



# Industry Focus: EDUCATION

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USAHAWAN DAN KOPERASI  
MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES



Dasar Keusahawanan Nasional  
"Negara Keusahawanan Unggul 2030"



### Portfolio Summary

- ~60% of private higher education institutions closed down in 2020 due to financial issues.
- That said, **new foreign student applicants rose by 120% in March 2021** (March 2021: 3,254 applicants; March 2020: 1,473; March 2019: 2,654). In particular, the number of **postgraduate students (masters and doctorates)** coming into Malaysia **saw an upward trend** from January to March, **+43% and +87%**, respectively.
- Effective January 2021, **all international students** (except from the UK and India, added recently in May) **may enter Malaysia** to continue their studies after a mandatory 14 days quarantine period. The **admission of foreign students could help in the recovery of the higher education sector**.
- Nevertheless, international student enrolment might **fall by 50% this year** and since many are graduating and going home, the **total enrolment will continue on a downward trend** (2020: 30,000).





### DOWNSIDE RISKS

Although the country may gradually get back on track to achieve the government's 2025 target of attracting 250,000 international students, **downside risks** stem from:

- (1) slow visa approvals for international students
- (2) students' fear/concern over the pandemic
- (3) when can campuses reopen, whether there will be any new intakes
- (4) postponement of major exam (SPM) will affect demand for tuition/extra classes
- (5) MCO school closures will affect demand for pre-primary and daycare centres

In the longer-term, the **uncertain operating environment bode ill** for the industry. Notably, the **quality of education may decline**, while job losses and informalisation of academic employment may increase. Full-time staffs have been converted into part-time, seasonal or hourly-paid staff have risen while foreign staff have been laid-off.



### UPSIDE POTENTIAL

- The pandemic has also caused a fundamental shift in the way education services are being rendered. With transformation into **virtual/remote learning**, institutions which has ready infrastructure **to roll out online classes** will have a head start.
- Malaysia **online education market** is anticipated to project a promising **CAGR of 16.4%** over 2016-2023 owing to the strong government initiatives. **Mobile e-learning segment** is anticipated to dominate the market, which could account for a **market share of 35% by the end of 2023** due to increasing internet penetration and rising mobile and tablet users in the country.

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