

India Serves

A Monthly Newsletter by

SEPC

SERVICES EXPORT PROMOTION COUNCIL

Setup by Ministry of Commerce & Industry, Govt. of India

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**INTERNATIONAL BRANCH CAMPUS (IBC)
WITH FOCUS ON INDIA**

SERVICES EXPORT PROMOTION COUNCIL
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India Serves

A SEPC NEWSLETTER

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(Consultancy Services)

Editor

Dr. Abhay Sinha, DG

dg@servicsepc.org

abhay.sinha@servicsepc.org

Content

Dr. Salahuddin Ayyub, Dy Director, Policy & Research

salahuddin.ayyub@servicsepc.org

Mr. Dhruv Singh, S. Executive Officer, Policy & Research

dhruv.singh@servicsepc.org

SEPC Officers

Dr. Tarvinder Kaur, Director

tarvinder.kaur@servicsepc.org

Dr. Geethanjali Nataraj, Director (Policy and Research)

geethanjali.nataraj@servicsepc.org

Dr. Alpa Antani

Director (Western Region)

alpa.antani@servicsepc.org

Mr. Vikrant Wadhwa, Dy Director (Membership)

vikrant.wadhwa@servicsepc.org

Mr. Mayank Sharma, Dy Director (Events)

mayank.sharma@servicsepc.org

Mr. Chandranshu Awasthi, Dy Director (International Relations & Market Development)

chandranshu.awasthi@servicsepc.org

Ms. Shoumi Dasgupta, Dy Director (Branding, Media and Communication)

shoumi.dasgupta@servicsepc.org

Phone: +91 11-41046327-28-29

+91 11-41734632

Email: info@servicsepc.org

Website: www.servicsepc.org

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MESSAGE FROM 
THE CHAIRMAN **Maneck E. Davar**
Chairman, SEPC

Demonstrating a V-shaped recovery, the overall services exports increased by 16 per cent in June 2021 which marks the highest ever exports in the month of June in last 4 years. Services exports in June 2020 was 17 billion USD and it went up to 20 billion USD in June 2021.

At the present growth rate during the period April 2021-June 2021 and taking into account recovery in some of the stressed sectors, we would be achieving services export worth USD 240 billion in 2021-22, which is the highest growth rate in the last 20 years. Further, in the event of resumption of international travel, we will be able to go beyond this figure with significant contribution from sectors like travel and tourism, hospitality, healthcare, education, and aviation.

As a part of follow up and our relentless pursuit of drawing up the attention of policy makers towards contribution of services export in Indian economy, we have written to Hon'ble Prime Minister highlighting the fact that services exports posted a net surplus of USD 23 billion in first quarter of FY 2021-22 which also partially offsets the overall trade deficit of the merchandise sector in our overall trade balance. It has also been emphasized that, to achieve the target of USD 400 billion of merchandise exports, due attention and focus should be given to the services sector.

we have written to Hon'ble Prime Minister highlighting the fact that services exports posted a net surplus of USD 23 billion in first quarter of FY 2021-22

Services exports to an extent grow in line with merchandise exports as many services sectors work as a facilitator for the merchandise exports, such as transport and logistics services, distribution services, banking and insurance services, aviation and ground handling services etc. There are services such as repair and maintenance services, engineering services, education and training services, etc. embedded with merchandise exports. Services therefore is an integral element of the eco-system of manufacturing and merchandise exports.

SEPC is now playing a very significant role in ongoing Free Trade Agreement Negotiations and engaging with Indian Missions on market access challenges. We are going to resume all our major export promotional activities with the support of Ministry of Commerce and Industry. We continue to seek your valuable inputs on the market access related issues.

This issue of India Serves focusses on International Branch Campus (Mode3) of Education sector.

Please feel free to share you feedback.

Yours Sincerely

Maneck Davar

OVERVIEW OF SERVICES OFFERED BY SEPC

TRADE INTELLIGENCE

EXPORT DEVELOPMENT

EXPORT PROMOTION

ENABLING BUSINESS ENVIRONMENT

Services Export Promotion Council set up in 2006 by Ministry of Commerce & Industry, Government of India is an apex trade body to promote exports of services from India.

Key role in Foreign Trade Policy, Export Strategy formulation by Department of Commerce and related Govt Departments.

Interface between Services Sector and Government

Provides inputs on Trade Negotiations

Represents Services Sector in various Joint Trade Committees, Joint Business Councils and Joint Working Groups of Government of India to facilitate export.

Creates Business opportunities in global market place for services exporters

Providing commercially useful information and assistance to members in increasing exports.

Organising visits of delegation of its members abroad to explore overseas market opportunities.

Organising participation of Services exporters in specialised International Trade Fairs.

Dissemination of government notification, orders, information on trade and other relevant information to members.

Facilitates execution of Government Schemes like SEIS.

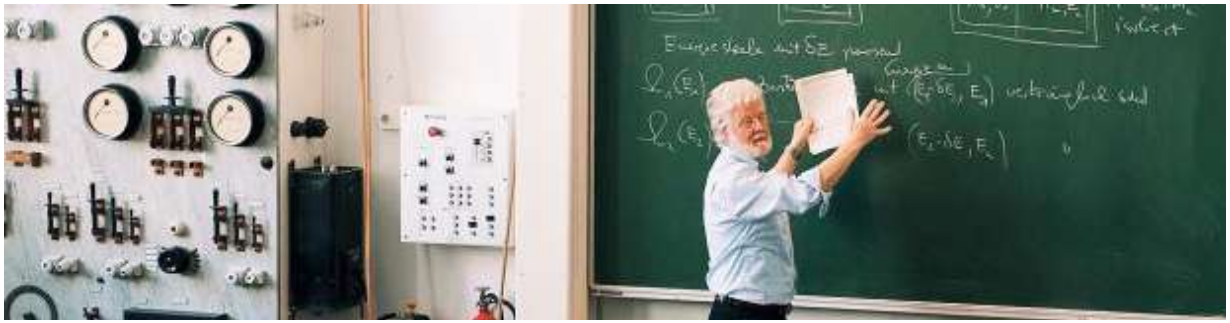


Services Covered under SEPC

In order to enhance the competitiveness of services exports and enable services industry to generate employment, the Union Cabinet chaired by Honourable Prime Minister Shri Narendra Modi in 2018 identified 12 Champion Services Sector.

The following table provides the mapping of identified Champion Services vis-a vis the services covered under SEPC and BPM6 classification. Sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) is developed by IMF in collaboration with compilers and other interested parties worldwide and used by most of the countries to record and report services trade data.

| S.N. | Services covered under SEPC | Champion Services | BPM6 Classification |
|------|---|---|---|
| 1 | Accounting/Auditing and Bookkeeping Services | Accounting and Finance Services | Other business services |
| 2 | Consultancy Services | - | |
| 3 | Legal Services | Legal services | |
| 4 | Architectural Services and related services | Construction and related Engineering services | |
| 5 | Environmental services | Environmental services | |
| 6 | Marketing Research and Public Opinion Polling Services/ Management services | - | |
| 7 | Advertising Services | - | |
| 8 | Printing and Publishing services | - | |
| 9 | Other services (IT & ITES, Communication Services) | IT & ITES, Communication services | Telecommunications, computer, and information services |
| 10 | Hotel and Tourism Related Services | Tourism and Hospitality Services | Travel |
| 11 | Education Services | Education services | |
| 12 | Healthcare services including services by nurses, physiotherapist and paramedical personnel | Medical Value Travel Services | |
| 13 | Maritime Transport Services | Transport and Logistics services | Transport |
| 14 | Distribution Services | | |
| 15 | Other services (Financial Services) | Financial Services | Financial services |
| | | | Insurance and pension services |
| 16 | Entertainment services including Audio-visual services | Audio-visual services | Personal, cultural, and recreational services |
| 17 | Other Services | - | Charges for the use of intellectual property n.i.e. |
| | | - | Government goods and services n.i.e. |
| | | - | Manufacturing services on physical inputs owned by others |
| | | - | Maintenance and repair services n.i.e. |
| | | Construction and related Engineering services | Construction |
| | | | Services not allocated |



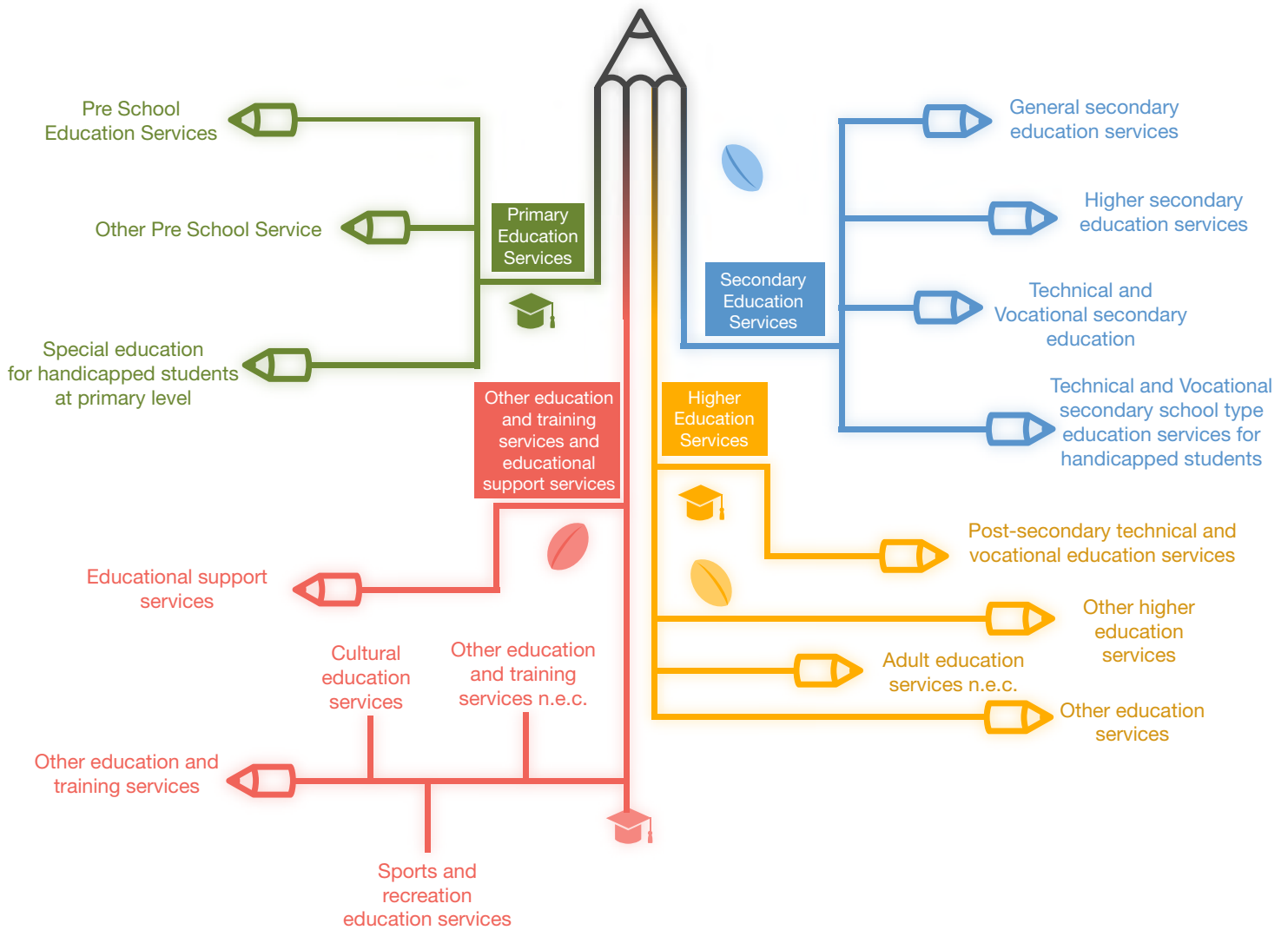
SERVICE EXPORTS FROM INDIA SCHEME (SEIS)

sector coverage
Education Services

The SEIS scheme covers almost all CPC codes of UN CPC (Provisional) for Education services under its ambit. A list of all UN CPC (Provisional) codes for 'Education Services' up to five digits has been provided below with information in the last column over coverage of each code under Appendix 3D of SEIS;

| SEPC Sectors | Champion Sectors | GATS (WTO) Classification | UN CPC Provisional CODE | Services Description | CPC Codes covered under Appendix 3D of SEIS |
|--------------------|--------------------|---------------------------------|-------------------------|---|---|
| Education Services | Education Services | A. Primary education services | 921 | Primary education services | Covered |
| | | | 9211 | Preschool education services | |
| | | | 92110 | Preschool education services | |
| | | | 9219 | Other primary education services | |
| | | | 92190 | Other primary education services | |
| | | B. Secondary education services | 922 | Secondary education services | |
| | | | 9221 | General secondary education services | |
| | | | 92210 | General secondary education services | |
| | | | 9222 | Higher secondary education services | |
| | | | 92220 | Higher secondary education services | |
| | | | 9223 | Technical and vocational secondary education services | |
| | | | 92230 | Technical and vocational secondary education services | |
| | | | 9224 | Technical and vocational secondary school-type education services | |
| | | C. Higher education services | 923 | Higher education services | |
| | | | 9231 | Post-secondary technical and vocational education services | |
| | | | 92310 | Post-secondary technical and vocational education services | |
| | | | 9239 | Other higher education services | |
| | | | 92390 | Other higher education services | |
| | | D. Adult education | 924 | Adult education services n.e.c. | |
| | | | 9240 | Adult education services n.e.c. | |
| | | | 92400 | Adult education services n.e.c. | |
| | | E. Other educational services | 929 | Other education services | |
| | | | 9290 | Other education services | |
| | | | 92900 | Other education services | |

Education services





INTERNATIONAL BRANCH CAMPUS (IBC) WITH FOCUS ON INDIA

Education services, like all other services sectors, are exported under four modes of supply;

| | |
|------------------|--|
| Mode – 1: | Cross Border Supply (Online Education) |
| Mode – 2: | Consumption Abroad (Students travelling abroad for studies) |
| Mode – 3: | Commercial Presence (Institutions opening branch campuses in foreign entities) |
| Mode – 4: | Movement of Natural Persons (Teachers and trainers travelling abroad to offer services in schools, universities, institutes, companies, etc) |

Services under mode – 3 are primarily rendered through International Branch Campus (IBC). IBC is an entity that is owned, at least in part, by a foreign higher education provider; operated in the name of the foreign education provider; and provides an entire academic program, substantially on site, leading to a degree awarded by the foreign education provider. (CBERT, 2017)

The definition embodies four criteria to identify IBCs.

- First, a foreign higher education provider should have invested in the establishment of the IBC, and taken on the obligation of making it financially viable (via tuition, host country grants, contracts, home campus subsidies, etc.).
- Second, the connection to the foreign provider is acknowledged by a shared name or other explicit representation of its responsibility for the IBC’s academic program.
- Third, the IBC offers a complete academic program using onsite faculty in a physical location.
- Fourth, a degree is awarded to IBC students by the foreign provider for the course of study completed at the IBC.

As per CBERT, there were 305 International Branch Campuses (IBCs) in the world by the end of 2020. The number of IBCs worldwide has risen from 249 at the end of 2015 to 305 at the end of 2020. This number excludes all the campuses which have closed down. It has been estimated that there were some 42 campuses which closed down after opening between 2000 and 2015. There were fifteen campus-



es open in 2010 that closed or changed status before the end of 2015. These include Schiller International University in UK, Suffolk University in Senegal, SUNY Potsdam in Canada, Boston University Institute for Dental Research and Education-Dubai (BUIDRE), American Intercontinental University in UK, University of Waterloo in Dubai, New York Institute of Technology in Jordan, DeVry University in Canada, Mahatma Gandhi University in UAE, Alliance University College of Medical Sciences in Malaysia, Boston University in Belgium, New York Institute of Technology in Bahrain, University of Nevada, Las Vegas

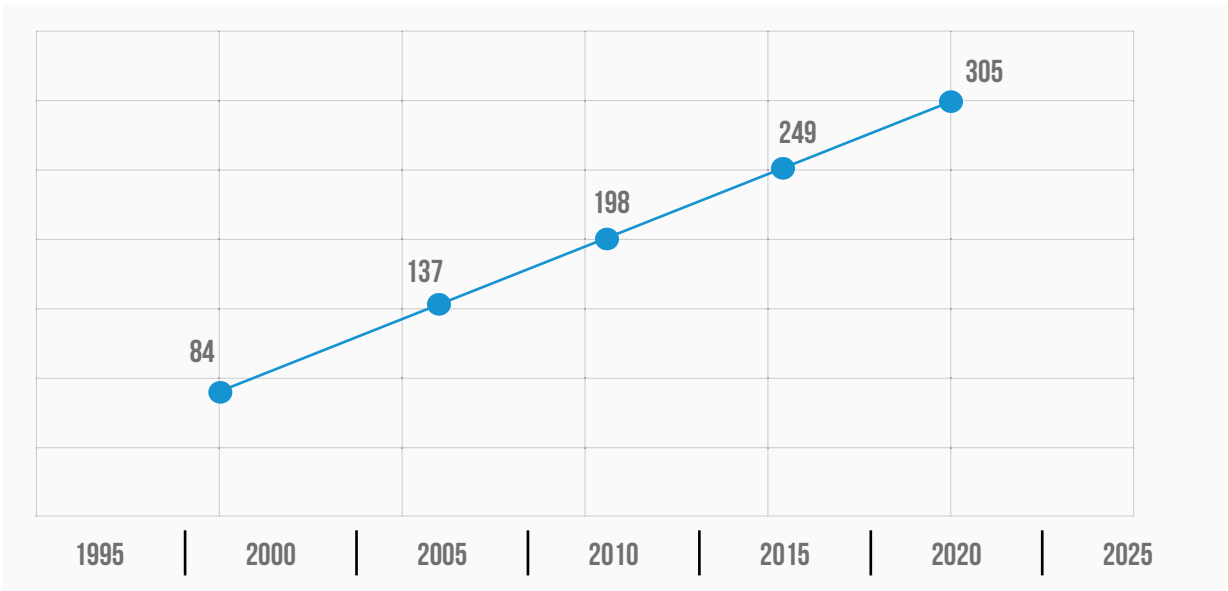
in Singapore, New York University in Singapore, Houston Community College in Qatar, and University Fernando Pessoa in France.

From 2006-2010, there were 67 openings and 19 closures. From 2011- 2015, there were 66 openings and 16 closures. Growth of IBCs continues, as there were slightly fewer openings but the number of closures decreased.

A recent survey of universities by the European Association for International Education (EAIE) found that international branch campus development was the lowest priority among fifteen listed interna-

tionalization strategies. This may reflect lack of scope as well as limited interest. In some countries there is little incentive for state-funded universities to pursue an IBC, and in some cases it is illegal. For example, the recent change in legislation in the Netherlands marks the first time Dutch universities are formally permitted to “go abroad” in this sense. Lack of interest in IBCs need not mean lack of interest in internationalization. Universities may be exploring other forms of Transnational Education (TNE), notably strategic partnerships and international research and innovation, instead of opening IBCs.

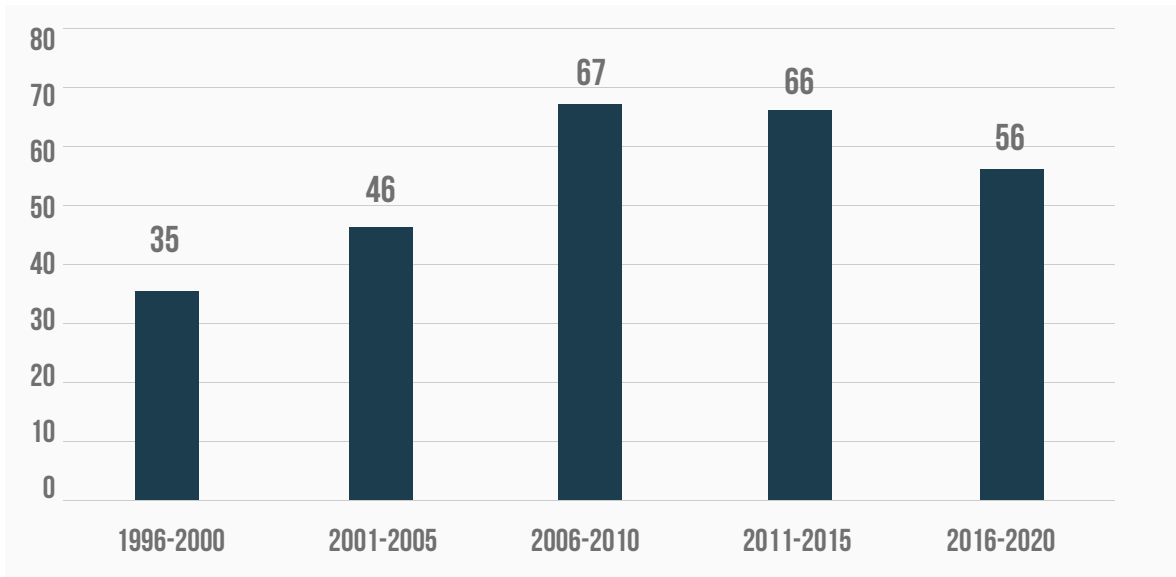
Figure 1: International Branch Campuses (2000-2020)



Source: CBERT



Figure 2: International Branch Campuses Openings (1996-2020)



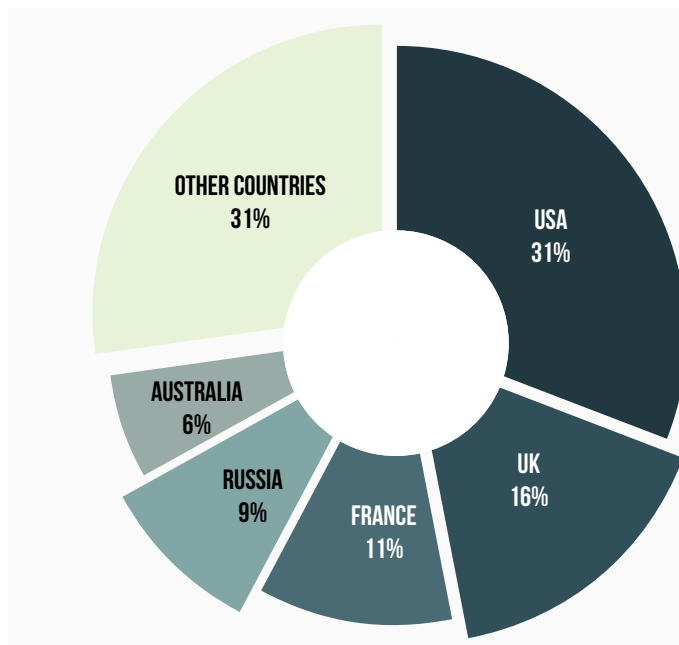
Source: CBERT

IBCs’ home countries:

There are more than 33 “home” countries for IBCs, up from 28 at the start of 2011. The top five home countries are the United States, the United Kingdom, Russia, France, and Australia. Together, these countries account for 181 branch campuses, or 73% of the

world’s IBCs. While IBCs are clearly concentrated in higher education providers located in a handful of home countries, the share of these countries has decreased slightly in the past few years as institutions from other nations have founded IBCs.

Figure 3: Distribution of IBCs in terms of countries of origin - 2016



Source: CBERT

The US originates the most branch campuses. It is the source country of 78 branch campuses— close to one third of the total in existence. Of the 66 branch campuses opened from 2011-2015, 17 come from higher education institutions located in the US. Though the US is the overall

leader in branch campus origination, these numbers suggest the interest of US institutions in creating new IBCs may be waning and other countries have become more active.

Second to the US, the UK is home country of 39 (16%) of the

249 total IBCs. It is also home country of fourteen (21%) of the 66 IBCs opened from 2011-2015. Rounding out the top five, six of the IBCs opened from 2011-2015 were from France, five from Russia, and three from China. Prior to 2011, these five countries, with the exception of China, were al-

ready prominent players in IBC activity: at the start of 2011, they were the source of 140 IBCs, or 71% of IBCs in existence at that time, when including campuses that have since closed or changed status. In 2015, that number grew to 171, though its total share decreased to 69%.

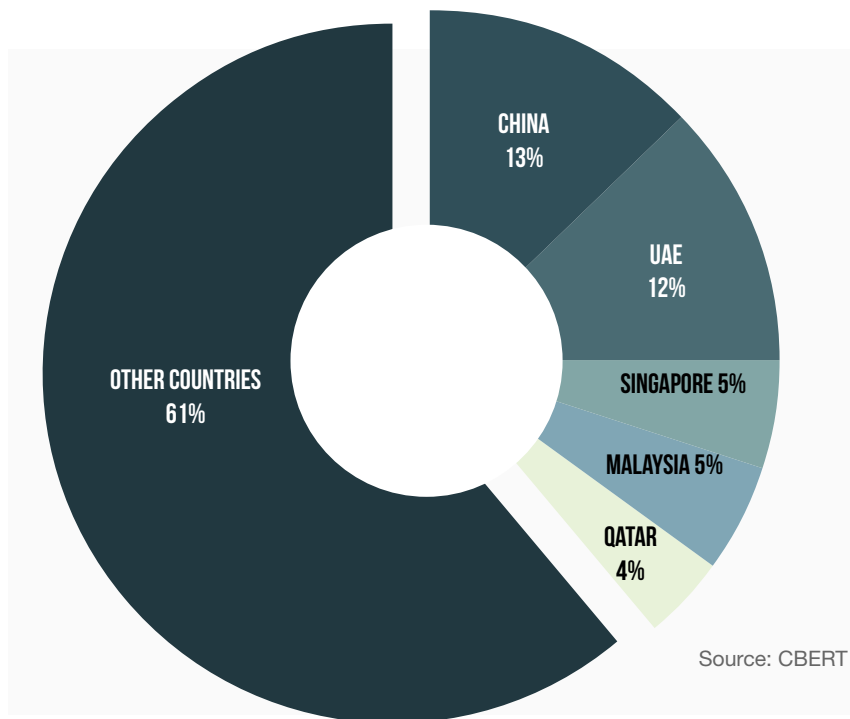


IBCs' Host Countries:

The top five host countries are China, the United Arab Emirates, Singapore, Malaysia, and Qatar, which together host 98 IBCs, or 39% of the world's total IBCs. At the start of 2011, these countries accounted for 81 branch campuses, including seven of the

fifteen branches that have since closed or changed status. All of the top five host countries have added new IBCs in the past five years; however, their relative share has decreased slightly as new IBCs have opened in both tested and new countries.

Figure 4: Distribution of IBCs in host countries - 2016



A diverse group of countries are home to institutions that opened two IBCs from 2011-2015; Canada, India, South Korea, and Turkey. South Korea, which had originated no IBCs prior to 2011 and now has two, is considering opening another branch campus, to be located in China. Turkey also had originated no IBCs until Bahçeşehir University (BAU International University) opened campuses in Germany and the United States in 2012 and 2013, respectively. These trends sug-

gest that while IBCs continue to grow globally, there are important shifts occurring within some countries, with interest growing in some locations and diminishing in others.

Since 2011, nine countries have become new hosts to IBCs: Cyprus, Egypt, Finland, Ghana, India, Malta, Nicaragua, Rwanda, and Saudi Arabia. The top five host countries are China (32), the United Arab Emirates (31), Singapore (12), Malaysia (12),

and Qatar (11). After this, the top six through thirteen host countries are the United Kingdom (7), Canada (7), Uzbekistan (6), China (Hong Kong SAR) (5), France (5), Germany (5), South Korea (5), and Spain (5). Together, these top thirteen countries host 138 campuses or 55% of the total number of IBCs—in fact, the top five countries alone are host to 98 campuses, or 39% of the total number of IBCs.



Figure 5: Countries and their foreign campuses as on 2016

| Home Country | Number | Locations |
|-----------------------|--------|--|
| Australia | 15 | Canada, China (2), Kuwait, Malaysia (3), Singapore (3), South Africa, UAE (Dubai, 2), Vietnam (2) |
| Belgium | 1 | South Korea |
| Canada | 6 | China, Japan, China (Hong Kong SAR), Qatar (2), Saudi Arabia |
| Chile | 1 | Ecuador |
| China | 6 | Italy, Japan, Malaysia, Singapore, Laos, Thailand |
| China (Hong Kong SAR) | 2 | China (2) |
| Estonia | 1 | Finland |
| France | 28 | China (2), Germany (2), Indonesia, Italy, Malaysia, Morocco (3), Norway, Qatar, Singapore (3), Spain (2), Switzerland, Tunisia (2), Turkey, UAE (Abu Dhabi 2, Dubai 1), United Kingdom (3), United States |
| Germany | 4 | China, Egypt, Oman, South Korea |
| India | 7 | Mauritius, Nepal, UAE (Dubai, 5) |
| Iran | 2 | Lebanon, UAE (Dubai) |
| Ireland | 4 | Bahrain, China, Malaysia, UAE (Dubai) |
| Italy | 2 | Argentina, India |
| Japan | 1 | China |
| Kenya | 1 | Somaliland |
| Lebanon | 1 | UAE (Dubai) |
| Malaysia | 4 | Botswana, Cambodia, United Kingdom, Yemen |
| Mexico | 1 | Panama |
| Pakistan | 1 | UAE (Dubai) |
| Russia | 21 | Armenia (4), Azerbaijan, Belarus (2), Kazakhstan (4), Kyrgyzstan (2), Latvia, Tajikistan, Ukraine, UAE (Dubai, 2), Uzbekistan (3) |
| Singapore | 2 | Malaysia, Uzbekistan |
| South Africa | 1 | Netherlands |
| South Korea | 2 | China, Uzbekistan |
| Spain | 1 | United States |
| Sweden | 1 | Russia |
| Switzerland | 2 | United Arab Emirates (Ras Al Khaimah), United Kingdom |
| Taiwan | 1 | United States |
| The Netherlands | 8 | China, Indonesia, Kuwait, Nigeria, Qatar, South Africa, South Korea, Thailand |
| Turkey | 2 | Germany, United States |
| Uganda | 2 | Kenya, Tanzania |
| United Kingdom | 39 | Australia, Bangladesh, Belgium, Brazil, China (8), China (Hong Kong SAR), Cyprus, France (2), Ghana, Greece, Malaysia (5), Malta, Mauritius (3), Qatar, Singapore, UAE (Dubai, 7, Ras Al Khaimah, 1), United States, Uzbekistan |
| United States | 78 | Australia, Austria, Canada (6), China (12), China (Hong Kong SAR) (3), Croatia, Ecuador, France (4), Germany (2), Ghana, Greece (2), Hungary, Israel, Italy (2), Jamaica, Japan (2), Mexico, Netherlands, Nicaragua, Panama, Poland, Qatar (6), Russia, Rwanda, Saint Lucia (2), Singapore (4), Slovakia, South Korea (2), Spain (3), Switzerland (2), Taiwan, Thailand, United Arab Emirates (Abu Dhabi, 3, Dubai, 3), United Kingdom (2) |





Many Indian private universities already have their campuses in foreign countries. A list of such campuses has been provided below. Many more universities are planning to establish campuses abroad. Mumbai University is at a final stage to establish its campus in UAE, Delhi University announced in 2020 that it is planning to open campuses in Dubai (United Arab Emirates), Singapore and Mauritius. Some of Indian campuses in foreign countries are as old as 20 years. S P Jain School of Global Management established its first international campus in Dubai in 2004. Soon, in 2006, the Singapore campus was set up on invitation by the Singapore government. The third international campus was set up in Sydney, Australia, in 2012. Amity university has international campuses in 12 countries; London, Singapore, New York, San Francisco, Dubai, Abu Dhabi, Sharjah, Tashkent, Mauritius, South Africa, Kenya. University

of Pune became the first government-run institution to open its campus in UAE in 2009. Following a relatively muted response from the student community, the University of Pune (UoP), in Ras al Khaimah (RAK), United Arab Emirates, is set to do some soul searching and examine areas where it went wrong. The University did not admit students in September 2010, when Dubai begins its academic year. Pune University is not the only university which has faced hard time in running an IBC in UAE, in the past, US' George Mason University which opened a campus in RAK in 2006 shut operations in 2009. Last year, Michigan State University's branch campus terminated its services in Dubai after setting up a campus in 2008. Vellore Institute of Technology University, National Law School of India and Mahatma Gandhi University also have their campuses in UAE.



Figure 6: Indian universities' campuses abroad

| | Indian Universities | International Branch Campuses |
|---|---|---|
| 1 | Amity University | London, Singapore, New York, San Francisco, Dubai, Abu Dhabi, Sharjah, Tashkent, Mauritius, South Africa, Kenya |
| 2 | S P Jain School of Global Management | Dubai, Singapore, Australia |
| 3 | Pune University | Ras al Khaimah (RAK), UAE |
| 4 | Vellore Institute of Technology University, | UAE |
| 5 | National Law School of India | UAE |
| 6 | Mahatma Gandhi University | UAE |
| 7 | Manipal University | UAE, Nepal |
| 8 | Birla Institute of Technology and Science | UAE |
| 9 | Institute of Management Technology | UAE |

Source: Services Export Promotion Council (SEPC)



India's higher education regulator, the University Grants Commission (UGC) amended its regulations in February 2021 to allow Institutes of Eminence to set up offshore campuses. The Indian government has declared 20 institutes across the country as Institutes of Eminence. Ten of them in the public sector are the Indian Institute of Science Bangalore; IIT Delhi; IIT Bombay; IIT Madras; IIT Kharagpur; the University of Hyderabad; Banaras Hindu University; Delhi University; Jadavpur University and Anna University. The remaining 10 Institutes of Eminence in the private sector include BITS Pilani; Manipal Academy of Higher Education, Karnataka; Jio Institute; Amrita Vishwa Vidyapeetham, Tamil Nadu; Vellore Institute of Technology, Tamil Nadu; Jamia Hamdard, New Delhi; Kalinga Institute of Industrial Technology, Odisha; OP Jindal Global University, Haryana; Bharti Institute, Satya Bharti Foundation, Mohali, Punjab and Shiv Nadar University, Uttar Pradesh.

Public or private 'Institutes of Eminence' would have to submit an application to the Ministry of Education with details of their 10-year strategic vision plan and a five-year im-

plementation plan, including academic plans, faculty recruitment, student admissions plan, research, infrastructure development, financial, administrative and governance plans, with clear annual milestones and identifiable outcomes, according to the UGC, which will also review the applications together with an Empowered Experts Committee. Institutions must also obtain permission from the Ministry of External Affairs and Ministry of Home Affairs to start an overseas centre.

The rules for overseas centres are stringent and could be difficult for most Indian institutions to meet. The UGC guidelines state that an institute wanting to set up an overseas centre must ensure it evolves as a multi-disciplinary research and teaching campus with at least three faculties and a minimum of 300 teachers and 3,000 students by the end of 10 years. These Institutes of Eminence can each start a maximum of three new off-campus centres within five years but not more than one in an academic year, according to the UGC regulation.

IBC's Closure

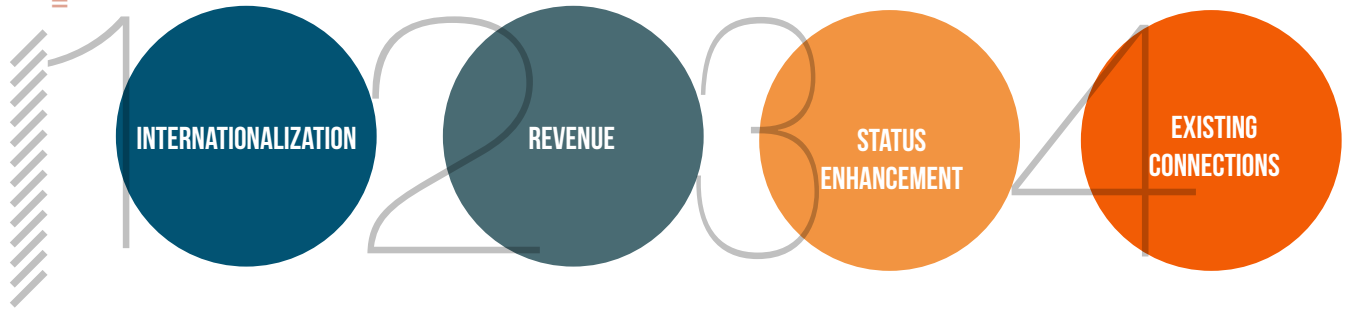
Since 2011 there have been at least fourteen IBC closures. Closures have taken place in a range of countries, with two each in Singapore, the UAE, and the UK. The age of the IBC at the time of closure ranges from three years, in the case of University of Waterloo's campus in the UAE, which closed in 2013 due to low enrollments, to 42 years, in the case of the Boston University Brussels Graduate Center, which closed in 2014 for unknown reasons. Of the ten closure cases for which the foundation year of the IBC is known, half were more than ten years old at the time of closure, suggesting that some IBCs encounter changed circumstances after many years in operation.

Reasons for closure remain diverse and often ambiguous. News articles and university websites were consulted to find out the reasons for closing, with the caveat that the full story is likely more complicated. However, there are some recurring problems, indicating that most IBCs face similar barriers. For example, low enrolments were cited as a cause of the

closure of DeVry University of Technology in Canada. Hand in hand with low enrollment, some IBCs close due to financial losses, as was cited in the case of Tisch Asia School of the Arts in Singapore and Suffolk University in Senegal, which can be indicators of poor business planning and risk management.

A common reason for closure is conflict with the government and regulatory bodies of the host country. Such was the case with Sikkim Manipal University (SMU)'s Sri Sai College in Ethiopia, which could not get its licence renewed after it expired in 2012. New York Institute of Technology was banned from admitting students to its Bahrain campus after a poor review from the National Authority of Qualifications and Quality Assurance for Education and Training (NAQQAET) in 2011 and officially ceased teaching operations in 2014. University of Nevada, Las Vegas closed its Singapore campus in 2015 after disagreements over tuition rates.

There are four primary rationales for opening branch campuses in foreign countries:



Also, there are many reasons as to why an institution might decide against opening an IBC. The following list includes some of the most prominent rationales:

- Does not fit with the mission of the institution
- Too expensive
- There is not a clear and financially sustainable business model
- Lack of buy-in from the home institution
- Concern that failure could damage the institution’s reputation
- Uncertainty about how to operate in a foreign country
- Do not want to dilute the institution’s brand
- Academic freedom concerns
- Champion leaves the institution or loses interest
- Contingent home country regulations

The proliferation of IBCs has occurred because of increasing interest from institutions in globalizing their educational engagements as well as the growing interest among governments that see such cross-border activity as potentially beneficial to their national agenda. Many governments have or are attempting to develop regulatory frameworks to respond to the often unanticipated emergence of IBCs; however, IBC development spurred by the governments themselves has also been a notable trend. There are three primary motivating factors driving government engagement in this area:

1. Enhancing economic competitiveness
2. Leveraging soft power
3. Raising awareness of the nation’s education system

Regulatory Framework:

When IBCs were first established in Malaysia, corporate law required that 51% of the local legal entity that owned the IBC had to be held by Malaysians, though this rule was later relaxed. In Dubai, most IBC exist within regulatory free zones so that they can be exempted from the rules governing foreign corporations. In other nations, such as China and Qatar, they exist within a regulatory frameworks created explicitly for IBCs.

C-BERT has identified three broad types of ownership arrangements, which are discussed below.

Wholly Owned: In this case, capital and establish a foreign subsidiary organization will the legal entity that controls presence under the laws of then establish and run the the IBC is exclusively controlled the host country. Some in- foreign presence. This is sim- ilar to the model employed ilar to the model employed by India’s Manipal University, ilar to the model employed by India’s Manipal University, for example, through Manipal ilar to the model employed by India’s Manipal University, for example, through Manipal Global Education Services. ilar to the model employed by India’s Manipal University, for example, through Manipal Global Education Services.

Joint Venture: In a joint venture, two or more entities create a new legal entity to operate the IBC. The partners retain their own legal identities, but share legal ownership, including the financial risks and rewards, of the new entity. Joint ventures are commonly used when firms cross borders as it allows the foreign firm to partner with a local firm to create the new entity.

In order to be classified as an IBC, we require the joint venture to operate in the name of the foreign education provider, which may create additional reputation risk for the provider. In many joint ventures, the foreign education provider brings their academic capital to the relationship, assuming responsibility for the academic operations. The role of the local partner can range from a relatively unobtrusive financial position, for example Nottingham Ningbo's relationship with the Wanli Education Group, to a highly active and involved owner of facilities and manager of the administrative components of the venture.

Strategic Alliance: This model exists between a wholly owned enterprise and a joint venture. A strategic alliance emerges when two or more entities enter in a partnership to accomplish a goal, but do not establish a new entity and remain legally separate. Strategic alliances are means for leveraging scale and differentiation while limiting risk and reducing the financial output needed by a single partner. Strategic alliances may be made with government partners, private investors, or other educational institutions. An example is Songdo global university foundation in South Korea, which serves as the host for IBCs at the Incheon

Global Campus (IGC).

Government partners: It has been well documented that for the campuses in Qatar's Education City, the Qatari government (via the Qatar Foundation) has supplied the campus facilities. The same is true for some of the IBCs in the UAE such as NYU in Abu Dhabi. In Australia, Malaysia, Singapore and France, there are examples of local governments subsidizing the cost of the facilities as a means to recruit an IBC. This is a common strategy in countries where the government sees the IBC as part of the economic development strategy and some local governments reportedly invested in IBC development when the national government refused requests to support development of public institutions.

Educational Partners: C-BERT research reveals a small number of IBCs use space provided by local educational entities. These are not dual or joint degree programs. The IBC exists as a standalone enterprise, occupying space owned by another educational entity. China is an important example here, with most IBCs existing as separate entities within a Chinese university. The Chinese university controls admissions, but the foreign provider has control of the curriculum and degree awarded. In Singapore, many IBCs operate in the facilities of local education providers, such as the State University of New York at Buffalo at the Singapore Institute of Management and the University of Nevada Las Vegas was located in the National Library of Singapore prior to the campus closing. The IBC exists within the facilities of the educational partner, but generally speaking the relationship stops there.

Private partners: While many private partnerships may be codified as joint ventures, there are some that are better described as a strategic alliances wherein the partners each provide some sort of resource, but are not legally joined as single organization. An example would be Dubai's Knowledge Village and Dubai's International Academic City. These are both considered to be free trade zones in Dubai and are run by a private company, the TECOM Group, a subsidiary of Dubai Holding, which is owned primarily by the leader of Dubai. TECOM built the physical infrastructure for both the village and the city and provides many of the non-academic offerings such as residence hall, cafeteria and student activity space. The campuses lease space from Tecom and become a client of the company which assists with the IBC's development.

As IBCs have developed, most host countries have established quality assurance procedures that address the delivery and award of degrees by a foreign institution. These efforts tend to fall into three general categories.

Regulated as a local institution: Some governments, such as the United States, require that the IBC meet all local education regulations, which may include curricular requirements such as local history and culture classes, establishment of a local governing board, alignment with the local education calendar, adjustment of admission requirements, requiring a certain number of volumes in the local library, and so forth.

In fact, in July 2016 the US Department for Education announced new proposed rules on distance learning domesti-

cally, but added new proposals for “foreign branch campuses and locations” of US institutions. This would require US schools to demonstrate, upon request, that an appropriate foreign agency had approved or did not object to the location/campus. The regulation seems to be restricted to locations/campuses that offer US federal financial aid, and those where at least 50% of a given program is administered. There appears to be no clarity on cross-border distance learning.

Regulated as a quasi-local institution:

Governments make some adjustment to local requirements to account for the special nature of IBCs, or may make additional requirements. For example, Malaysia requires an IBC to be authorized by the home country in addition to meeting local requirements.

Regulated as a foreign institution:

Governments create an entirely new regulation system especially for IBCs in order to verify that all programs are comparable to the home campus program. Dubai and Hong Kong are

examples of such a model. In Dubai, the University Quality Assurance International Board (UQAIB) is a panel of international experts charged with assuring that IBCs demonstrate “quality equivalence of provision in Dubai in relation to the home [institution] (UQAIB, 2016). In Hong Kong, there are two types of regulation depending on the nature of the partner – private or public – and whether or not the qualification is to be accredited for inclusion in the HKQF (Hong Kong Qualifications Framework) giving access to local funding support for students.

Education Hubs and IBCs:

One trend of note has been the creation of so called “educational hubs”. The term came to represent several different strategies, but essentially the idea that many IBCs were located in a single location, such as at Qatar’s Education City, Dubai’s International Academic City, and Singapore’s Global Schoolhouse. Education hubs were fueled by the internationalization strategies of higher education institutions and the desire of host governments to drive economic growth through increased higher education capacity, research prowess and recruitment of international students.

Indian IBCs and National Education Policy:

International collaborations between Indian institutes and foreign counterparts is nothing new for India. India has also been a destination of higher education for many foreign students for years. But this is for the first time that an education policy has highlighted internationalisation of higher education as an objective. One provision that has been included in the policy is to invite the top 100 World Class Universities to open International Branch Campuses (IBCs) in India. The underlying assumption behind this provision is;

- to raise the standard of research and teaching to international levels
- slow down the out-bound mobility of Indian students. (Education Minister Ramesh Pokhriyal 'Nishank' told Bloomberg that the government is pushing to woo nearly 750,000 students who spend about USD 15 billion each year to study abroad)
- increase the in-bound flow of students

The biggest challenge would be the inclination of top universities to establish a campus

in India. They may demand national treatment on the one hand and more autonomy and facilities on the other hand as being offered by UAE under Dubai Knowledge Park. Also, the revenue that they would generate would mostly flow out of the country. So, in the short-run inflow of foreign students into IBCs in India would not be a great revenue model until foreign students start spilling over Indian universities.

Establishment of an IBC is always a two-sided decision. Indian policies can neither guarantee the establishment of IBCs of foreign universities in India nor the establishment of Indian universities’ IBCs abroad. Government policies can only play the role of a facilitator. Indian government for the first time included internationalisation of education in the National Education Policy (NEP) as an objective and they would try to ease out the procedure and may offer some special facilities which hasn’t yet been announced but it is purely a business decision that is to be taken by the entrepreneurs and if they find it a feasible business model, they would go



ahead.

Education Minister Ramesh Pokhriyal 'Nishank' told Bloomberg that Australian government and some universities had shown interest in India's proposal. Some universities have already set up partnerships with Indian institutions, allowing students to partially study in India and complete their degrees on the main campus abroad. India had already entered into agreements on educational programmes with 55 countries, including exchange of academics and students.

There may be several reasons why foreign universities did not establish IBCs in India so far. Some of the cited reasons are absence of world class facilities, tight domestic regulations, issues of autonomy, national treatment and profitability. Also, so far there was no legislation in India for the foreign universities to establish campus in India. As reported by Business Today, the Government of India has started working on the legislation which will regulate the operation of foreign universities in India.

International Collaborations:

A recent development of institutional mobility in India was detailed in the regulations and guidelines issued jointly by AICTE and UGC in 2016, University Grants Commission (Promotion and Maintenance of Standards of Academic Collaboration between Indian and Foreign Educational Institutions) Regulations, 2016. Indian universities and colleges with the highest grades of accreditation and quality (issued by National Accreditation and Assessment Council and National Board of Accreditation) can enter into twinning arrangements with reputed Foreign Educational Institutions (FEIs). Collaborations and partnerships between Indian and FEIS have been approved for seven twinning/foreign collaborative arrangements in the year 2016-17.

Figure 7: Indian Universities collaborations with foreign universities

| Indian Institutions | Foreign University |
|---|---|
| Gandhinagar Institute of Technology, Ahemdabad | De Montfort University, Leicester, UK |
| Daly College Business School, Madhya Pradesh | De Montfort University, Leicester, UK |
| Universal Business School, Maharashtra | Cardiff Metropolitan University, UK |
| Institute of Hotel Management, Maharashtra | University of Huddersfield |
| GMR School of Buisness, Telangana | Schulich School of Business, York University, Toronto, Canada |
| S.R. International Institute of Technology, Telangana | University of Massachusetts, USA |
| Ansal Technical Campus, Uttar Pradesh | Valparasio University, USA |

Source: Press Information Bureau, Government of India, 2016

Conclusion:

- Many Indian universities including Pune University (state university) are already having International Branch Campuses in foreign countries. Some of these campuses are as old as 20 years. Some Indian branches abroad could not survive due to stringent foreign regulations, non-enrolments, profitability, etc
- Overall, the global trend of IBCs has started coming down after 30 years of practice which started in around 1990s. As per some reports, most of the IBCs get financial support from home branch to survive in foreign countries.
- To attract foreign universities to open branches in India, we would need to offer a lot of facilities as was offered by UAE, Qatar and Singapore; infrastructure support, special regulatory provisions, lenient laws, academic freedom, ease of doing business, tax exemptions, government's strategic partnership, etc.
- National Education Policy has given certain roadmap for the internationalisation but it doesn't explain the feasibility and directions. Establishing an IBCs is a purely economic decision either by a foreign university or an Indian university and it has to have economic viability for the universities to take the step forward.
- Some Indian states already have laws that allow universities to open campuses abroad. Maharashtra Public Universities Act introduced in 2016 allows public universities in the state to establish centres or institutions in foreign countries.
- Indian may have to open its education market for more universities as top universities may or may not be interested in opening their branch in India.



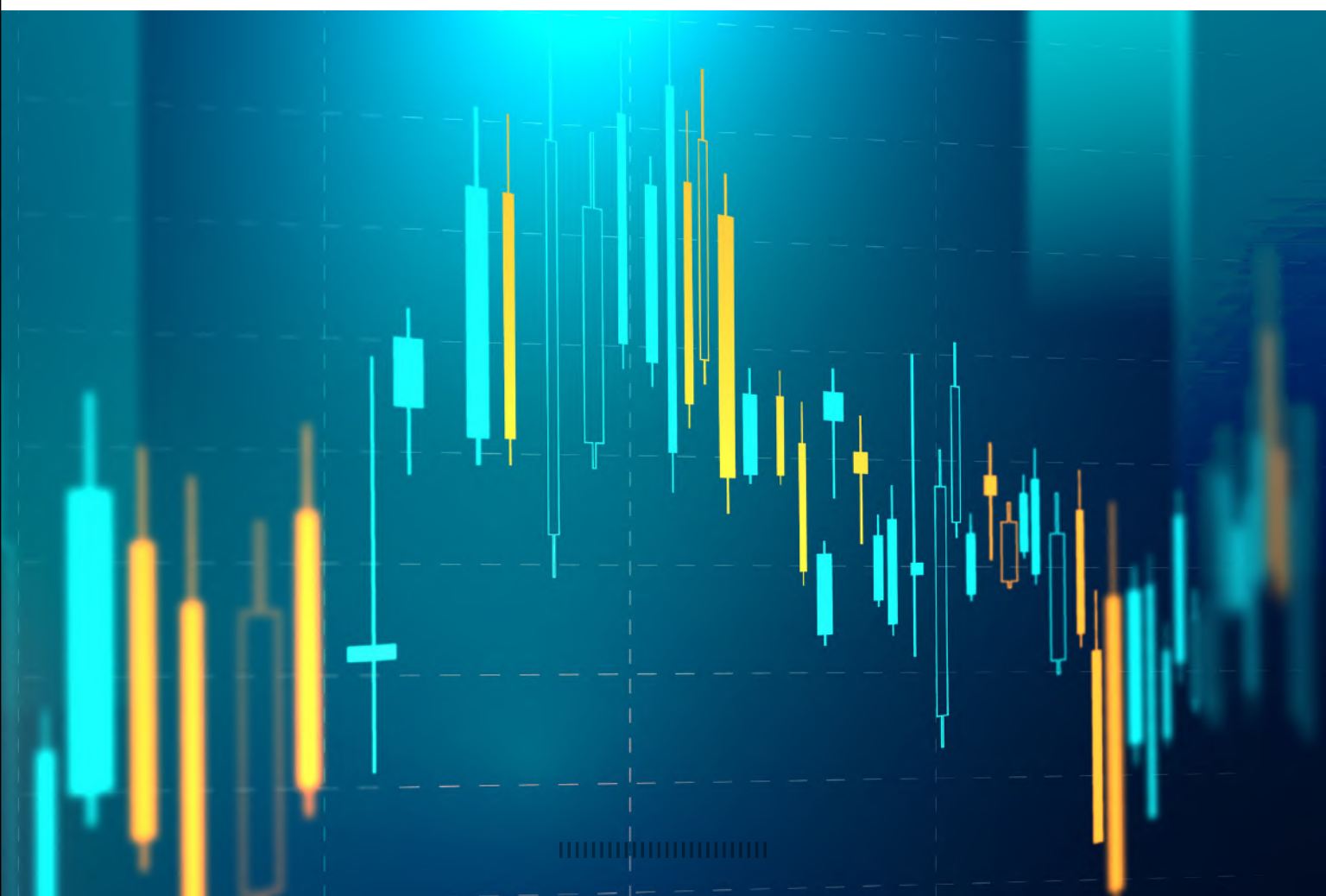


Monthly Data on India's International Trade in Services for the Month of June 2021

| International Trade in Services | | |
|---------------------------------|--------------------|--------------------|
| (US\$ Million) | | |
| Month | Receipts (Exports) | Payments (Imports) |
| April - 2021 | 17,547 (14.1) | 9,896 (18.6) |
| May - 2021 | 17,357 (10.7) | 10,233 (14.8) |
| June - 2021 | 19,726 (24.1) | 11,147 (24.8) |

Notes: (i) Data are provisional.(ii) Figures in brackets are growth rates over corresponding month's data which have been revised on the basis of balance of payments statistics released on June 30, 2021. Date of release: August 02, 2021.

Monthly data on services are provisional and are likely to undergo revision when the Balance of Payments (BoP) data are released on a quarterly basis.





2nd Indo-US Services Summit

SEPC in association with Indo–American Chamber of Commerce, North India Council organised the 2nd Indo-US Services Summit through virtual platform on 31st July 2021 to discuss the challenges, prospects and policy tailwind needed for components to the services sector in IT, Travel, Tourism & Hospitality, Healthcare, Energy and Media & Entertainment.

Webinar on Emerging Opportunities, Trends and Potential of Advertising services exports from India.

SEPC organized an informative webinar on the topic “Emerging Opportunities, Trends, and Potential of Advertising Services Exports from India” on 7th July 2021. The industry’s luminaries graced the panel for the webinar to discuss creating awareness among advertising and marketing sectors. Aspects discussed included benefits that accrue with foreign partnerships, the opportunities, and potential of advertising services exports in our country. The webinar concluded with great insights to create awareness in the marketing and advertising sector to tap the potential of advertising exports in India. The webinar was addressed by Chairman, SEPC and esteemed speakers from Advertising sector

Interactive Session on “India Serves: Boosting Services Export”

SEPC organised an Interactive Session on “India Serves: Boosting Services Export” on ET NOW Channel. The distinguished panellists were Shri Suresh Prabhu, Former Hon’ble Commerce Industry Minister & Member of Parliament (Rajya Sabha); Mr Rajeev Kher, Former Commerce Secretary, Government of India and Chairman, SEPC. It was aired on 10th & 11th July 2021. It could be viewed on <https://youtu.be/6Vyvibor198>

Webinar on Taxation Issues in Services Sector

SEPC organised a webinar on Taxation Issues in Services Sector on 13th July 2021. It was a very enriching and informative session with key pointers shared on Trends & Overview of Taxation Issues in Services Sectors in the Global Market, Taxation issues faced by Tourism Service Exporters, Challenges Faced by Services Sectors and Strategy to overcome Taxation Issues compared to other markets and Taxation Reforms and Expectations from FTP 2021-26.

Webinar on Brand India: 10000 SMEs Knowledge Series

SEPC participated in a webinar on Brand India: 10000SMEs Knowledge Series (West Bengal Edition – I) on 17th July 2021 organised by Confederation of Indian Micro, Small and Medium Enterprises, SEPC and others.

INDUSTRY • NEWS

- India gets its 39th World Heritage Site with Rudreswara Temple (Ramappa Temple) at Palampet, Warangal, Telangana inscribed on UNESCO's World Heritage List, the decision was taken at the 44th session of the World Heritage Committee of UNESCO. (PIB)
- The United States announced it is joining the negotiations on services domestic regulation at a meeting of the initiative's participants on 20 July. Over one-third (64) of WTO members are now working towards establishing new disciplines regarding licensing and qualification requirements and procedures for services suppliers as well as technical standards. An outcome is eyed for the 12th Ministerial Conference (MC12), taking place the final week of November. (WTO)
- India's forex reserves reached at USD 608.99 billion, it has emerged as the fifth largest foreign exchange reserves holder in the world after China, Japan, Switzerland and Russia. With this development India's foreign exchange reserves position is comfortable in terms of import cover of more than 18 months and provides cushion against unforeseen external shocks. (PIB)
- India joins OECD/G20 members in Inclusive Framework on Base Erosion and Profit. The principles underlying the solution vindicates India's stand for a greater share of profits for the markets, consideration of demand side factors in profit allocation, the need to seriously address the issue of cross border profit shifting and need for subject to tax rule to
- Cabinet committee on economic affairs (CCEA) mandated the ministry of road transport & highways (MoRTH) to develop 35 multimodal logistics parks (MMLP) across the country under public-private partnership (PPP) on design, build, finance, operate and transfer (DBFOT) model. (ITLN)
- Government of India on 20th July 2021 announced launch of National Logistics Excellence Awards. The framework of awards has been finalised in consultation with the logistics associations and forum user industry partners. The awards are in two categories, the first group includes logistics infrastructure/service providers and the second one is for various user industries. (ITLN)
- Global services trade remained sluggish in the first quarter of 2021, falling 9% year-on-year after posting a 21% decline for the full year of 2020 driven by continued weakness in travel services. New COVID-19 variants have further delayed the recovery of international travel; however, other services sectors, such as transport, are starting to bounce back, with variations across regions due to the uneven distribution of vaccines and differing rollback of pandemic restrictions. (WTO)
- IIM Shillong is going to collaborate with the Centre for Bhutan Studies & Gross National Happiness Research (CBS & GNH Research) as academic and intellectual partners for the SUSCON Conference. In addition to this, the European SPES (Spirituality and Ethics in Society) Institute also will be a Collaborating Partner in this Conference. (Economic Times)
- Education technology leader Byju's has acquired US-based kids learning platform Epic in a USD 500-million cash-and-stock deal. The Epic acquisition is part of Byju's foray into the overseas market, from where it expects annual revenue of USD 300 million this financial year. (Economic Times)
- India has scored 90.32% in United Nation's Economic and Social Commission for Asia Pacific's (UNESCAP) latest Global Survey on Digital and Sustainable Trade Facilitation. The Survey hails this as a remarkable jump from 78.49% in 2019. (Business Standard)



| | News link & Head Line | Date | Source |
|----|--|------------|----------------------|
| 1. | After Loan Guarantee Scheme, the concurrence to SEIS dues, tourism sector feels the healing touch. https://travel.economictimes.indiatimes.com/news/ministry/after-loan-guarantee-scheme-the-concurrence-to-seis-dues-tourism-sector-feels-the-healing-touch/84078217 | 03/07/2021 | ET Travel World |
| 2. | With USD 200 billion in exports, this sector deserves a special focus in the upcoming Foreign Trade Policy. https://economictimes.indiatimes.com/small-biz/trade/exports/insights/with-200-billion-in-exports-this-sector-deserves-a-special-focus-in-the-upcoming-foreign-trade-policy/article-show/84008359.cms | 04/07/2021 | Economic Times |
| 3. | Services panel charts roadmap to double exports in five years. https://www.thehindu.com/business/services-panel-charts-roadmap-to-double-exports-in-five-years/article35257911.ece | 10/07/2021 | The Hindu |
| 4. | Services exports may grow 10 pc in FY22: SEPC https://economictimes.indiatimes.com/industry/services/consultancy/-/audit/services-exports-may-grow-10-pc-in-fy22-sepc/article-show/84519446.cms | 18/07/2021 | Economic Times |
| 5. | We need to allay the anxieties of tourists by ensuring robust protocols: Maneck E. Davar https://hospitality.economictimes.indiatimes.com/news/travel/we-need-to-allay-the-anxieties-of-tourists-by-ensuring-robust-protocols-maneck-e-davar/84605869 | 21/07/2021 | ET Hospitality World |

GOVERNMENT NOTIFICATION

- Cabinet approves scheme to provide Rs.1624 crore over five years for promotion of flagging of merchant ships in India as subsidy to support Indian shipping companies in global tenders floated by Ministries and CPSEs for import of government cargo.
- The Union Cabinet, has approved the Memorandum of Understanding (MoU) between Institute of Cost Accountants of India (ICoAI) and the Association of Chartered Certified Accountants (ACCA), United Kingdom (UK), will provide mutual advanced entry to the Members of both the Institutes through exemptions from appearing in majority of papers to acquire the qualification of the other Professional Body and to undertake joint research, continuing professional development activities.
- The Central Board of Indirect Taxes and Customs (CBIC) has w.e.f. 23.07.2021 abolished the requirement of periodic renewals of Licence/Registration issued to Customs Brokers and Authorised Carriers. This would greatly help reduce the compliance burden cast on the trade, which had to otherwise make application and submit numerous documents to renew their licenses/registrations.





SERVICES EXPORT PROMOTION COUNCIL
Setup by Ministry of Commerce & Industry, Govt. of India

SERVICES EXPORT PROMOTION COUNCIL

DPT - 417, 4th Floor, DLF Prime Towers,
Plot No. 79 & 80, Pocket - F, Okhla Phase-I,
Okhla Industrial Area, New Delhi - 110020

Phone: +91 11-41046327-28-29, +91 11-41734632
Email: info@servicesepc.org
Website: www.servicesepc.org

