



***Opportunities in the  
Indian Education Sector for New  
Zealand Investors***

# Education Overview



## Key Highlights

Market Size  
(2020-21)  
USD 117 Bn

Projected Market  
Size  
(2025-26)  
USD 225 Bn

FDI equity inflows  
(April 2000- March  
2023)  
USD 9.2 Bn\*

Higher Edu. Gross  
Enrollment Ratio  
2020-21: 27.3 %  
Aim 2025: 50 %

Public Expenditure  
2.9% of the GDP  
Aim: 6% of the GDP

Edtech Unicorns  
Global-30  
Indian- 7

10 Indian Institutes  
in the Top 500 (QS  
World University  
Rankings 2024)

41.3 Mn students in  
higher education  
(2020-21)

265 Mn students in  
primary education  
(2021-22)

## Line Ministry



## Sectoral Associations



## Regulatory Bodies

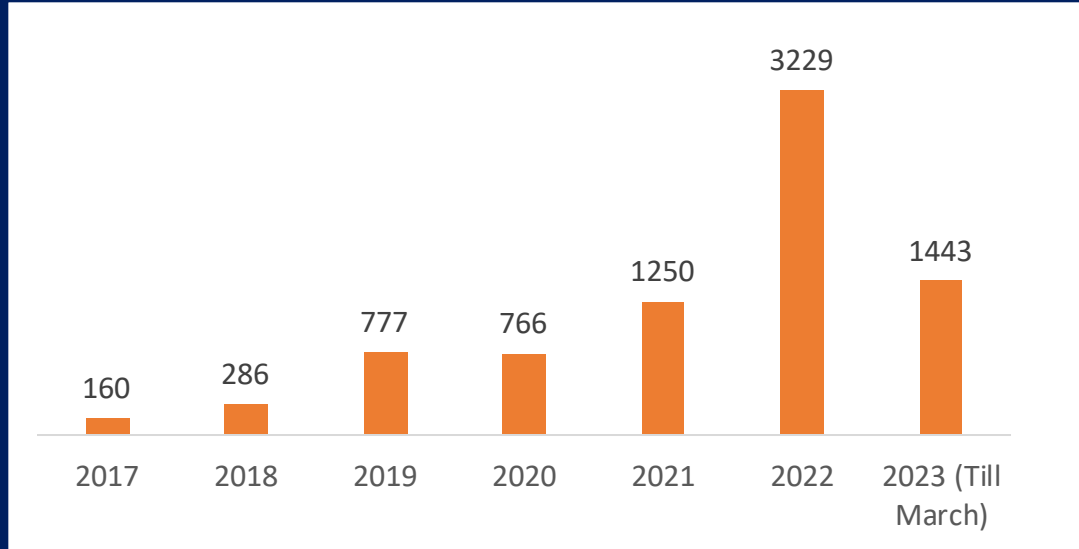


India has the 3rd largest education system in the world.



# Education Trend

## Foreign Direct Investment in Education (USD Mn)



## Trends in Foreign Direct Investment

1. **100% FDI under automatic route** is allowed in the Indian education sector. (However, currently setting physical campuses of Foreign Higher Educational is prohibited except in GIFT City)

2. According to the **DPIIT**, the total amount of **FDI inflow** into the education sector in **India stood at USD 9.2 Bn from April 2000 to 2023. (primarily Ed-techs)**

## India as an Investment destination

- **580 million youth** population (age bracket of 5-24), India offers a huge opportunity for investments in the education sector
- **India's higher education** system is the world's **3rd -largest** in terms of students
- India is home to the **2nd highest number of Ed-Tech companies**
- **118 Indian institutions** - qualified Times Higher Education World University Rankings 2024

# Key Players in Education Sector in India



At present, the market valuation of the Indian Edtech industry is USD 2.8 Bn and is expected to reach USD 10.4 Bn by 2025



## Ed -Tech

- Byjus
- Unacademy
- upGrad
- PhysicsWallah
- Vedantu
- Lead school



## Universities

- IITs
- IIMs
- Manipal University
- BITS–Pilani



## Vocational

- Udacity
- Coursera
- upGrad
- LinkedIn Learning
- Emeritus



## Schools

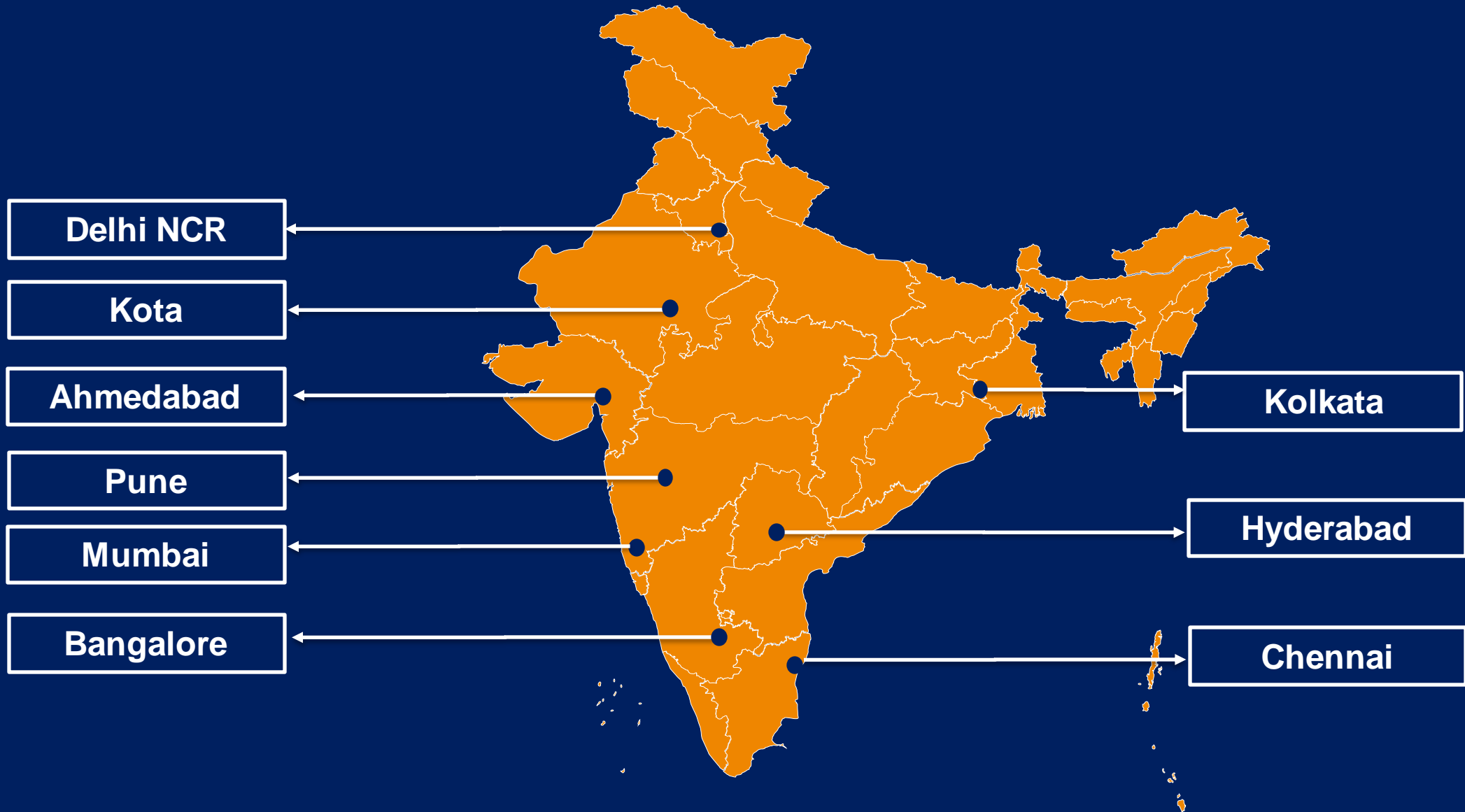
- The Scindia School
- St. Columba's School
- Dhirubhai Ambani International School
- Pathways School

## India as an Investment destination




- India's burgeoning internet economy (750 Mn internet subscribers), offers a huge opportunity for investments in the ed-tech sector
- Ed-tech subsegments – **Test preparations, professional certifications, K-12, and enterprise solutions**
- Governments initiatives to promote online learning –
  - **DIKSHA (Digital Infrastructure for Knowledge Sharing)** - an initiative of the National Council for Education Research and Training (NCERT), national platform for school education that supports 18+ languages and the various curricula of NCERT, CBSE and SCERTs across India
  - **SWAYAM** - enables students to access all the courses taught in classrooms from Class 9 till post-graduation anywhere at any time
  - **PM eVidya** - an Indian government initiative to promote online education and e-learning. It aims to provide quality education to students in remote areas through digital platforms and increase access to educational resources



# Top Indian cities as Education Hubs: Potential Spots





Segments	Reasons to Invest	Foreign Players
 Pre-School and K-12	<ul style="list-style-type: none"> <li>• Big Market: With 25 Million children born every year</li> <li>• GER in Primary education-100.13% (2021-22)</li> </ul>	<ul style="list-style-type: none"> <li>• Westminster School, London</li> <li>• Harrow School, London</li> </ul> (Collaboration with Domestic Stakeholder)
 Higher Education	<ul style="list-style-type: none"> <li>• Demographic Dividend</li> <li>• India has one of the largest networks of higher education systems in the world.</li> </ul>	<ul style="list-style-type: none"> <li>• University of Cambridge</li> <li>• University of Melbourne</li> </ul> (Research Collaboration and others in India) <ul style="list-style-type: none"> <li>• Deakin University (Physical campus)</li> </ul>
 Ed-Tech	<ul style="list-style-type: none"> <li>• India has 750 Million active internet users (2022)</li> <li>• Internet Penetration has risen to 52% in India and is expected to rise even further</li> <li>• 36-global Ed-Tech unicorns; 7-Indian</li> <li>• Industry 4.0-led development -need for skilling</li> </ul>	<ul style="list-style-type: none"> <li>• Coursera</li> <li>• LinkedIn Learning</li> <li>• Apply Board</li> <li>• Chegg</li> <li>• Guild Education</li> <li>• Course Hero</li> </ul>

## Emerging Investment and Industry Trends

- **Every 5<sup>th</sup> person** in India is from age between **10 to 19 years**- Broad Consumer Base for Education
- India is embracing the **Education 4.0 revolution**, which includes cutting-edge technologies such as AI, ML, IoT and blockchain for making youth Industry 4.0 ready
- University Grant Commission is in the process of allowing foreign universities to set up their offline centres in India through its **draft UGC (Setting up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023**



## Key Central Policies and Schemes for the Education sector



### **National Education Policy, 2020:**

Holistic education policy, and aim to increase GDP contribution to Education to 6%



### **University Grants Commission (UGC)**

has approved regulations offering **dual, twinning and joint degrees** in the similar disciplines and subject areas



### **Gujarat International Finance Tech-**

**City (GIFT)** aims to establish offline centers of foreign universities in GIFT City, Gujarat



### **University Grant Commission** has announced

Draft Regulations 2023 to allow foreign universities to establish physical campuses in India



## GIFT International Financial Services Centre.

- **Regulation:** To encourage research in Banking, Insurance, Capital Market, Funds Management, FinTech, Longevity Finance, Sustainable Finance, Quantum Computing, etc., and to provide high-end human resources in finance, technology and related fields on October 11, 2022, the International Financial Services Centres Authority permitted foreign universities and educational institutions to open a branch in Gujarat International Financial Tec-City (“GIFT City”) in Gandhinagar, Gujarat
- **Eligibility Criteria:** Foreign universities should have secured a position within the Top 500 in the global overall ranking and/or subject ranking in the latest QS World Universities ranking; produce the latest Quality Assurance Audit report from a recognized Quality Assurance Agency in the home jurisdiction



## Twinning Joint/Dual Programs by UGC

- **The University Grants Commission** has notified Twinning, Joint Degree, and Dual Degree Programmes guidelines allowing Indian Higher Education Institutes (HEIs) to collaborate with Foreign Educational Institutes (FEIs)
- **Twinning Programme** is awarded by the HEI. Not more than 30% of total credits should be earned at FEI. Credits earned at FEI count towards the requirements at HEI.
- **Joint Degree Programme-** Jointly awarded by HEI and FEI in a single certificate. Credits at HEI and FEI both count towards the joint degree. At least 30% of the total credits must be earned from each of the HEI and FEI.
- **Dual Degree Programme-** Separate degrees conferred simultaneously from the HEI and FEI. Credits at HEI and FEI both count towards degrees awarded by both institutions.
- The regulations do not allow for such collaborations for online degree programmes.

\*IHEI-Indian Higher Education Institute \*FEI- Foreign Higher Education Institute





## Draft University Grants Commission (Setting up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023

- The **University Grants Commission**, on 5 January announced that foreign universities will be able to set up their campuses in India with the commission's approval (*released a draft guideline for Public Consultation*)
- According to the draft **University Grants Commission (Setting up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023**, these universities will have the freedom to devise their own admission process and fee structure, which should be transparent and reasonable and they will not be allowed to hold online classes. **The draft regulation is still in public consultation**
- Top **500 global rankings in any international ranking or "reputed" universities within the home country** are eligible to apply and will be granted approval to operate for 10 years
- As per the UGC, the institution must ensure that the quality of courses offered in India is at par with those offered in the parent institution. Foreign institutions cannot offer any such programmes of study that jeopardise the national interest of India and the quality of higher education in India
- **Online courses or distance learning modes of learning** will not be an option for foreign institutions as online learning isn't allowed for foreign universities with offshore centres in India
- Foreign universities in India will have the **freedom to appoint foreign or domestic faculty** as per the recruitment norms of the parent institutions. Institutions are **also free to decide the salary structure, qualifications and other requirements** for the appointment of staff and teachers
- Any of the financial transaction will be carried under **Foreign Exchange Management Act (FEMA), 1999**

# India-New Zealand Ongoing Engagements in Education Sector



Overall Investment - USD 0.13 Mn (Apr '00 – March '23)



1. 2005: Education Cooperation Arrangement was signed between India and New Zealand to strengthen bilateral relations in the field of education. It was renewed in 2010.
2. 2011: India-New Zealand Education Council was set up to carry forward the education cooperation between the two countries.
3. 2013: New Zealand-India Research Institute (NZIRI) a national centre of Indian studies in NZ was launched. It is a consortium of scholars actively engaged in research on India in seven prominent NZ universities.
4. 2018: MoU was signed between the University of Auckland and IIT Kharagpur to advance academic exchange and research collaboration.
5. 2020: The New Zealand Centre at Indian Institute of Technology Delhi was established as a collaboration between 8 NZ universities and IIT Delhi for research in technologies for clean water, cybersecurity and data science, energy and environmental studies, etc. In December 2019, both universities signed an agreement to offer joint PhD programmes.