



Summary

In 2007, Taiwan was the 5th leading origin of foreign students studying in the U.S., with 29,094 students enrolled in U.S. institutions. On a per capita basis, Taiwan is the second leading origin of international students, with one in every 789 people in Taiwan studying in the U.S. The U.S. remains the top destination for Taiwanese students that want to study abroad. The AIT Consular Section issued a total of 14,916 new students visas in 2007. The actual number of Taiwanese students going to the U.S. is definitely higher as many people go on tourist visas for short-term ESL programs with less than eighteen hours per week of instruction. With the weakening of the U.S. dollar, it is expected that short-term ESL programs in the U.S. will be especially popular as this market segment is very price sensitive.

Taiwan is a stable and mature market for U.S. institutions. Domestic supply of higher education has also reached saturation point. Going abroad to study is now more of a consumer's choice, with students becoming more savvy and selecting programs that offer the best value for the time and money spent. The market for Taiwanese students is very competitive. Traditionally, the major recruiters are from English-speaking countries such as the UK, Australia, Canada and New Zealand. In recent years, Asian neighboring countries like China and Singapore have stepped up efforts in recruiting Taiwanese students and enrollment numbers are increasing steadily.

Market Demand

Taiwan's economy is highly developed, with the labor market shifting from traditional manufacturing to the service sector. One of Taiwan's assets is its very well educated workforce. Education is strongly emphasized in Taiwanese society and promoting excellence in higher education has been a long-term goal of the government. During the past decade, Taiwan's educational reform has resulted in massive growth in higher education institutions. In 1996 there were only 58 universities but by 2006, there were a total of 147 four-year universities and colleges, which is the highest per capita in the world. An issue that the Taiwan education authorities are now facing is improving the quality of Taiwan's higher education. Promoting partnership with foreign universities, encouraging Taiwanese students to go abroad and attracting foreign students and scholars to come to Taiwan are some of the priorities on the government's agenda. There are opportunities for U.S. institutions that are serious about developing collaborative arrangements with Taiwanese universities, mainly joint degree programs and language exchange programs. U.S. schools should take advantage of this window of opportunity as this market segment is becoming increasingly competitive with many countries marketing aggressively and providing financial incentives to partner with Taiwanese school students. Some of the main factors that Taiwanese schools take into account are the partner schools' ranking and competitiveness in specific areas. The availability of special scholarship or low tuition is also crucial in their decision. Popular areas of study have been information management, business management, engineering, computer science and finance.

The U.S. offers Taiwanese students the widest range of choices in terms of institutions, degree or non-degree programs and academic and social environments. Many prominent public figures in Taiwan have a degree from the U.S. Businesses recognize the quality of U.S. education and getting a degree from an U.S. institution is seen as career enhancing. Another important reason Taiwanese people choose the U.S. is that it offers the most opportunities for work and networking.

Market Data

Taiwan's educational system is modeled after the U.S. system of primary, junior and senior high schools, vocational colleges and four-year universities. Taiwan has a very high higher education participation rate. Improving English proficiency has been the government's long-term education goal and has thus made English learning mandatory from the third grade on.

Taiwan's law stipulates that all children must receive nine years of compulsory education – six years in primary school and three years in junior high school. The enrollment rate of eligible students for primary education is almost 99%. In some Taipei schools, English is introduced even as early as in the 1st grade. After completing three years of junior high school, students may take the Basic Competence Test to enter senior high school or vocational school.

Taiwan's Elementary and Secondary Education

	Primary School	Junior High School	Senior High School	Senior Vocational School
Schools	2,651	736	318	156
Students	1,798,436	952,642	419,140	335,554
Students per class	29.3	35.6	40.9	40.8

Source: Ministry of Education

Students seeking to pursue higher education can take the General Scholastic Ability Test (GSAT), and be recommended by their high schools or submit applications to schools on their own. Higher education mainly includes education provided by universities, colleges and junior colleges. Within recent years higher education industries and colleges have experienced a tremendous growth. Nearly anyone who takes the GSAT will find a place at a university. In terms of areas of studies, 17% of students are enrolled in humanity studies, 35% in social sciences and 48% in natural sciences and technology.

Taiwan's Higher Education

	1998	2007
Colleges & Universities	84	147
College Students	463,575	1,160,015
Master Degree Students	43,025	163,585
PhD Degree Students	10,845	29,839

Source: Ministry of Education

Taiwan's educational system is still considered very rigid as students choose their schools and majors based on the grade they get from the GSAT. As a result, people who want to have more alternatives and freedom in choosing their majors would consider going abroad to study. Also, possession of foreign degree and proficiency in English is considered important for increasing competitiveness in the job market. Below is a table showing the trend of Taiwan students going abroad.

Taiwanese Students Going Abroad

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
USA	13,109	14,443	15,547	14,878	13,767	10,324	14,054	15,525	16,451	14,916
U.K.	6,173	6,553	8,567	7,583	9,548	6,662	9,207	9,248	9,653	7,132
Australia	2,092	2,065	2,104	2,397	2,894	2,823	2,246	2,679	2,862	2,570
Canada	1,359	2,159	2,583	2,296	2,433	1,813	2,149	2,140	1,997	2,014
N.Z.	342	391	496	645	740	571	534	498	538	618
Japan	1,649	1,573	1,753	1,696	1,745	1,337	1,556	1,748	2,108	2,424

France	342	411	552	562	529	627	580	600	690	723
Germany	305	295	313	345	400	442	402	475	512	606
Total	26,200	27,890	31,907	30,402	32,016	24,599	30,728	32,913	34,811	31,003

Information Source: [Taiwan Ministry of Education](#)

The number of Taiwanese students in the U.S. has remained in the 30,000 ranges for the 1980s and most of the 1990s. However, compared to 20-30 years ago, the numbers have dropped significantly. The changing environment in the local education system and the job market are main reasons behind the drop. According to IIE's Open Doors report, in 2006/2007, there were 29,094 Taiwan students studying in the U.S. 57.3% of Taiwan students study at the graduate level, 25.2% at the undergraduate level, 7.2% in Optional Practical Training and 10.3% in other areas. In the past, a foreign degree almost guaranteed a higher paying job, however, that is no longer the case. As Taiwan's economy matures, professional certification becomes increasingly important and people are more eager to spend their resources obtaining professional certificates or degrees that will add value to their professional development.

The drop in students going overseas, especially to the U.S., is a major concern of the Taiwan education authorities as the U.S. is often considered as the world leader for education. They are worried that if the situation continues, Taiwan will lose its global competitiveness. To encourage study abroad, the Ministry of Education (MOE) provides a variety of scholarships and low-interest loans to students for short-term or long-term studies, as well as incentives and subsidies to universities that send their students abroad.

The Taiwanese market for U.S. schools is primarily postgraduate, with the majority of students enrolled in Master's or PhD degree programs. Most Taiwan students obtain their undergraduate degree in Taiwan and then study at postgraduate level overseas. There is a smaller market for U.S. undergraduate programs, with increasingly fierce competition from other English-speaking countries and the emerging strong competitor China, which the MOE estimates is recruiting 7,100 or more Taiwanese students per year. The Taiwan authorities recently announced that starting from year 2009, PRC Chinese students would be accepted into Taiwan universities, which many believe is an important step that will eventually lead to the recognition of degrees obtained from Chinese universities by Taiwan. Receiving a degree from a Chinese university has become increasingly popular among Taiwanese students and U.S. universities may soon face a greater competition from their Chinese counterparts in upcoming years.

Best Prospects

According to the IIE OpenDoors 2007 report, in 2006 the total number of international students enrolled in U.S. ESL programs was 45,167. Taiwan was the fourth largest source of ESL students in the U.S. with 4,748 students. The actual student number is much higher, as many students study in ESL programs under a tourist visa. With the weakening of the U.S. dollar, ESL programs in the U.S. will compete well in this price sensitive market.

Business and management education continues to be the most popular sectors for Taiwan students. Other popular programs include TESOL degree, short-term study certificate program, engineering degree, and computer science degree programs. Many professionals are also interested in short-term ESL programs or professional training certificate programs.

Dual degree programs between Taiwan and U.S. universities have very good prospects in this market. Some successful partnership models include: Temple University and 6 local universities for 3+2 dual bachelor's-master's degree program, National Cheng Kung University and Case Western Reserve University for 2+2 dual undergrad degree program, National Taiwan University & University of Illinois Urbana Champaign and University of Texas Dallas for 3+1 and 4+1 dual degree programs and National Taiwan Normal University and the University of Pennsylvania for 3+2 dual bachelor's-master's degree program. Short-term for-credit summer programs are also very popular with Taiwanese schools.

As Taiwan's economy matures, the demand for professional certification becomes increasingly important so people are more eager to spend their resources in obtaining professional certificates or degree programs that will add value to their professional development. To attract Taiwanese students, U.S. schools need to increase their marketing of career preparation, intensive English, or job-related business English programs.

Key Suppliers

Although the United States remains the first choice for Taiwanese students studying abroad, the U.S. market share has been on the decline in recent years. In 2007, the market share for the U.S. was 48.1%, followed by the UK's 23 %, Australia's 8%, Japan's 7.8% and Canada's 6%. European countries such as Germany and France each share about 2% of the market.

For the U.K., the major attraction to Taiwan students is their one-year Master's programs. Also, in recent years, there are increasing cross-major undergraduate programs, mostly related to business or management education.

The Australian government, in 2007, appropriated a large budget in scholarships to attract foreign students to study in Australia, mainly for masters or PhD programs or even for certificate programs. Another attractive feature for Taiwan parents of current students is that Australia offers a student guardian visa that allows parents of young children to accompany them while studying.

Japan attracted over 2,400 students from Taiwan last year mainly because they provide very good scholarships for Taiwanese students; some public universities even waive tuition fees for Taiwanese students. Taiwan universities also find less of a problem in terms of credit recognition with Japanese universities.

Many Asian countries are also opening their arms to welcome foreign students. Singapore frequently attracts foreign talents because of their citizenship offer to graduates of Singaporean universities after working for over 3 months.

In recent years, the number of Taiwanese students studying in China has increased substantially. Studying in China is currently a controversial topic given the sensitivity of cross strait relations and the fact that Taiwanese authorities currently do not recognize Chinese degrees. Despite the difficulties, according to an unofficial survey done by a local human resources company, over 50 percent of the people between the ages of 18 and 35 responded that they would consider pursuing studies in China. Main reasons included the rapid growth of the economy, cheap living and tuition costs, more job opportunities and proximity to Taiwan.

International education remains a high priority for many students and parents in Taiwan, thus creating a strong and robust international student recruitment market. Given the highly competitive nature of the market, U.S. institutions should invest more in marketing. Some channels could include major media advertisements and alumni networks; promotions through recruiting agents; participation in education fairs and distribution of school information at recruiters' offices and student advising centers. Partnering with local schools in specific areas is also a very effective way of entering the market.

Market Entry

In order to maintain the U.S.'s current position, U.S. schools need to adapt to Taiwan's changing educational environment and increase marketing efforts. Partnerships with local schools for joint degree programs, education fairs, commercial agents, scholarships and admissions are all recommended as market entry strategies.

1. Partnership with local schools: Taiwanese education authorities continue to promote the internationalization of Taiwan's education system, including support for study abroad. There will be a

number of opportunities for U.S. universities to develop partnerships with Taiwan schools, including joint degree programs and language exchange programs. Taiwan students normally select schools based on rankings or financial incentive, so it is important for U.S. schools to place themselves competitively and to offer financial incentives such as low tuition or special scholarships.

2. Participation in education fairs may also be a very effective tool. Fair organizers have deep knowledge of the market and can greatly reduce U.S. school's cost in marketing. Rather than spending lots of money on retail marketing, schools just pay fair organizers to do the marketing. Local fair organizers also normally do student counseling throughout the year so they will be able to follow up with students that visited the fair. Major education fairs featuring U.S. schools include:

Oh! America Education Fair
Spring/Fall Fair
<http://ohamerica.net/aee/>

American International Education Fair (AIEF)
Spring/Fall Fair
www.aief.org.tw (www.aief-usa.org)

The MBA Tour
Fall Fair
www.mbatour.com
Featuring worldwide MBA programs

Top MBA Fair
Fall Fair
www.topmba.com

TABS Fair
(The Association of Boarding Schools Fair)
Fall Fair
www.schools.com

3. Establish relationships with recruiters and agents: Recruiting agents are one of the main resources used by Taiwanese students and parents when planning for studying abroad. It's very typical in Taiwan to use agents mainly because of language barriers and time concerns. For U.S. schools that are not well known abroad, recruiting agents can play a valuable role. For Taiwanese families who speak little or no English, but want their children to go to U.S. schools, agents can help navigate the complicated process of filling out application forms, producing transcripts, selecting colleges and arranging room/board.

Recruiters provide a wide variety of services ranging from student advising, to help on college applications and assessment tests such as TOEFL and GRE. Recruiters often publish magazines and newsletters introducing schools they represent to potential students. They also feature the schools they represent on their websites. Many recruiting agents hold education seminars on a regular basis, allowing students to meet face-to-face with school representatives.

When working with agents, a proactive relationship is very important. Keeping frequent contact with them allows them to be fully updated on your schools' programs, and gives the agents a better idea of what your school has to offer. Most agents in Taiwan represent multiple schools from various countries, so it is crucial to highlight specific distinctive features that you would like the agents to promote. Also, please provide them with an ample amount of brochures for display in their offices.

The Commercial Service office in Taipei and Kaohsiung can arrange meetings between U.S. schools and potential recruiting agents through the fee-based Gold Key Service (GKS) or the International Partner Search Program (IPS). To learn more about these two services, please contact the US Export Assistance Center nearest to you.

4. Another major source of information many prospective students rely on is the alumni network in Taiwan. Having an active network is a very effective marketing tool for U.S. schools.

Issues & Obstacles

U.S. educational institutions that want to provide in-country degree granting program without setting up a full campus face major market access obstacles. The law in Taiwan stipulates that foreign universities may apply to set up full-scale campuses but not branch offices or satellite campuses. Presently, U.S. schools have been excluded from operating independently in the Taiwanese market due to the rigid requirements to entry. Given the high barriers to entry, Taiwan has been unable to attract U.S.-based business schools or other professional schools that have been operating elsewhere in Asia, such as The Kellogg–HKUST Executive MBA program in Hong Kong, The University of Chicago Graduate School of Business in Singapore and the University of Hawaii in Vietnam. For many years, the foreign community in Taiwan has been calling for Taiwanese authorities to open the market and allow foreign universities to establish branch offices or satellite campuses in Taiwan, as long as the programs they offer are identical to those offered at the institution's home campus and taught by the institution's own qualified faculty. Although the barriers to entry are acknowledged, the Taiwanese MOE does not yet have a clear timetable set to lift the ban.

Resources & Contacts

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For More Information

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