to supply human resources (teaching staff) for short periods of time and making use of the fact that Maltese academic staff usually speaks good English;
- iii) Cooperating with private education institutions in an attempt to set up small schools specifically targeted at the execution and vocational sectors;
- iv) Cooperating with private companies in an attempt to offer executive level courses that the Chinese market does not offer;
- v) Providing online education.

7.2.3 Attracting China based students to Malta

China is currently the number one source country of international students around the world ⁴⁰. The huge tide of Chinese students flowing overseas for higher education and paying external student fees, particularly self-supporting undergraduate students, has been much appreciated by cash-strapped universities, especially in the West. The 'push' factor is mainly attributed to the difficulty of having access to high quality education in China together with the relatively low quality when compared to European and US standards where access is less restricted. The Chinese government has also played a part in this by supporting and promoting international education providing added benefits to returning students in terms of grants, schemes and support in finding jobs.

As explained earlier, Malta is no stranger to this type of business model as can be seen from the multi ethnic student base that is present on the island. The country has the appropriate facilities, high level teaching staff and is becoming more accustomed to the Sinic world. Malta is thus well-positioned to capitalise on this market.

⁴⁰ Centre for China and Globalisation (CCG), Global Report (December 2017)

7.2.4 Cooperating with Private Education Institutions

In a country such as China, where the concept of culture and tradition is highly regarded, the fastest and least-risky way to penetrate the market is through cooperation with local institutions. In our Opinion, cooperation can take two forms:

- i) Supplying human resources to existing institutions; and
- ii) Creating joint ventures or partnerships in an attempt to provide executive and vocational training.

From previous sections of this report, it should be clear that urbanisation has overcrowded developed cities such as Qingdao with the result of having generated gaps between supply and demand, particularly in the areas of business management and finance. There is also a considerable skill gap between the student and labour market as the government has not given much attention to vocational centres. This creates yet another opportunity for Malta-based operators. Given its changing economy, Malta has, in the past years, had to restructure the education sector in terms of executive level training. This means that local operators are well prepared to penetrate other jurisdictions using the same operational model and part of the material they have already created for the Maltese market. Creating partnerships with local institutions would seem to be an ideal way to penetrate the Chinese market. Vocational centres do not require as much investment as other private institutions, as they are usually smaller in size, which also permits higher level of flexibility in terms level of services offered.

7.2.5 Cooperating with Private Companies

An alternative route to the previous approach is to cooperate with private businesses based in Qingdao in order to supply executive and vocational training to the workforce. The Chinese economy is now at an inflection point. The astounding economic growth of China over the past thirty years has been substantially built on low-cost, low-skill manufacturing for export. This frenetic pace of development has come at great cost in terms of economic imbalances, regional and social inequalities and environmental destruction. China knows that it needs to transform its economic model and the government has, in fact, taken steps to move from an economy based on low-cost, low-skill exports to one based on services, consumer demand, agricultural modernization, higher value-added products, technological innovation and innovation.

China has successfully managed to improve its secondary and tertiary education levels in the past years. However, the practical know-how level of graduating students is low when compared to other countries⁴¹. China has abundant labour power, but it will need a far more skilled and productive labour force to meet its goals of developing an advanced, high income economy and society. This is a goal that the Chinese government is already working on.

⁴¹ Centre of International Education Benchmarking, Made in China: Challenge and Innovation in China's Vocational Education and Training System (2015)

7.2.6 Online Education

As seen in previous sections, the rapid growth in students seeking tertiary and executive level training is not being catered for by the current education system. As a result, online education has had a boost in the past couple of years. Competition in this area is fierce and market penetration is not easy unless there is a good marketing strategy. Payoffs could also be considerably larger as eLearning means that delivery costs can be significantly cheaper if there is a sufficiently-large market penetration.

China is a digitally dominated environment. Communicating online in the most effective way via the right channels to potential students and families is key for colleges and universities. Thus, online marketing needs to be tailored and adapted for the Chinese market, taking into consideration the 'unique' way in which internet in China operates through restrictions and controls, making it very different from what the European market is used to with net neutrality.

The Malta-based operator needs to understand the Chinese market in terms of search engines used. The first port of call for Chinese 'netizens' is to search for information on Baidu, the Google-equivalent of China and by far the largest search engine worldwide. Marketing needs to be developed through investment in Search Engine Optimisation or Search Engine Advertising. One must also ensure having a Chinese version of the website optimised for Chinese search engines with the content translated into simplified Mandarin Chinese. Due to the restricted internet access, the Chinese are mostly unaware of establishment reputations outside of China, meaning that a new service provider needs to invest some time in creating a name for itself that is able to attract students in China. Students will not necessarily opt for the best academic school but rather the course and environment that is most conducive to meeting their needs.

Social media also plays an important part of the marketing strategy, especially for online service providers. Just like anywhere else in a developed society, social media in China is integral to the individual's life, especially for the younger generation. Utilising social networking platforms such as 'WeChat' or 'Weibo' in order to sell products and services is a key part of any digital marketing strategy in China. Managing and maintaining the reputation of your educational institution within forums and social media is imperative. Forums are a dying breed in the West, yet in China they are thriving and the feedback of others is in high regard, particularly the feedback of their immediate friends and peers.

7.2.7 Routes to Market

Targeting the Chinese market is not any easy task especially when one considers the different cultural aspects. Entry in the Chinese market should, in our opinion, always be made in collaboration with Chinese counterparts. The Chinese government has sought to create a number of platforms in an attempt to increase synergies between local and foreign education service providers. One of them is the China Qingdao International Education and Information Exhibition (CEIE). Another popular forum is the China Education Expo, which in 2018 was staged in Qingdao.

Both platforms are aimed for Education Professionals looking to maximise access to the latest trends and innovations in education, enhance networking, and facilitate business among local and international service providers.

7.3 Country Weaknesses and Challenges

As the fastest-growing major economy in the world, China continues to offer global companies attractive investment and business opportunities. However, doing business in China also means navigating the complexities that arise from China's unique historical, political, and cultural contexts.

One of the major obstacles to investing successfully in China is to understand its business culture. In China, personal relationships (*guanxi*) are critical to business success. In the majority of cross-border business transactions, the Chinese counterparts would want to know the management team of the foreign investor quite well before concluding any investment deal. This process could take months or even a couple of years, and requires patience from the foreign investor. It usually makes sense for a foreign investor to hire employees or advisers familiar with China's business culture or identify a Chinese business partner with the right relationship network to make the investment a success.

There has been a sizeable class shift in China over the past few decades, and the consumer environment is far more diverse than it once was. It is also completely detached from markets elsewhere in the world, and many companies have sunk in China because they failed to take into account consumer preferences and the underlying context.

Bureaucracy is also a main concern of expanding in China with the granting of licences and permits often being very laborious. Transparency of government procedure and corruption used to be chief concerns for companies moving into China. However, the new class of political leaders have ushered in a complete overhaul of the system with a zero-tolerance to corruption. Bureaucratic red tape still survives although there are signs that things are starting to move there as well. The World Bank in its Ease of Doing Business Report ranks China 78th out of 190 countries with respect to opening and running a business while complying with local regulations. For starting a business, the World Bank ranked China 127th. Despite significant Chinese government efforts to streamline bureaucracy and reduce red tape, foreign companies continue to complain about administrative procedures, especially with respect to registration and licensing.



8. Conclusion

8.1 Summary and Outlook

Oman has scored remarkable achievements in access to education over the past 40 years. With the government playing a dominant role in driving growth in the sector as regulator and service provider, enrolment in basic education and adult literacy have risen to more than 90%.

In upper levels and higher education, government objectives in education are focused largely on improving quality in accordance with international standards and developing productive members of a diversifying post-oil economy in Oman.

Government subsidy schemes and land grants are expected to attract considerable investor interest in the sector, and the private higher education market will likely continue to grow. Ongoing regulatory and legislative initiatives are expected to have a significant impact on quality in the delivery of education.

This is an important step in connecting the education system with the requirements of the labour force. Liaison and engagement with stakeholders in the labour market has become essential for universities in the sultanate, with a number of institutions seeking active collaboration from industry on strategic requirements.

Significant reforms in education focused on improving quality through international and domestic certification will be critical to ensure that the Omani youth of today are equipped to face the challenges of tomorrow's economic climate.

After a careful review of the Oman educational sector, it is our opinion that the marketing strategy for Malta-based operators should be based on the following:

- i) Attracting Oman based students to Malta;
- ii) Cooperating with private education institutions based in Oman in an attempt to supply human resources (teaching staff);
- iii) Cooperating with private companies in an attempt to offer executive level courses that the local market does not offer.

China is seeking to become more involved in setting international standards and regulations around academic and student mobility, as part of its goal to play a more influential global role in education. Tertiary education in China experienced a huge expansion in the first decade of the 21st century and is likely to continue growing over the foreseeable future.

Even though the Chinese government has pushed to privatise the education system in order to release state funds for other national priorities, many private colleges still have poor facilities, less choice of majors (main subjects) and a poor reputation. Tuition fees have also increased across the board and would depend on the specific area where the institution is set up. Although in general the population can enjoy free education, the term 'free' may vary across provinces and regions making comparisons difficult. The country has also seen a general increase of students going abroad to further their studies.

In an effort to promote sustainable development, Chinese leaders have sought to improve educational quality and increase access across the country. Yet access to education in China remains uneven. Students born into affluent families generally have greater access to high-quality education than those from lower income backgrounds. Urbanisation has amplified regional differences in access to education that the Chinese government is addressing. Over the last decade, China has made

considerable strides in advancing tertiary education. At present, however, the quality of several (though not all) Chinese universities lags behind that of other advanced industrialised countries.

Another problem which China is facing relates to the skills of fresh graduates which do not match the demands of the labour market. A fundamental problem is that school programmes, courses and enrolments are determined by higher educational institutions without a proper consideration of market demand. Secondly, students themselves are unprepared for employment, subsequently leading to a high turnover rate.

After a careful review of the Chinese educational sector, particularly in Qingdao, it is our opinion that the marketing strategy for Malta-based operators should be based on the following:

- i) Attracting China based students to Malta;
- ii) Cooperating with private education institutions based in China in an attempt to supply human resources (lecturing staff);
- iii) Cooperating with private education institutions in an attempt to set up small schools specifically targeted at the execution and vocational sectors;
- iv) Cooperating with private companies in an attempt to offer executive level courses that the Chinese market does not offer;
- v) Providing online education.

Final Comment

The two markets analysed in terms of attractiveness for Tertiary and Executive Education Services provide a series of possibilities for Malta-based firms. Both countries are heavily investing in the education system and are vigorously endeavouring to attract foreign investment, thus creating opportunities worth exploring.

In providing the analysis in the foregoing pages, we have sought to provide readers with some of the basic building blocks of a market penetration strategy on the basis of which you can build and premise your own.

This report and the other reports in this series are not intended to be academic or esoteric, but practical and empirically useful for doing business. We have accordingly sought to put together the essence of what every entrepreneur would need to know before targeting a new market. The views represented herein are purely those of the winning bidder (Equinox Advisory Ltd.) to the tender for services published by TradeMalta to commission this series of reports.

While hoping that you have found the information presented in this report to be useful, we also invite you to register at www.trademalta.org. Registration will grant you access to all the portal's features, which are tailored to help Malta-based companies reach new heights in international markets.



Operational Programme I – European Structural and Investment Funds 2014-2020
“Fostering a competitive and sustainable economy to meet our challenges”
Project part-financed by the European Regional Development Fund
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