

# MillionPlus

The Association for  
Modern Universities



**POLICY BRIEFING**

## Trade in higher education services and research – negotiating Brexit

## Introduction

UK universities have forged extremely successful and beneficial relationships with the European Union (EU). In terms of research funding, UK universities are major recipients of awards and grants from programmes such as Horizon 2020 and the European Structural and Investment Fund.

The skills and talents of teachers and academics from countries in the EU have added value to UK higher education and research, ensuring that students are exposed to a wide range of diverse teaching that enriches and enhances their studies and student experience. These individuals make up significant proportions of the staff base in subjects such as sciences, engineering and languages.

Additionally, the trading relationships established through the UK's membership of the European Union mean that the UK has been able to export education without any tariff barriers to a market of over 500 million people. The primary target of these exports<sup>1</sup> are EU students who study at UK universities.

Research funding may be a more visible feature of the UK's trading relationship with the EU. For example, the income available from programmes such as Horizon 2020 is clearly established from the outset as a result of negotiations on the EU's budget for research and development that is conducted between EU states. As a result, the amount available from Horizon 2020 is often reported, is a tangible figure and is awarded in return for specific research services and collaborations.

In fact, the value of EU students to the UK economy is at least of equal significance to the research funding awarded from EU programmes. This value arises not just from the approximately £250m worth of tuition fees each year, but from additional on and off-campus expenditure by students and expenditure by staff. This equates to around £4bn of economic output to the UK each year.

This policy paper reviews information published by Universities UK and data collected by the Higher Education Statistics Authority (HESA) to analyse the value of the UK's EU educational export market to the UK economy. It also identifies the impact of this trading relationship in each devolved administration of the UK and in each English region.

The ability of UK universities to trade with EU countries in HE services and research is fundamental to a successful economy. Securing the future of all of these relationships – not solely those related to research – must be central to the negotiations to exit the European Union. This is why we also set out a series of recommendations for government.

## NEGOTIATING BREXIT

### Recommendations for the UK government

- Confirm as a matter of urgency that EU students entering universities in England in the admissions years of 2017-18, 2018-19 and 2019-20 will be able to access student loan funding for the duration of their course on the same terms and conditions as apply to home students
- As part of the Brexit negotiations, consider establishing a temporary residency scheme for EU students post-Brexit that allows them to live and study in the UK with minimal restrictions, on the proviso that the same reciprocal arrangements apply to UK students who are accepted to study at universities and other institutions in EU states
- Include in negotiations with the EU future access by UK universities to EU funding programmes like Horizon 2020, European Structural and Investment Funds and participation in Erasmus student and staff mobility programmes

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<sup>1</sup> The EU student market is classified by the government and in official statistics as an export

- Guarantee EU staff working in UK universities the right to remain without any visa conditions at the point at which the UK leaves the EU
- Include in negotiations with the EU a work permit scheme offering UK universities the opportunity to recruit talented staff from EU countries to work in the UK with minimal restrictions
- Establish two new funding streams – one focused on teaching and managed by HEFCE / the Office for Students and one focused on research (managed by HEFCE / UK Research and Innovation) to support UK universities in the event of instabilities arising during the negotiating period and transition to any new post-Brexit system
- Guarantee that the total combined value of research funding from UK and EU sources allocated to UK universities at the point of leaving the EU will be at least maintained in real terms for a transitional period of 5 years

#### Recommendations for the Scottish government

- Confirm as a matter of urgency that EU students entering universities in Scotland in the admissions years of 2017-18, 2018-19 and 2019-20 will be funded for the duration of their course on the same terms and conditions as apply to home Scottish students
- Request that the Scottish Funding Council should at least maintain funding for teaching and associated student numbers to universities in Scotland for a transitional period of 5 years

#### Recommendations for the Welsh government

- Confirm as a matter of urgency that EU students entering universities in Wales in the admissions years of 2017-18, 2018-19 and 2019-20 will be able to access to student loan funding for the duration of their course on the same terms and conditions as apply to home students going to universities in those countries
- Request that the Higher Education Funding Council for Wales should at least maintain funding for teaching and associated student numbers to universities in Wales for a transitional period of 5 years

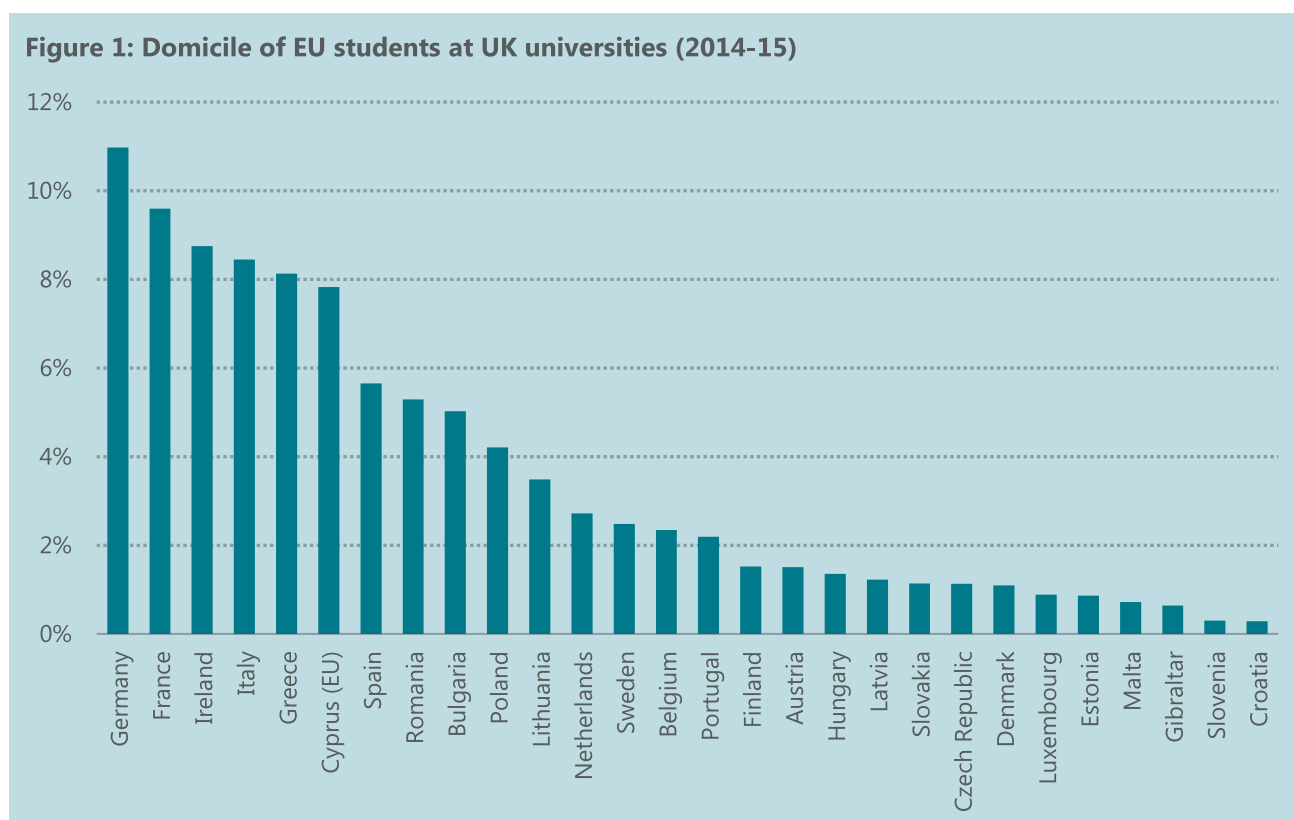
#### Recommendations for the Northern Ireland Executive

- Confirm as a matter of urgency that EU students entering universities in Northern Ireland in the admissions years of 2017-18, 2018-19 and 2019-20 will be able to access to student loan funding for the duration of their course on the same terms and conditions as apply to home students going to universities in those countries
- Request that the Department for Employment and Learning should at least maintain funding for teaching and associated student numbers to universities in Northern Ireland for a transitional period of 5 years

## The impact of EU students on the UK economy

In 2014-15, there were around 125,000 EU students studying in the UK, with 54% of them from just 6 countries. Germany, France, Ireland and Italy were the top four countries – contributing nearly 40% of the students studying in the UK in 2014/15 (Figure 1).

Many of these students will be participating in Erasmus schemes, though the vast majority of EU students study in the UK outside of those programmes.<sup>2</sup> Trade with these countries is highly valued by the UK government and contributes significantly to economic growth. These are longstanding successful trading relationships.



Source: MillionPlus analysis of HESA data 2014-15

Universities UK<sup>3</sup> has calculated the value of EU students to the regional economies of the UK in both the amount generated by student spending, and the jobs created and supported by this spending. The figures demonstrate the importance of the presence of EU students across all regions of the UK in generating output and creating and supporting jobs, and as such, emphasises the possible risks to the economy should future restrictions be placed on EU students.

The impact in terms of economic value of these students is significant – whether to the individual university where they study, the part of the UK or region of England in which they live, or to the UK overall. This is seen in terms of the amount generated for the local economy and in terms of jobs created in those areas. The income generated in each of those regions contributes to a significant level of employment whether through direct creation of jobs, or through indirect activity that supports other jobs (Figure 2).

<sup>2</sup> The UK was the 4<sup>th</sup> most popular destination in 2012/13 for Erasmus students. Spain was the most popular destination, with around 40,000 students opting to study there.

[http://ec.europa.eu/dgs/education\\_culture/repository/education/library/statistics/ay-12-13/facts-figures\\_en.pdf](http://ec.europa.eu/dgs/education_culture/repository/education/library/statistics/ay-12-13/facts-figures_en.pdf)

<sup>3</sup> <http://www.universitiesuk.ac.uk/news/Pages/eu-students-vital-to-regional-economies.aspx>

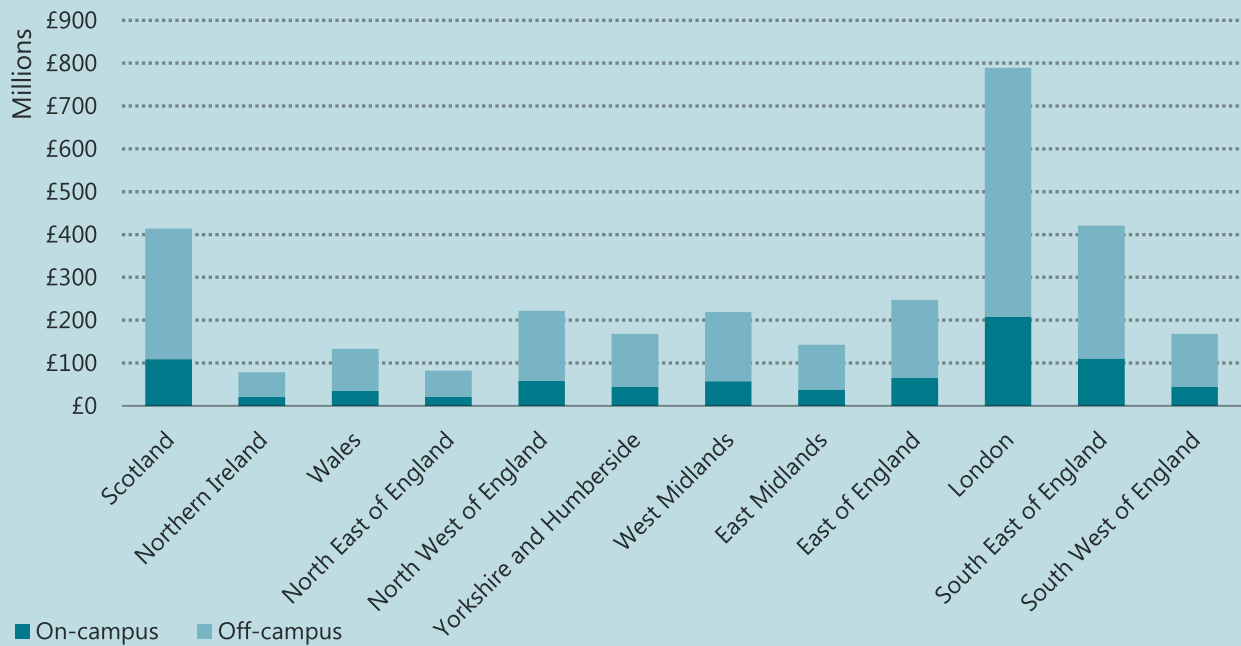
<b>Figure 2</b>	<b>Amount generated for regional economy (£m)</b>	<b>Number of jobs created and supported</b>
Scotland	£414.1m	3,743
Northern Ireland	£78.1m	841
Wales	£132.9m	1,264
North East of England	£82m	770
North West of England	£221.6m	2,112
Yorkshire and Humberside	£167.7m	1,638
West Midlands	£219m	2,079
East Midlands	£143m	1,341
East of England	£247.5m	2,295
London	£788.9m	7,580
South East of England	£420.3m	4,021
South West of England	£168.2m	1,481

Source: Viewforth Consulting modelling system analysis for Universities UK<sup>4</sup>

In total, EU students generated around £3.7bn for the economy in 2011-12. Of this, £1.4bn is generated from on-campus expenditure of around £220m in direct payments (from tuition fees) and cost and a further £2.3bn was generated for the UK economy by off-campus spending in local economies. Figure 3 shows the impact of this in Scotland, Northern Ireland and Wales, as well as in each region of England. In each case, the value to the local economy significantly outstrips that which is contributed by EU research funding to universities.

<sup>4</sup> <http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2016/economic-impact-of-eu-research-funding-in-uk-universities.pdf>

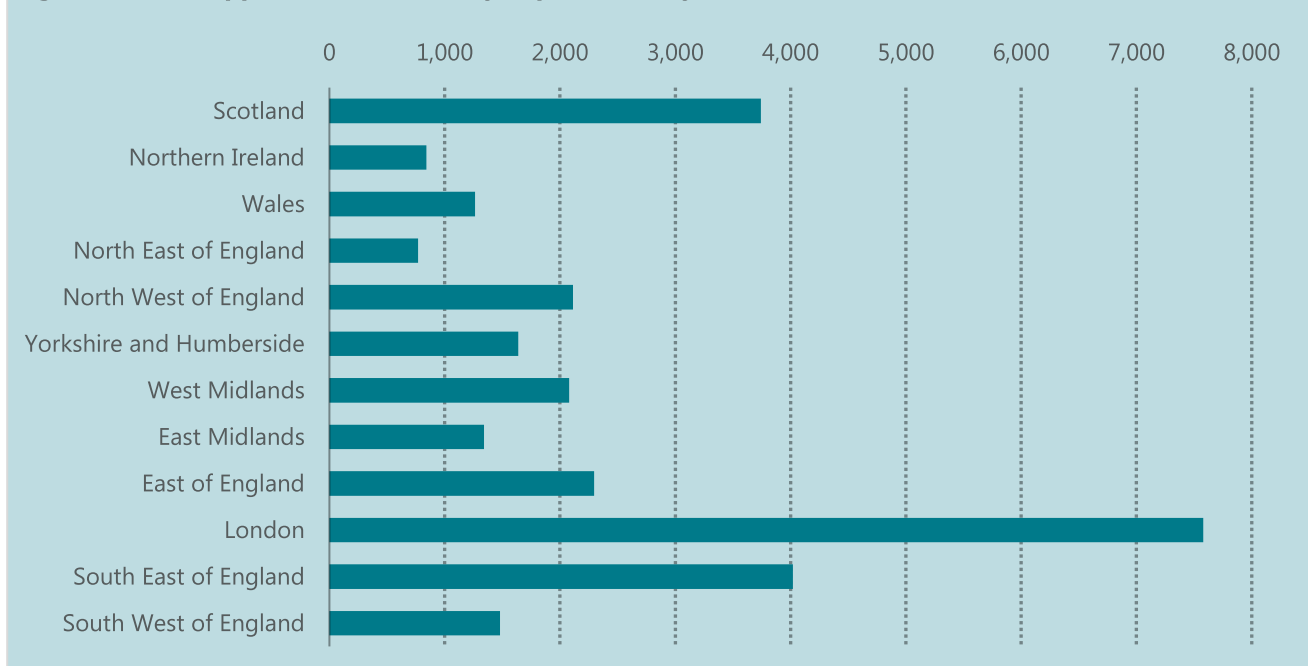
**Figure 3: Amount generated for regional economies by on and off campus expenditure by EU students**



Source: Viewforth Consulting modelling system analysis for Universities UK

Almost 20,000 off-campus jobs are created or supported by EU students in addition to over 15,000 jobs created on-campus. Figure 4 shows that the contribution of EU students is largest in London, South East England and Scotland, but can also be felt in regions with relatively few universities such as the North East of England.

**Figure 4. Jobs supported or created by expenditure by EU students**

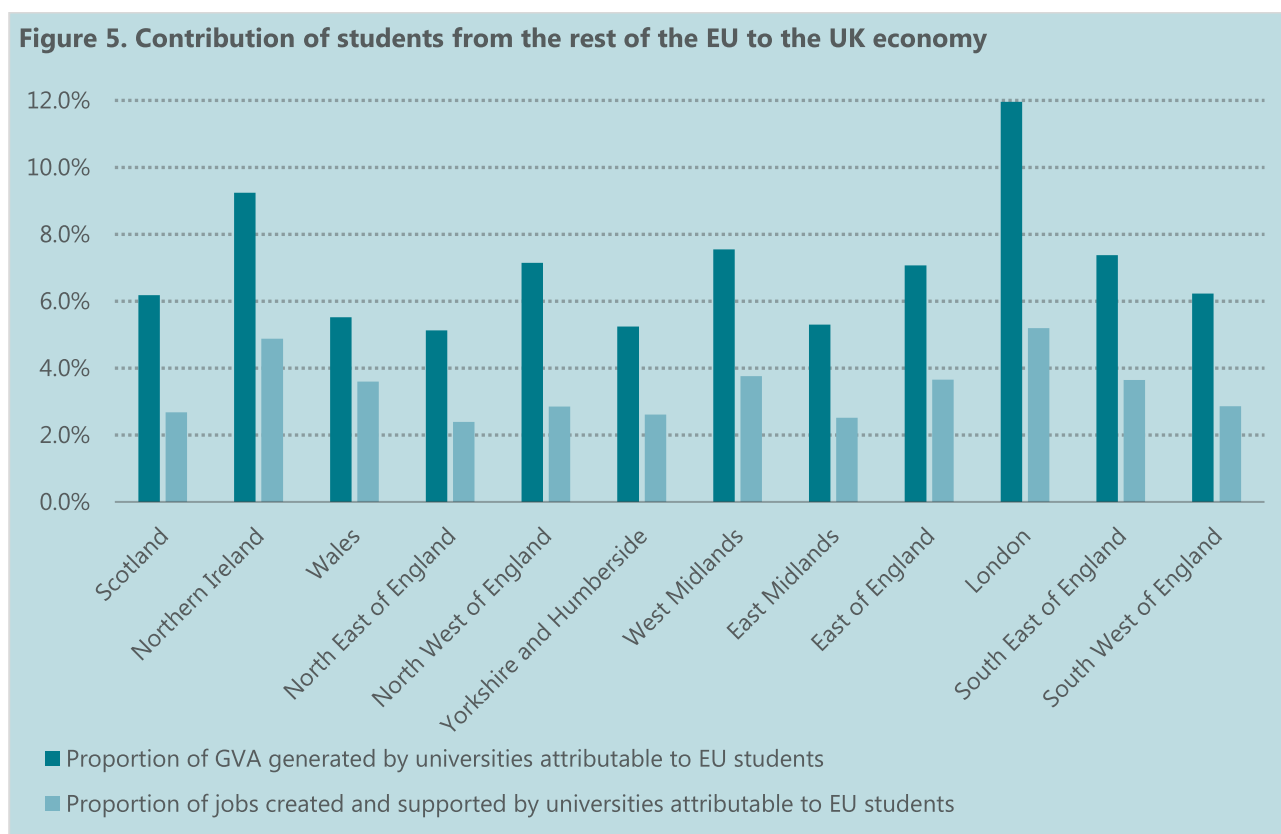


Source: Viewforth Consulting modelling system analysis for Universities UK

Time and again, the importance of job providers like factories, pharmaceutical companies or other industries is emphasised by government, parliament and the media, especially when a particular business makes it clear that it is considering its investment in an area. The significance of these businesses, and the impact they have on regional economies, is known and understood. The same understanding needs to be applied to the impact universities have on their local economies, and the risks to jobs and investment that are created by Brexit deserves the same level of concern.

As it is, the Office for National Statistics calculates that education is at least the 8<sup>th</sup> biggest sector in every country of the UK and every region of England.<sup>5</sup> In some cases, education is in the top 5 sectors. Of the sectors that contribute a larger GVA than education, the majority of them are all areas that require highly-skilled graduates and research staff in order to be successful.

Universities are important economic generators in their own right within different English regions and in Scotland, Wales and Northern Ireland. The contribution of EU students to this cannot be underplayed – their presence is responsible for at least 2% of jobs created by universities in every region. In addition, around 5% of economic output generated by universities is attributable to EU students (Figure 5). This impact benefits the wider communities in each of those areas, contributing significantly to local economic growth. In negotiating Brexit, the UK government will need to be mindful of the importance of EU educational exports to these local economies.



Source: Viewforth Consulting modelling system analysis for Universities UK

A continuing critique of the value of EU students is their non-repayment of student loans, suggesting that this creates a financial drain. In fact, this is misguided. In 2014-15 the total loan balance for all repayment cohorts since 2008 of English borrowers was almost £30bn. EU borrowers over this period accounted for just £337m or just over 1% of the value of English borrowers’ loan balance. Given that EU students spend around £220m a year on campus, and around £1.49bn a year off-campus (generating a total of around £3.7bn for

<sup>5</sup> <https://www.ons.gov.uk/economy/grossvalueaddedgva>

the UK economy), the amount EU borrowers owe is negligible not only in comparison with their English counterparts but also the amount generated across the UK economy.

Ensuring that EU students can still study in the UK post-Brexit with minimal restrictions will be a vital component of a successful negotiation. These students are extremely valuable to UK universities, and by extension to local economies across the UK. The assumption that EU students would be simply re-categorised as international students is erroneous. One opportunity of leaving the EU is the option of doing some things differently – and this is an example of that.

A report in August 2016 by Policy Exchange<sup>6</sup> explored the possibility of ‘temporary citizenship’ status, that would allow an individual to stay in the UK for a period of time, without full access to certain social and political rights. It is feasible and desirable to consider a distinct, new category for EU students that enables them to continue to see the UK as a key destination for study. This would also be likely to support the potential for reciprocal arrangements to facilitate the study of UK students in Europe.

## Key points

- In 2014/15, 125,000 EU students studied in the UK
- EU students generate approximately £4bn for the UK economy
- Nearly two-thirds of the economic value generated by EU students is due to off-campus spending
- 2% of jobs created by universities are attributable to EU students
- 5% of economic output generated by universities is attributable to EU students

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<sup>6</sup> <http://policyexchange.org.uk/wp-content/uploads/2016/09/immigration-and-integration-after-brexit-aug-16.pdf>

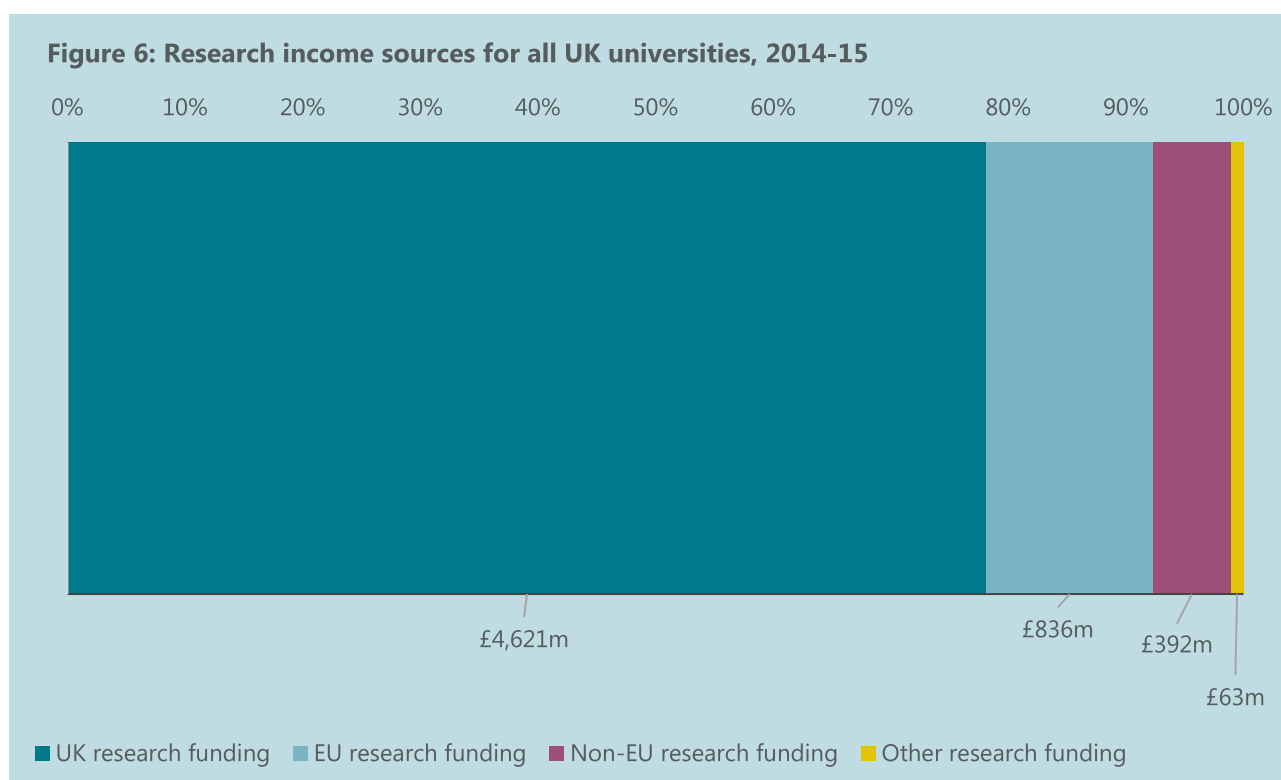


## The value of EU research funding to the UK economy

The majority of the funding for research in UK universities comes from UK sources, but the funding that is available from the European Union is vital to a thriving research sector – both nationally and regionally. In 2014-15, UK universities received £836m in research funding from European Union sources – around 15% of the total value of research funding in that year, as seen in [Figure 6](#).

The UK government has given guarantees that it will underwrite any EU research funding received by universities up to the point of Brexit, but what remains to be seen is how the government will, in the longer term, ensure that this funding level is maintained once the UK has left the European Union.

An additional £450m of research funding is received from other sources outside of the UK government and EU routes. This is from businesses, international sources, countries outside the EU and so on investing in the high quality UK research system. It will also be important that the decisions the government makes and the guarantees it gives during and after Brexit negotiations do not damage the confidence people have in UK universities – this confidence is vital if they are to continue investing nearly £500m per year in research at UK universities.

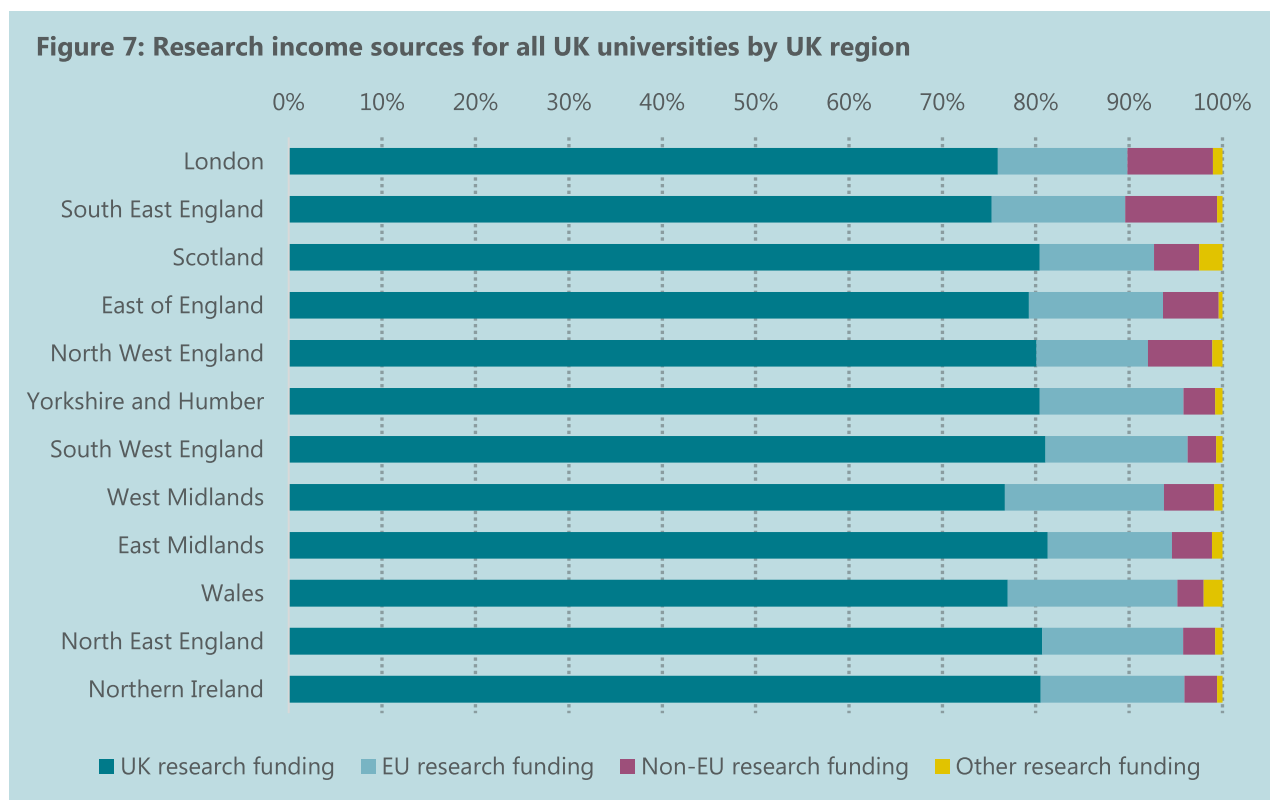


Source: MillionPlus analysis of HESA data, 2014-15

As with the overall output generated by higher education services, research funding from EU sources makes a huge impact across the individual devolved administrations of the UK and across English regions ([Figure 7](#)). The investments made by the EU, through programmes like Horizon 2020, ensure that all parts of the UK benefit from significant levels of research funding, beyond what is currently provided by the UK government.<sup>7</sup> This additional investment therefore supports the government's stated aim of ensuring economic growth happens across the UK, rather than being concentrated in only a few areas – as has often been the case since

<sup>7</sup> Although much of education policy is devolved to Scotland, Wales and Northern Ireland funding for research councils is decided at UK government level.

the financial crisis of 2008. The instability that could be caused by the UK leaving the EU may impact disproportionately on the devolved administrations and the different regions in England, which means the UK government needs to ensure not just that overall levels of investment are maintained post-Brexit, but that regional distribution continues as well.



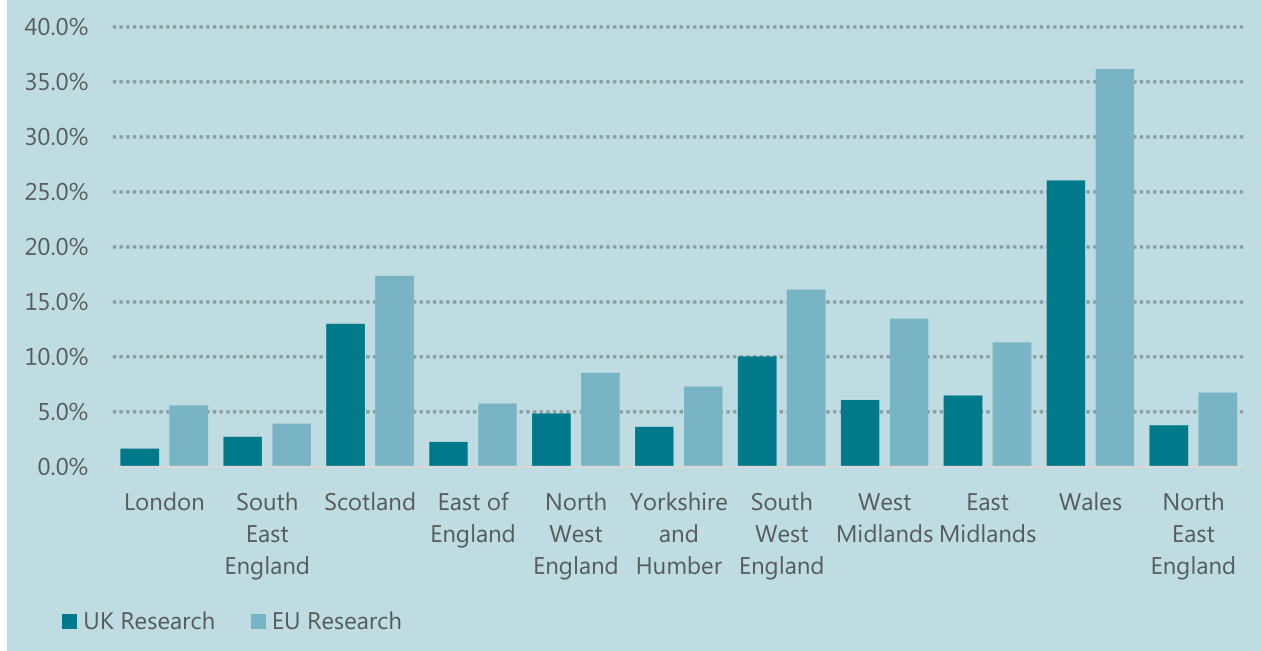
Source: MillionPlus analysis of HESA data, 2014-15

The value of EU research funding is of huge significance to the overall UK economy, to the devolved administrations and to English regions. One element of this is how EU research funding is able to reach more of the modern universities than UK research funding. The investment in research from the UK government is typified by a hyper-concentration of funding into a small number of universities. This concentration and lack of dynamism that has been a feature of the research funding system in the last 15 fifteen years restricts the UK's ability to support innovation across all regions, and its ability to boost productivity and growth. By comparison, research funding from EU sources does not share this level of concentration, and has therefore proved more accessible to many UK universities. In particular, modern universities, which often concentrate on applied and translational research with small and medium enterprises to support innovation and growth in their local areas, receive a higher proportion of the research funding awarded by EU sources (see [Figure 8](#)). This highlights why it is important not only for the government to guarantee this research funding post-Brexit, but to also ensure that it maintains the more open, proportionate approach to investment in a larger number of universities compared to the allocation rules governing the way UK research funding is currently distributed.

The value of cross-country collaboration between academics in different EU countries cannot be undervalued. The collaborative approach to research, and the relationships that stem from it, needs to be promoted as part of the negotiations to leave the EU – this is just as important as guaranteeing funding. The excellence frameworks for collaboration that have been built during the UK's participation in programmes such as Horizon 2020 should not be undermined. In fact, they can be used as a springboard and model to increase activity globally, as well as with EU countries.

**Figure 8: Proportion of UK research funding and EU research awarded to modern universities by UK region**

\*There are no modern universities in Northern Ireland



Source: MillionPlus UK HESA data, 2014-15

## Key points

- In 2014-15, UK universities received £836m in research funding from European Union sources – around 15% of the total value of research funding in that year
- Research funding from EU sources makes a huge impact across the individual devolved administrations of the UK and across English regions
- Research funding from EU sources does not have the level of concentration as the funding from UK sources, and has therefore proved more accessible to many UK universities
- Modern universities, which often concentrate on applied and translational research with small and medium enterprises, to support innovation and growth in their local areas, receive a higher proportion of the research funding awarded by EU sources than they do UK sources

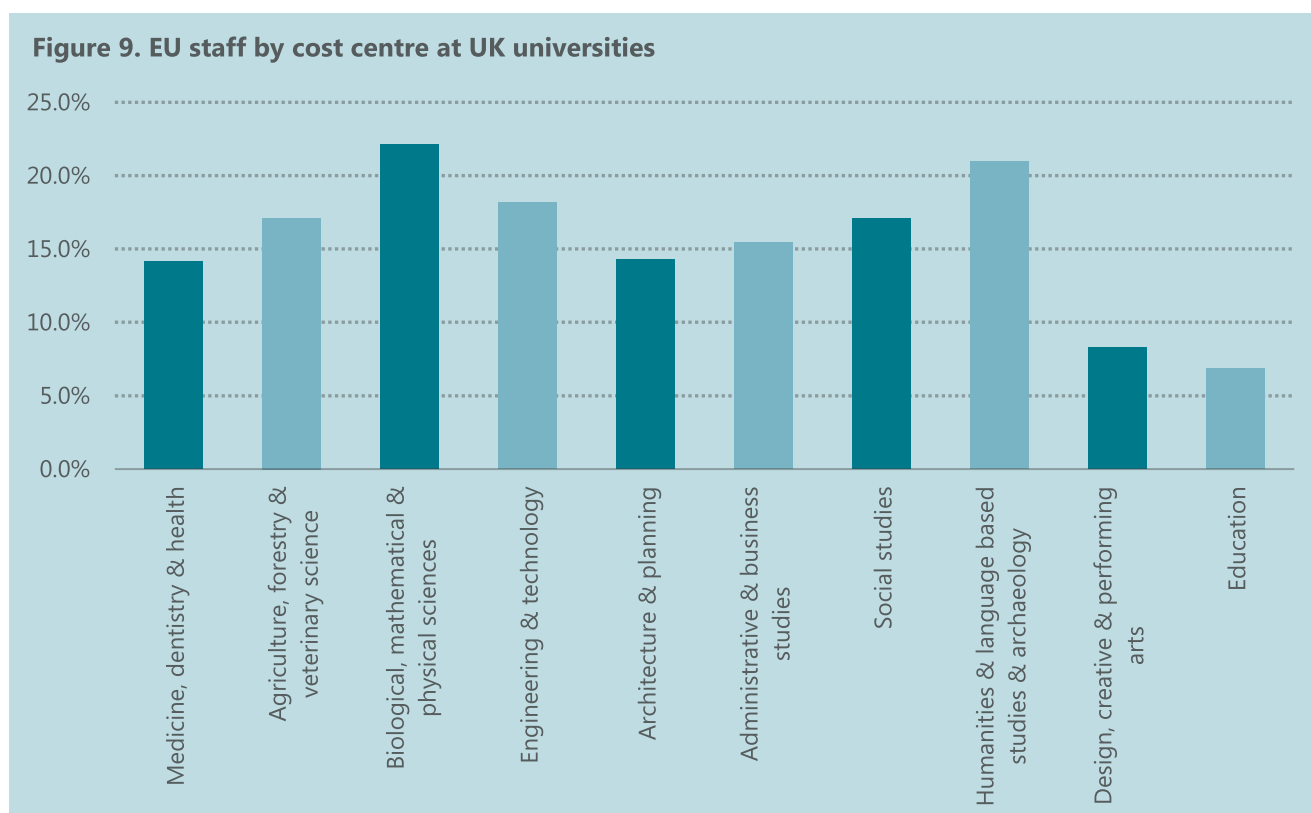
## The value and impact of EU staff at UK universities

The high quality and reputation of UK universities that enable them to trade effectively with the EU in both research and higher education services is attributable in a major way to the calibre of staff working in those universities. These staff are part of a sector that is able to offer innovative, diverse and excellent degree courses to students that ensure they are successful in the global workforce – often using that success to contribute to the UK economy through tax revenue, the creation of small businesses, or the development of new technologies and services.

The UK's strong and successful research base in key areas such as biological, mathematical and physical sciences, along with engineering, technology, the humanities and language based studies is also enhanced by the presence of these staff.

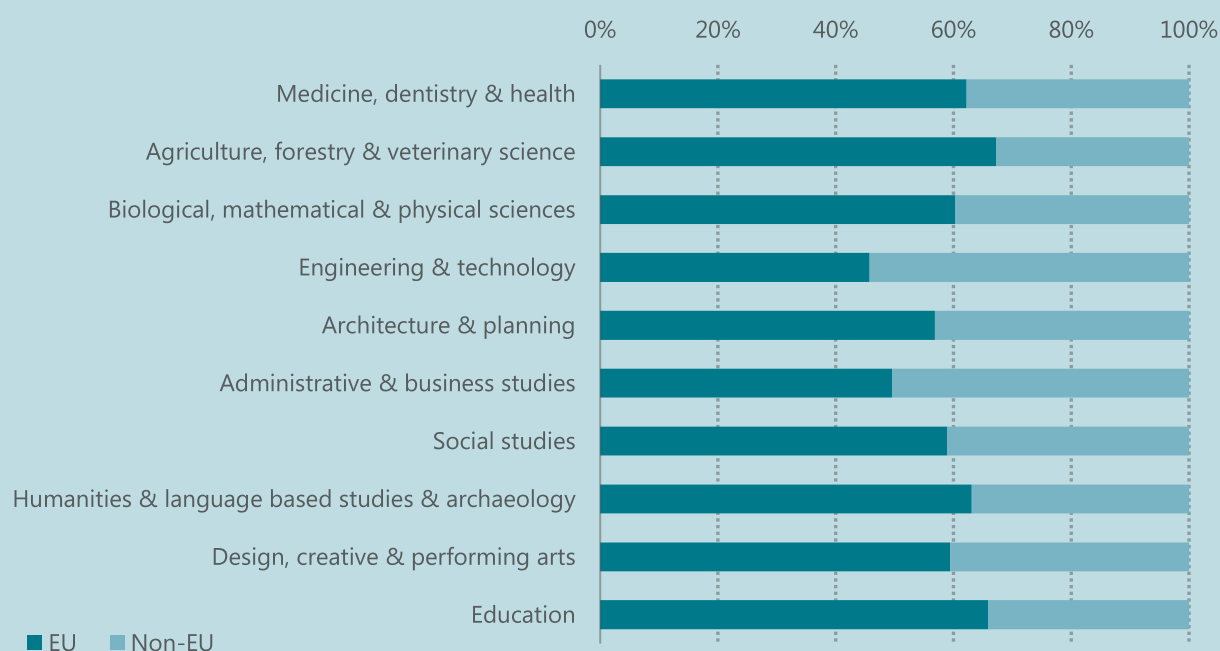
The UK's relationship with the EU enables staff to work in the UK with relative ease compared to working in other competitor countries outside of the EU. Any non-tariff barriers such as visa controls for staff from EU countries that may be imposed as a result of Brexit would damage the ability of universities to recruit the staff they need. In many cases, over 15% of the staff base in some vital disciplines are from EU countries (Figure 9). In terms of the population of non-UK staff working in UK universities, those from EU countries make up at least 40% of that population in every overall subject grouping (Figure 10).

The standing of UK universities – and by proxy the UK economy – would be put at risk without clear policies regarding the rights of workers from the rest of the EU currently living and working in the UK. Furthermore, to maintain all UK universities as places of both world-leading research and world-leading higher education teaching, it is vital that universities retain their ability to recruit academics from outside of the UK.



Source: MillionPlus UK HESA data, 2014-15

**Figure 10. Proportion of international staff of EU/non-EU nationality by cost centre (2014-15)**



Source: MillionPlus analysis UK HESA data, 2014-15

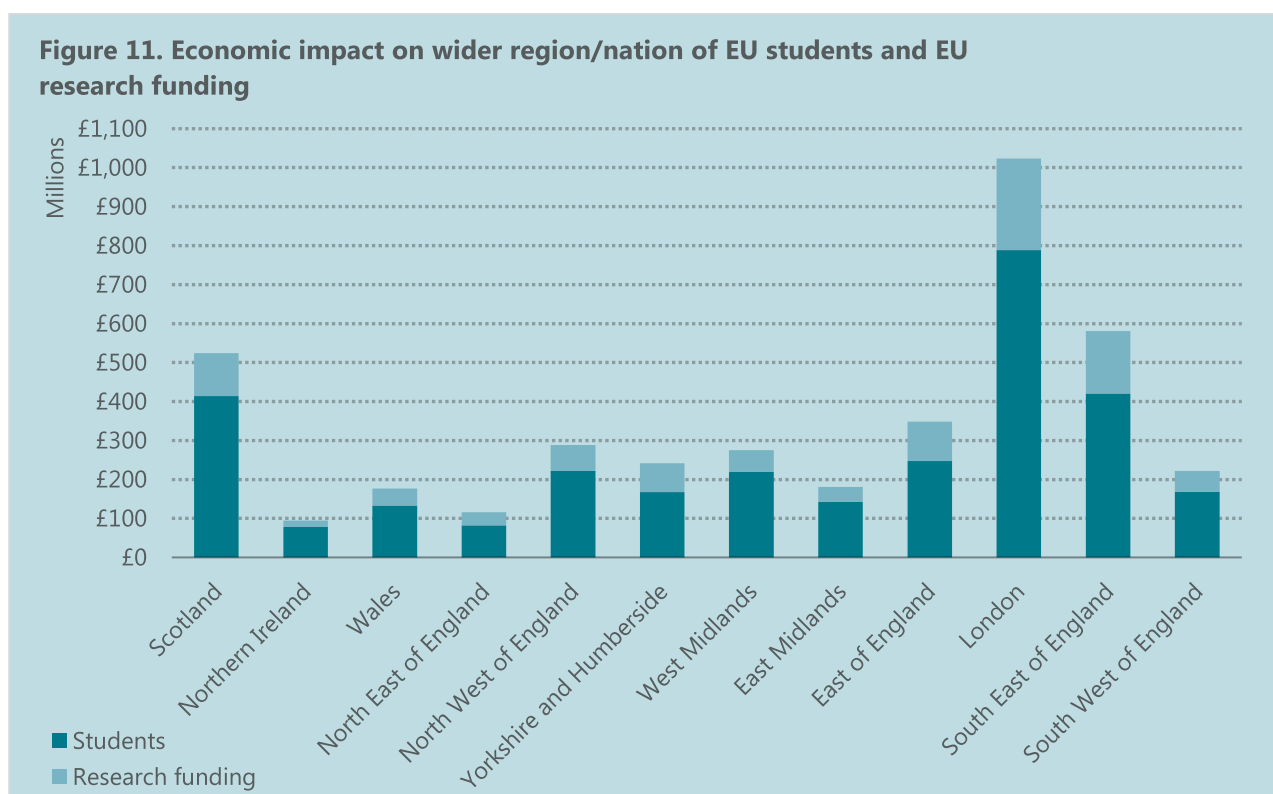
## Key points

- The high quality and reputation of UK universities that enable them to trade effectively with the EU in both research and higher education services is attributable in a major way to the calibre of staff working in those universities
- Over 15% of the staff based in STEM and languages disciplines are from EU countries
- Staff from EU countries make up at least 40% of all non-UK staff working in UK universities

## The value of higher education services to the UK economy

On 13 August 2016, Philip Hammond MP, the Chancellor of the Exchequer, announced that the UK government would guarantee EU funding beyond the point of the UK leaving the EU if that funding was awarded prior to departure.<sup>8</sup> This is significant as it means that universities involved in Horizon 2020 (H2020) projects, or in receipt of European Structural and Investment Funding (ESIF), have some stability. However, the announcement is only focusing on the situation during transition – the government has still not indicated if it would attempt to achieve guarantees on access to H2020 and ESIF post-Brexit.

As yet, there is no similar guarantee with regard to the higher education services element of the UK's education exports to the European Union (e.g. student recruitment). The amount received by universities in tuition fees may be small (around £220m per year) compared to the amount received in research funding (which was £836m in 2014-15) but the economic impact of EU students on each English region and each of the devolved administrations is far greater than the impact of research funding. Across the UK as a whole, the economic impact of EU students is over 3 times that of research funding from the EU, rising to almost 5 times as much in Northern Ireland, and almost 4 times as much in Scotland, the West Midlands and the East Midlands (Figure 11).

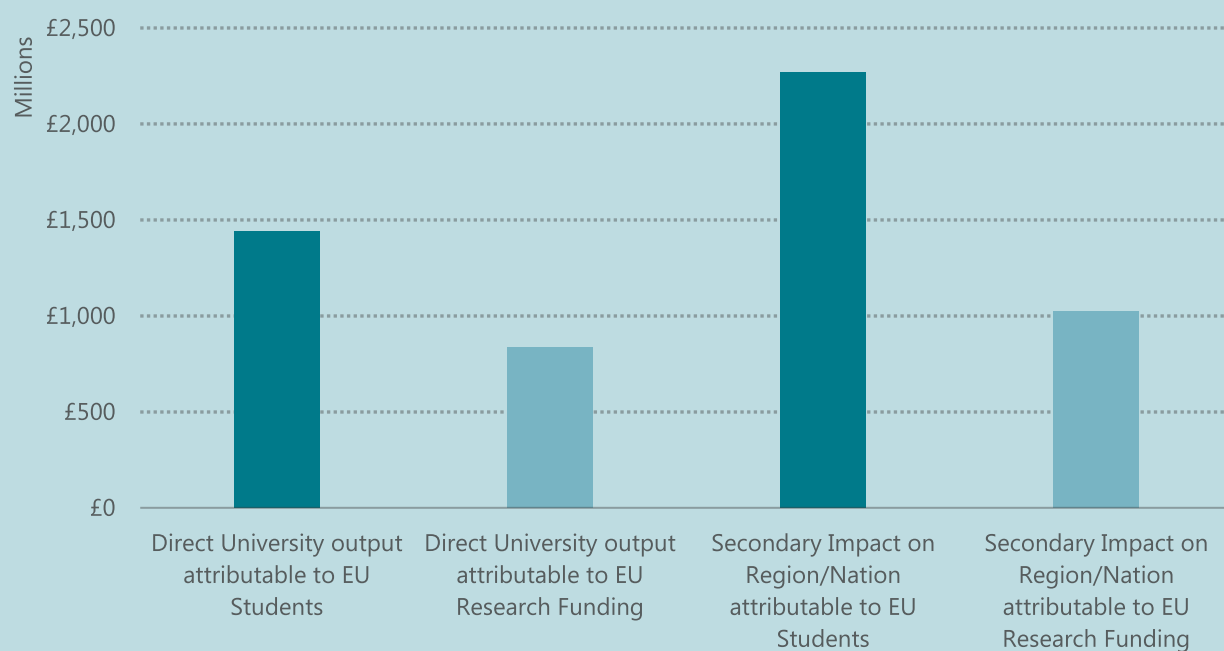


Source: Viewforth Consulting modelling system analysis for Universities UK

The presence of EU students on-campus and off-campus has a far greater impact on local, regional and the UK economy than that of EU research funding (Figure 12). The total output generated that is attributable to EU students is almost 17 times the income they bring to universities (£220m in fees, £3.7bn in output), while total output attributable to EU research funding is just over 3 times the allocation to universities

<sup>8</sup> <https://www.gov.uk/government/news/chancellor-philip-hammond-guarantees-eu-funding-beyond-date-uk-leaves-the-eu>

**Figure 12. Direct and Secondary impact on UK economy attributable to EU Research Funding and Students**



Source: Viewforth Consulting modelling system analysis for Universities UK, based on 2011/12 figures

## Key points

- Across the UK as a whole, the economic impact of EU students is over 3 times that of research funding from the EU
- The total output generated that is attributable to EU students is almost 17 times the income they bring to universities
- The total output attributable to EU research funding is 3 times the yearly allocation to universities

## The impact of a reduced trading relationship with the European Union

The potential impact of damaging the trading relationship in respect of the 125,000 students from the European Union who currently study in the UK is immense. Moreover, the argument that this market can easily or quickly be replaced by either home students or the current non-EU market is misleading.

Data published by UCAS on 30 June 2016, on the number of applications for entry into universities from September 2016<sup>9</sup> showed a decline in both of those two groups of students. While applications from EU students increased by 6%, applications from English domiciled students did not increase at all, and international students declined by 2%.

The international market has been significantly affected since 2010 as a result of changes to the visa regimes introduced by the UK government which has sought to control the number of international students as part of a wider policy to reduce overall immigration to the UK. Despite the many calls for international students to be removed from the net migration targets, the government has maintained an approach which has had the effect of limiting the capacity of UK universities to trade in the global higher education market. As a result, in the last 5 years there have been significant declines in international students from some countries entering higher education in the UK and UK universities have lost market share.

Changes in visa regimes have had particular impact on specific countries such as India, where the number of students has declined by 53% since 2010-11, a reduction of over 20,000 students. Declines can also be seen across the EU countries from which UK universities had previously most successfully recruited while double digit declines can be tracked against the majority of countries which were previously sources of UK higher education exports (Figure 13).

**Figure 13. Decline in overseas students (undergraduate & postgraduate) for the period 2010-11 to 2014-15** (selected countries sending more than 1000 students per year)

EU		Non-EU	
Ireland	-35%	Sri Lanka	-56%
Poland	-28%	India	-53%
Germany	-16%	Philippines	-51%
Cyprus (EU)	-14%	Pakistan	-40%
Greece	-13%	South Africa	-19%
France	-10%	Taiwan	-18%
Sweden	-7%	Saudi Arabia	-16%
Belgium	-1%	Japan	-4%

Source: MillionPlus analysis of HESA data

At postgraduate level this decline has been more pronounced with the number of students from outside of the UK studying at postgraduate level declining by 7% since 2010-11, driven primarily through a decline in taught postgraduate students.

MillionPlus analysis of UCAS data demonstrates that although there was a dramatic rise in the number of postgraduate students from China (up 15,110 since 2010-11), there were double digit percentage declines in students from India, Pakistan, Nigeria, Saudi Arabia, Iran, Sri Lanka, Turkey, Bangladesh, Kazakhstan and

<sup>9</sup> <https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases>



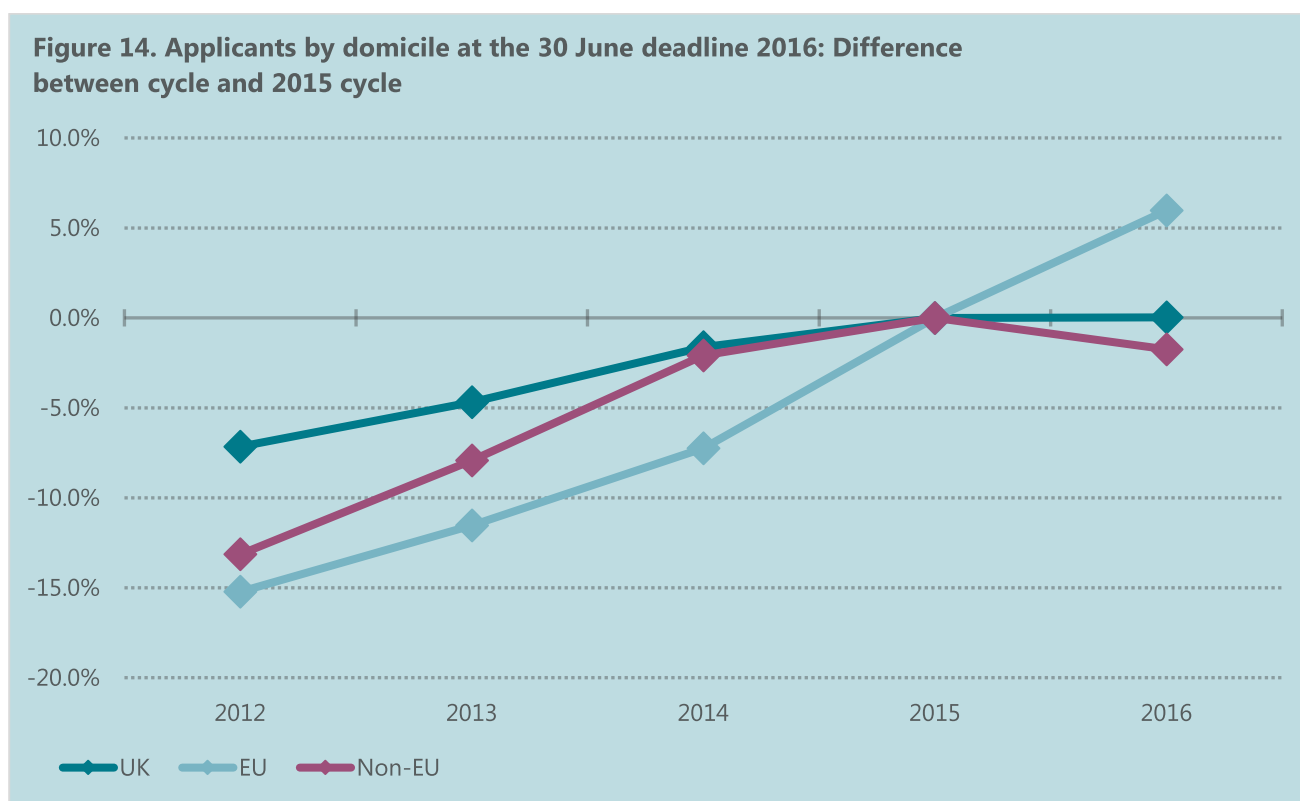
South Korea. This is in addition to declines in those EU nations particularly affected by problems in the Eurozone such as Ireland, Greece and Cyprus (EU).

A survey of 1763 students by Hobsons (the “student recruitment and retention solutions company”) found that only 17% of international students that responded said that leaving the EU would make the UK more attractive, with nearly half saying it would be as or less attractive.<sup>10</sup> This is a stark reminder of the potential damage to the UK’s higher education and research exports post-Brexit.

When looking solely at students from the rest of the EU, more than 80% of EU students stated that leaving the EU would make Britain less attractive. If this were to translate into a fall in applications, there could be up to 41,480 less applications from the rest of the EU to UK universities each year.

The application levels over the last 5 years show the strength of EU student recruitment (Figure 14). This demonstrates an extremely high regard for UK higher education by these students and is a testament to the quality of provision in universities. But, the data also shows zero or negative growth in applications from home students and international students. It will be extremely difficult for either of those two recruitment routes to compensate for any reduction in the levels of EU student recruitment.

This indicates a very real risk to universities recruiting EU students if restrictions are introduced as part of the Brexit negotiations. Moreover, this would also adversely impact on the UK’s income and gross value added, with an impact on all of the devolved administrations and each region of the UK.



Source: MillionPlus analysis of UCAS June Deadline Analysis 2016

<sup>10</sup> <https://www.hobsons.com/emea/resources/entry/beyond-the-data-influencing-international-student-decision-making>

## Key points

- Applications from EU students increased by 6% in 2016, while, applications from English domiciled students did not increase at all, and international students declined by 2%
- Changes in visa regimes have had particular impact on specific countries such as India, where the number of students has declined by 53% since 2010-11, a reduction of over 20,000 students
- 17% of international students that responded said that leaving the EU would make the UK more attractive, with nearly half saying it would be as or less attractive

## Summary

Education more generally and higher education specifically are key contributors to the UK economy.

Universities generate £2.63 in output for every £1 of income. A 2013 report produced for the Department of Business, Innovation and Skills showed that education exports as a whole were £17.5bn per year.<sup>11</sup>

A report from the Institute of Fiscal Studies in August 2016 calculated HE exports as being worth £10.5bn to the UK economy each year.<sup>12</sup> Universities UK calculated that in 2011-12 the HE sector generated over £73bn of output – nearly 3% of total UK GDP – and accounted for nearly 3% of all UK employment.

ONS calculates the gross value added by region and by industry. The analysis shows that education is at least the 8<sup>th</sup> biggest sector in every country of the UK and every region of England. In some cases education is in the top 5 sectors. Of the sectors that contribute a larger GVA than education, the majority of them are all areas that require highly-skilled graduates and research staff in order to be successful.

Education generated £98.3 billion gross value added to the UK economy, just over 6% of the total. Higher education makes up around 40% of this across each region of the UK, based on 2014/15 figures.

The value of this relationship to the UK economy is hugely significant. As well as at least £500m worth of tuition fees each year, the additional on and off campus expenditure by students, as well as expenditure by staff amounts to a contribution of around £4bn of economic output to the UK each year.

Research funding from EU sources in 2014-15 was £836m – around 15% of the total research funding to UK universities. An additional £450m came from sources outside the UK or the EU. This is funding that is potential at risk following Brexit.

Research funding from EU sources is of huge value to the UK overall, to the devolved administrations, and to English regions. It is also distributed more proportionately to more universities across the country, rather than being concentrated on a small number of universities as is the case with research funding from the UK government.

In some of the most important disciplines for the UK economy (sciences, engineering, languages), EU staff comprise at least 15% of the workforce.

The success of the UK's educational export trade with the European Union supports 35,000 jobs, with nearly 60% of them being jobs created off the university campus in the local region. The wider economic impact means that the presence of EU students studying in UK universities is responsible for at around 5% of all UK jobs. This equates to 2% of the jobs in Scotland, nearly 4% of jobs in Wales and over 4% of jobs in Northern Ireland. At least 2% of all jobs in each region in England are attributable to EU students.

The total output generated for the UK economy that is attributable to EU students is almost 17 times the income they bring to universities (in 2011-12, £220m in fees, £3.7bn in output).

The ability of UK universities to trade with EU countries in HE services and research is fundamental to a successful economy. The capacity to continue to trade in this market must be central to the negotiations to exit the European Union.

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<sup>11</sup> [The Wider Benefits of International Higher Education in the UK, BIS, 2013](#)

<sup>12</sup> [The EU Single Market: The Value of Membership versus Access to the UK, IFS, 2016](#)

MillionPlus

90 London Road, London, SE1 6LN

Phone +44 (0)20 7717 1655

[@million\\_plus](#)

Email [info@millionplus.ac.uk](mailto:info@millionplus.ac.uk)

[www.millionplus.ac.uk](http://www.millionplus.ac.uk)

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