

A Study on the Trends and Policy Impacts of Non-Local Undergraduate Admissions in Hong Kong Higher Education Institutions from 2014 to 2024

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Abstract:

Over the past century, internationalization of higher education in Hong Kong has grown more extensive, with an ever-larger proportion of non-local students especially from Mainland China, and about 25% of all students come from abroad now. To investigate the characteristics of non-local student enrollment during the next decade, this study examines the non-local student enrollment forecast over the period of 2014–2024 using publicly available data from the University Grants Committee of Hong Kong and all eight major universities and applies time series analysis, event studies, and multiple regression analysis to determine these trends and causes. The results show that: First, from 2014 to 2024, the compound annual growth rate (CAGR) of non-local student enrollments reached 4.2%, with its proportion of total enrollment increasing from 19% in 2014 to 25% in 2024; Second, the percentage of mainland students of all non-local students dropped from 76.63% to 67.20% between 2014 and 2019 before rebounding sharply afterwards, with the percentage being around 77.34% in 2023; Third, although the pandemic in 2020 shockingly curbed the enrollment growth of non-local students, their application level returned back to that of before the pandemic in 2021. This study, employing R language for cleaning data and building models to explain the logic behind the internationalization process of higher education in Hong Kong, serves as a reference for future policies.

Keywords: Non-Local Students; Enrollment Policy; Social Events; Higher Education In Hong Kong; Mainland Students.

1. Introduction

1.1 Research Background and Research Theme

Hong Kong, a convergence point of Chinese and Western cultures, boasts one of the most international higher education systems, which has always attracted overseas excellent students [1]. Overseas undergraduate students, including those from Mainland China, other Asian regions, as well as Europe and America, play important roles in the internationalization process of higher education in Hong Kong [2]. However, recent studies show that non-local student enrollment has declined over the past few years due to many factors such as adjustment measures to non-local students' quota by the UGC (e. g., reduction of overseas students' admission space after multiple reforms) and social events (e. g., the 2019 social movement and the pandemic since January 2020).

Based on the statistic chart published by the Statistics section of CDCF Data Mart, it can be seen that the number of non-local students increased from 15,151 to 23,098 from 2014 to 2023, with the percentage increasing from 18.7% to 25%. Also, we can see that the structure of the origin of non-local students has changed. The percentage of mainland students declined from 76.63% to 67.20% between 2014 and 2019; after that, the proportion slowly rose to reach 77.34% in 2023. These changes can reveal two points—firstly, the change from conventional to internationalized higher education of Hong Kong is inevitable. Secondly, these changes impose a pressure upon policy-makers to design policies according to the circumstance of the needs of students to absorb themselves into the vast ocean of foreign countries.

1.2 Research Objectives and Significance

This paper investigates how enrollment data of non-local undergraduate students vary with time over the period of 2014-2024, looking into trend and structural changes as well as mechanisms explaining variations observed due to policy adjustment or major socio-economic events. This research intends to examine four core issues:

(1) What are the general patterns of variation in terms of the overall trend of non-local students? (2) How did the origin structure of non-local students change? (3) How were policy adjustments and social events influenced non-local students' enrollment?

By answering those issues raised above, this paper gives some suggestions about future higher education development in Hong Kong, also give relevant insights into the formulating of the internationalization policies of higher education for areas other than Hong Kong.

1.3 Research Methods and Structure

A series of studies use R language for data analysis of public access to the publicly available data of the enrollment from 2014-2024 respectively. These study used time-series trends to identify overall trend and changes in source of non-local applicants, evaluated short-run and long-run impact of social events and policy milestones using the event study method, and performed multiple regressions after controlling for differences among institutions and differences between places of origin, looking at the ways in which policy adjustments impact on institution in different ways.

2. Admissions Trends and Structural Changes (2014–2024)

2.1 . Number and Proportion of Non-Local Students

From 15,151 in 2014 to 23,098 in 2023, the number of non-local students has increased with a CAGR of 4.2%. Non-local students play a more and more important part in the Higher Education System in Hong Kong. Compared with non-local students' share of admissions was only 18.7% in 2014, it has increased by almost two thirds over the ten years to reach 25.4% in 2023 [3].

Hong Kong's universities are undoubtedly striving for globalization and non-local students play an important part in their growth. However, this boost has not always been well executed. In the year that COVID-19 first emerged and spread around the world, the increase in non-local students was even lower, only 1.43%, the lowest in ten years [3].

The pandemic provided challenges for attracting foreign students like travel bans, visa application delays, and a quick switch to online lessons as well. Nonetheless, Chinese Hong Kong universities responded positively, increased their reach through digital channels, revised admission criteria, provided online classes and expanded online learning choice, gradually recovering Hong Kong's image as a favored destination among international students.

By the end of 2021 as the pandemic's grip diminished, non-locals were making their way back and grew by 4.67 percent that year, followed by an increase to 6.44 percent and 6.38 percent in 2022 and 2023 respectively [3]. The recovery in non-locals was not simply because of the world reopening, but it also came with new policies put in place since 2020 regarding enrollment recruitment as schools and even research-oriented ones had increasingly turned to non-locals to shore up their numbers in Hong Kong higher education [4].

2.2 . Comparison of Growth in Local and Non-Local Students

While non-local student numbers have increased in a drastic way, the number of local students has actually not grown as fast. During the period from 2014 to 2023, the increase in local students was only around 0.8% each year, which means the university's admission policy and some limited resources are being tilted towards attracting overseas students. This also indicates that Hong Kong's higher education strategy attracts more students from different countries to improve the schools' world rankings and academic rankings. And another factor is the slowed down natural growth of population in Hong Kong, so there are fewer local students on campus.

It can be seen this transformation in the figures: local students constituted 81.3 percent of enrolments in 2014 but only accounted for 74.6 percent of the number in 2023; meanwhile, non-local students increased from 18.7 percent to 25.4 percent of the total. The change reflects a conscious choice to reorientate to an increasingly internationalized student community—a heterogeneous group of people that is turning the higher education of Hong Kong on its head. 2.2. Evolution of the Source Region Structure

2.3 . Changes in the Proportion of Mainland Chinese Students

Mainland Chinese students still make up the overwhelming majority of non-local enrollments, but their share has been slowly shrinking. Between 2014 and 2019, the proportion of mainland students among international enrollments dropped noticeably—from 76.63% down to 67.20% [3]. This trend can be attributed to two main factors: first, the number of non-local students from other Asian regions (such as Singapore, Malaysia, and South Korea) grew rapidly between 2014 and 2019, with their proportion of the total non-local student population rising from 18.69% to 28.29%. Students from these regions have shown increasing interest in Hong Kong universities, significantly enhancing the overall diversity of admissions and, to some extent, diluting the proportion of mainland Chinese students. Second, some Hong Kong universities adjusted their admission policies during this period, actively expanding the sources of international students to attract a more diverse student body, thereby optimizing the student profile and enhancing the university's internationalization and competitiveness.

However, from 2020 onwards, the ratio of mainland students started to rise; this number reached 77.34 percent in 2023, reaching its peak at approximately the level of 2014. Some of the reasons for this situation are: First, some research-oriented institutions started the recruitment campaign targeted at mainland students, such as the University of Hong Kong and Chinese University of Hong

Kong. Those schools lowered the marks needed for the college entrance exam, offered scholarships and relaxed the criteria of languages interview quota. They managed to expand the scale of mainland students among those research-oriented institutions considerably, which means that these kinds of institutions attracted more excellent mainland students than before. Second, since the outbreak of the COVID-19, mainland students were faced with less difficulty than the rest of international students in pursuing their studies in Hong Kong, because of two reasons: Firstly, due to their geographical advantage, mainland students were geographically close to the schools. Second, due to their identical culture, they had no trouble overcoming the barriers encountered when moving to another country. Moreover, since schools in Hong Kong were open while many countries around the world closed down their borders during the pandemic, students chose to go there as long as they could find ways to obtain those opportunities. All of these circumstances provided advantages over other foreign students, which brought about the net increase in acceptance rate for mainland students.

2.4 . Students from Other Asian Regions and Europe and the Americas

Between 2014 and 2019, students from other Asian regions had driven the increase in non-local student enrolment, accounting for over one-quarter (28. 29%) of the total, which was up from less than one-fifth (18. 69%) previously. In addition, students from Southeast Asia (e. g., Malaysia) and Northeast Asia (e. g., Japan and South Korea) showed increasing preference towards enrolling at Hong Kong universities during that period. Possible reasons include Hong Kong's proximity, its role as an Asian education hub attracting students from nearby regions, and its universities having English-medium instruction while consistently improving on global university rankings to raise international competitiveness and attract more Asian students to apply.

However, following 2020, the growth trend took the reverse turn with students from other Asian regions going on a downward spree and the figure dropped down to 19.10% in 2023. It can be mainly attributed to the effects of the Coronavirus disease (COVID-19) pandemic, because students from Southeast Asia could not enter the country due to strict movement controls implemented in many countries during that period, resulting in fewer students arriving at the time of application. Apart from that, the level of competition for higher education between local schools also spiked—universities such as those in Singapore set up the schedule for international scholarships and international cooperation exchanges to snatch some high-potential students that might not be too keen on studying in Hong Kong.

However, the percentage of non-locals from Europe and America barely changed, at about 3%-4%. In fact, this rate has remained unchanged since 2014, with little growth observed in recent years. This could be explained due to their unique cultural backgrounds and differences in languages. Hong Kong's universities predominantly have classes taught in English; however, their campus life and atmosphere do not have much appeal towards students from these areas. Also, these areas tend to prioritize universities based in their home countries such as those located in North America and Europe—when it comes to picking schools to attend abroad. Because of this, Hong Kong's universities are currently not able to attract enough students from Western markets. Despite making some progress on diversifying its international student population, mainland China remains as the dominant majority. It shows that Hong Kong universities still face challenges getting enough local and international students from Europe, North America or Asia.

The numbers speak for themselves: as universities and colleges increase their efforts to recruit widely, the limited pool of students who consider higher education to be attainable continues to be shaped by geographical rivalry and international education trends.

3. Institutional Differences Analysis

3.1 Advantages of Research-Oriented Institutions in Admissions

Hong Kong's leading research universities—HKU, CUHK, and HKUST were traditionally popular choices among non-local students because of their reputation and rankings in academia and their abundant resources. In recent years, they have relaxed their admission policies for mainland students, as they try to lure outstanding individuals across the border.

For instance, regarding both HKU and CUHK, they offer a number of options with regard to enrolling the students from Mainland China. For the interview process, different subject areas have eased up their language requirements slightly by offering room for individual applicants. Besides, among the criteria for admission to Hong Kong's higher education institutes, the former candidates needed to exceed the first-tier provincial average score for thirty points; while recently, some subjects—like Arts and Humanities ones—are set with less stringent score requirements nowadays.

Note that arts disciplines were actually the first ones to adopt a lower admission threshold because of their inability to attract top scorers. But this tailored measure preserves both student caliber and fair balance among disciplines, and it allows Hong Kong universities to keep some

competitive edge in their mainland recruitment amid such talent shortage, and at the same time giving students who have their own advantage an easier access to advanced studies.

Despite high standards, Hong Kong's top universities implement more dynamic and flexible admission policies to keep up with the pace of change in the education world. Balanced yet forward-thinking policies reflecting both tradition and innovation, enabling the city's higher education sector to maintain its international competitiveness; More scholarships that provide financial support, in order to get more outstanding people from China's mainland to pick Hong Kong schools. Research-intensive universities increase the number of full scholarships and tuition waivers to attract more outstanding mainland students to go to Hong Kong universities.

In 2024, the Hong Kong Government raised the proportion of non-local students from 20% to 40%. While there is ample space left for universities research-focused such as CUHK, HKU and HKUST for in-store recruiting students, in fact they went way beyond the original 20%, as illustrated by the following case study of two well-known universities. According to HKU/ CUHK'S 2023 data, the proportion of students enrolled as international or non-local (including people from Mainland China, especially those travelling to Hong Kong for short-term studies only) was as high as 25%-30%. Thus, we can see that non-local and mainland Chinese students were favored by most research institutions from the very beginning.

Post-pandemic (2020), while the local-specific institutions had difficulty in recovering from the pandemic shock, research-oriented institutes successfully re-engage in expanding and attracting students from overseas owing to well-developed international cooperation network and online teaching platforms. And compared to teaching-oriented institutes, research-oriented institutes maintain the strength in internationalization through flexible responses and solid resource support.

3.2 Enrollment Challenges for Teaching-Oriented Institutions

Teaching-focused institutions such as Lingnan University and the Education University would find it harder than research focused institutions when trying to attract students from abroad, for they do not have as good an international reputation as the other universities and lack academic or financial resources that could attract high-quality students from different parts of the world.

Due to the pandemic in 2020, the number of non-local students from teaching-oriented schools even had a temporary decline. This was mainly due to:

Curriculum limitations: A higher proportion of teaching-oriented institutions provide courses focused on the

local market, while such institutions offer few intercultural or interdisciplinary courses that are desirable for international students.

Limitations in Admissions Policies: When comparing with the research-oriented institutions, teaching-oriented institutions in China adopt relatively lower admission criteria for the home country applicants mainly depending on their results from the national unified examinations. Although due to limited scholarship resources, they find it difficult to recruit high scorer students.

Disadvantages of competition for resources: With the government's enlarged promotion policies, teaching-oriented universities have fewer degrees available for students, less dormitory space, and less faculty members, making such institutions less popular among non-local students relative to research-oriented ones.

However, certain institutions such as Lingnan University and the Education University of Hong Kong have sought to increase their intake of non-local students through closer cooperation with mainland China's regional universities (such as exchange schemes and joint training arrangements) and the introduction of targeted scholarship packages; however, relative to research-focused institutions, these institutions' expansions have not been as effective.

From the analysis above, we know that research-oriented colleges have a strong advantage in enrolling non-local students, since they actively utilize preferential policies to attract more excellent students. Therefore, they can maintain more high-quality students. In contrast, teaching-oriented institutions encounter some barriers due to certain structures for enrolling top students.

4. The Impact Mechanism of Policies and Social Events

The social events that occurred in Hong Kong in 2019 had a certain short-term impact on the enrollment of non-local students, but this impact manifested itself differently in different dimensions. In terms of registration rates, the data did not show a significant downward trend, indicating that although the social unrest that year attracted outside attention to the situation in Hong Kong, it did not significantly shake the enrollment decisions of non-local students, with most students still choosing to come to Hong Kong to study as originally planned.

However, there was considerable change with the reduction of dropout rates. In 2019, the dropout rate for non-local undergraduates surged by close to 20%, which represented that many non-local undergraduates dropped out of universities amid uncertainties of their study and social situations after enrolment. Therefore, we could say that although the intention for enrolment was not much different, long-term instability may have had a negative

impact on the learning experience for many Hong Kong students, leading to some making choices to leave and end their studies.

The 2020 COVID-19 pandemic presented significant challenges that caused medium-term interruption of international recruitment for Hong Kong universities; that year saw nonlocal student numbers plunge to 1.43% – the lowest number in a decade – largely because of global travel bans, stricter visa laws, and uncertainties arising from the pandemic. To protect themselves from the shock, Hong Kong institutions had implemented quick solutions, such as offering online courses, postponing enrollment and adopting more flexible education models, to moderate the shock's impacts on admission for 2020.

Most significantly, despite all international enrollments experienced slow growth, mainland Chinese students, instead of dropping their enrollment in HK universities, started increasing again since 2020 with 10% average yearly growth for the period of 2020-2023 from 13,605 back up to 17,864, demonstrating long-run commitment of mainland students as well as steady confidence in both HK and UK universities during the post-COVID period.

5. Summary and Discussion

In the last ten years, there has been a persistent increase in the number of non-local undergraduate students, which is at an all-time high. From 2014's total of 15,151 to 2023's total of 23,098, the share of these numbers is 25.4%, up from 18.7% since 2014. Following the growth of 1.43% recorded for this period after the 2020 pandemic, this marked the biggest slump over this timeframe. However, over the next three years, Hong Kong's non-local students reflected strong 2.61% – 3.11% post-pandemic recovery, serving as key members of Hong Kong's higher education internationalization strategic agenda.

Secondly, the leading role held by mainland students outnumbered non-local students has been renewed within a limited term after a decrease that started around the turn of the decade; while Asian student numbers have been increasing steadily from South Asia up until 2019 and then plateaued in the following years, it remains apparent that mainland students have rebounded more rapidly, reaching 77.34% of total student population as of 2023 - equivalent to before 2020. This situation suggests that after an improvement and stabilization on international mobility following the pandemic to a small extent, mainland students' geographical advantage and their sizeable undergraduate student populations from national prestigious universities have helped Hong Kong institutions retain their positions over mainland students [5].

Third, research-oriented universities led the way on the drawing board and competing for non-local students. Using more flexible policies and an expanded quota system

to attract high caliber students and emphasizing its reputation the University of Hong Kong (HKU), Chinese University of Hong Kong (CUHK) and Hong Kong University of Science and Technology, which is abbreviated as HKUST, achieved a breakthrough, especially in attracting students from Mainland China [3]. The lack of resources hinders the student enrolment growth of teaching-focused universities such as Lingnan University and the Hong Kong Institute of Education, which shows different development trends brought about by the uneven distribution of educational resources, among which there exists a large gap between universities. Moreover, these two types of institutions had relatively slow enrollment growth and even decline during the pandemic.

The study further unearthed a staged impact on policy/social events. The 2019 social movements had no effects on the enrollment intentions of non-local students, while there was an increase of nearly 20 percentage points in undergraduate dropout rates that year, which suggested the risks brought by social instability. The 2020 pandemic largely suppressed the enrollment growth, but enrollment dropped back on track after universities reopened to host the previously scheduled online courses.

On the whole, though Hong Kong universities have taken some strides toward internationalizing its enrollment of non-local students, structure-related disadvantages as well as constant competition continue to limit them. Therefore, more effort should be paid towards the diversification of students and the prudent reallocation of resources to enable the internationalization process to sustainably benefit the region in the long run [6].

6. Research limitations

While striving for the fullness of information, thoroughness and rigor when gathering and analyzing the data, there are still some limitations needed to be tackled in further studies.

Firstly, more details can be put into the dimension of data. The data in this paper is mainly obtained from the public reports released by Hong Kong Education and Manpower Bureau and some individual universities; there is no detailed description of students in non-local region. For instance, due to Gaokao and international courses, like IB and A-Levels are different, their admission criteria might have differences, on top of that, the different regions of non-local students might also have different ways of developing school education courses. However, all this cannot be known clearly from the limited information provided now, which limits our understanding about the identity structure of these non-local students.

The majority of these studies have used time-series analysis and multiple regressions as research approaches, which can identify large patterns and influential elements easily;

however, time-series analysis and multiple regressions are not sufficient to fully describe how the many complex nonlinear effects and multi-level interaction processes brought about by important social events and policy changes are playing out in reality. In future research, we suggest exploring structural equation modelling (SEM), hierarchical linear modelling (HLM) and machine learning techniques to increase the explanatory power and improve the predictive accuracy of the analysis.

Furthermore, the study is insufficient in its detailed analysis of population structure. Although it reveals the macro-level distribution trends of students' places of origin, it fails to further explore the specific performance of students from different backgrounds (such as Southeast Asia and Europe and America) in enrollment changes, as well as how micro-level variables such as gender and subject choice influence the evolution of the structure of non-local students [7].

The challenge for this research stems from the fact that the data has an annual granularity and it is very hard to see short term dynamics of either social events or policy changes. Take for instance the pandemic—by quarter in 2020, quarter after quarter there were different responses, yet for one given university in one year, there is no way for people to know if they're seeing that type of effect in that one university's admissions for that one particular year since they are not able to use higher frequency data [8].

7. Conclusion

This article thoroughly analyzes the enrolment patterns of non-residents' undergraduate students in Hong Kong's higher educational institutes for each year from 2014 to 2024, analyzing driving factors that cause change. Using available data sources, such as official statistics, as well as the influences of relevant policies, this paper studies changes of enrollment structure, the mobility patterns of students from different regions of origin, and also studies effects from external shocks including social events and pandemics. Based on these restrictions, more attention should be given to further studying this issue of non-local students' admissions in Hong Kong universities:

First, the stratified approach to data as well as gathering and analyzing individual-level data will be carried out, which may take advantage of university-based surveys, interviews, or joint data collection methods to learn about the characteristics of non-local students: the category of admissions, scholarship status, major categories, grades, etc., in order to determine possible distinctions across subgroups for admissions behaviors and campus experiences. Secondly, it would be better if more advanced and changing analytical models were employed, that is, multivariate causal path modeling and time series intervention anal-

yses (interrupted time series analysis), where exogenous factors including but not limited to policy reformations, pandemic incidences and other social events were considered, so that we might successfully investigate the particular patterns and mechanism of how different policies and environment effects exert on students' decisions.

Third, more attention should be directed towards the academic growth and development after matriculation of non-locals in Hong Kong – their academic performance, graduate destination, stay-on rate, as well as social integration, etc. Evaluating admission quality is one thing, yet they are also important inputs into policymaking considerations on improving the mechanism of allocating resources and retaining talents. Next, how to introduce different kinds of students into a single university will be the subject of research in the coming years.

The research can investigate the recruitment approaches and results of Hong Kong universities from Southeast Asia, Europe, US, and “Belt and Road” countries to study how Hong Kong can keep itself attractive in terms of the international student competition and gain more in terms of international brand strength and competitiveness considering the whole regional higher education competitiveness situation.

To sum up, we believe that future research can be deepened from the aspects of data, methods, and policies to cope with the problems brought about by the internationalization of higher education currently taking place and so as to facilitate Hong Kong's universities' better integration into the global education landscape.

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