

4th January 2017

The Rt Hon Theresa May MP

Prime Minister
10 Downing Street
London, SW1A 2AA

Dear Prime Minister

University Students and HE Export

Local Enterprise Partnerships very much welcome the leadership which you and your government are taking in developing an Industrial Strategy. Building on the export strengths of the UK will be crucial to developing a Strategy which delivers productivity growth, and ensures the benefits are seen by people currently struggling to get by. As the UK's relationship with the EU is renegotiated and new opportunities for deepening and extending trading relationships are created, our key export sectors need to be at the forefront. That is why the announcement last year of Nissan's investment in the UK was so welcome.

One of the export strengths of the UK economy is higher education. The sector already accounts for £13.6bn of export earnings, spread across all parts of the UK. This includes the direct sale of higher education to overseas students through tuition fees, and the indirect benefits to UK businesses from the spending of those students while they are temporarily in the UK. It supports 170,000 full-time equivalent jobs.

This export income is, of course, on top of the economic benefits to the UK from attracting world-class researchers from around the globe to the UK, particularly in areas where the UK has a serious skills shortage such as science and engineering. As the Science & Innovation Audits are showing, this is a vital part of the innovation infrastructure which supports business growth. Overseas graduates from UK universities also provide a network of alumni around the world which are an invaluable asset for British businesses finding pathways into global markets and setting up new trade deals.

There is a significant opportunity to build on this export strength by tapping into new markets and deepening those where relationships already exist. The numbers of university students around the world seeking to study outside their home country is expected by the OECD to grow significantly from 4.1m in 2010 to 8m by 2025. Higher education institutions in the UK are well placed to exploit this opportunity, but are facing fierce competition from other countries which are putting ambitious strategies in place to expand their share of this export market. Canada, Australia, Germany, New Zealand and China have set targets to rapidly increase their numbers of international students and export income, while other European countries are increasingly offering courses in English to widen their appeal.

We would welcome the opportunity to discuss with you how we build on the export success of our higher education sector in attracting overseas students. Clearly there are challenges in doing this at the same time as ensuring that public concerns over immigration are met, but we have a number of ideas about how these issues can be reconciled that we would like to talk through. We look forward to discussing this with you.

Yours sincerely

Signed by Local Enterprise Partnership Chairs

Copy to: The Rt Hon Greg Clark MP, Secretary of State for Business, Energy & Industrial Strategy.
 The Rt Hon Liam Fox MP, Secretary of State for International Trade.
 The Rt Hon David Davis MP, Secretary of State for Exiting the European Union.

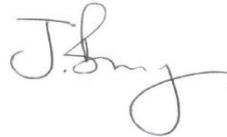
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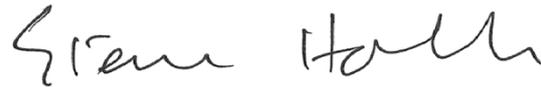
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