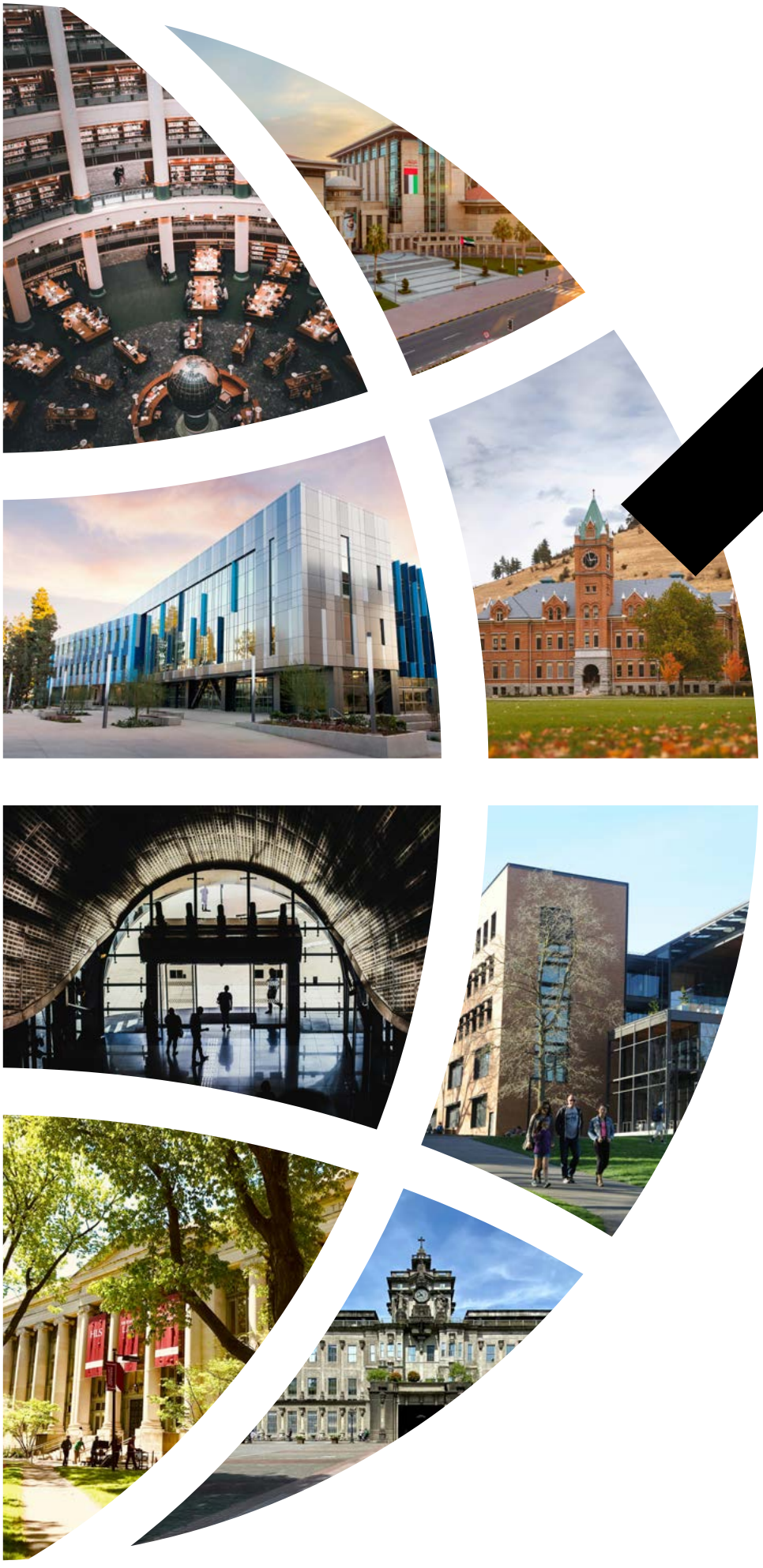

TOWARDS 2035

PROJECTING THE FUTURE OF GLOBAL HIGHER EDUCATION

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THESE TRENDS SHOW A SECTOR THAT IS NOT ONLY GROWING BUT ALSO EVOLVING IN STRUCTURE, REQUIRING INNOVATIVE RESPONSES FROM INSTITUTIONS AND GOVERNMENTS GLOBALLY.

264M

MILLION STUDENTS ENROLLED IN UNIVERSITIES CURRENTLY

$1.17T

TRILLION NON-RESEARCH INCOME PROJECTED TO RISE GLOBALLY BY 2035

EXECUTIVE SUMMARY

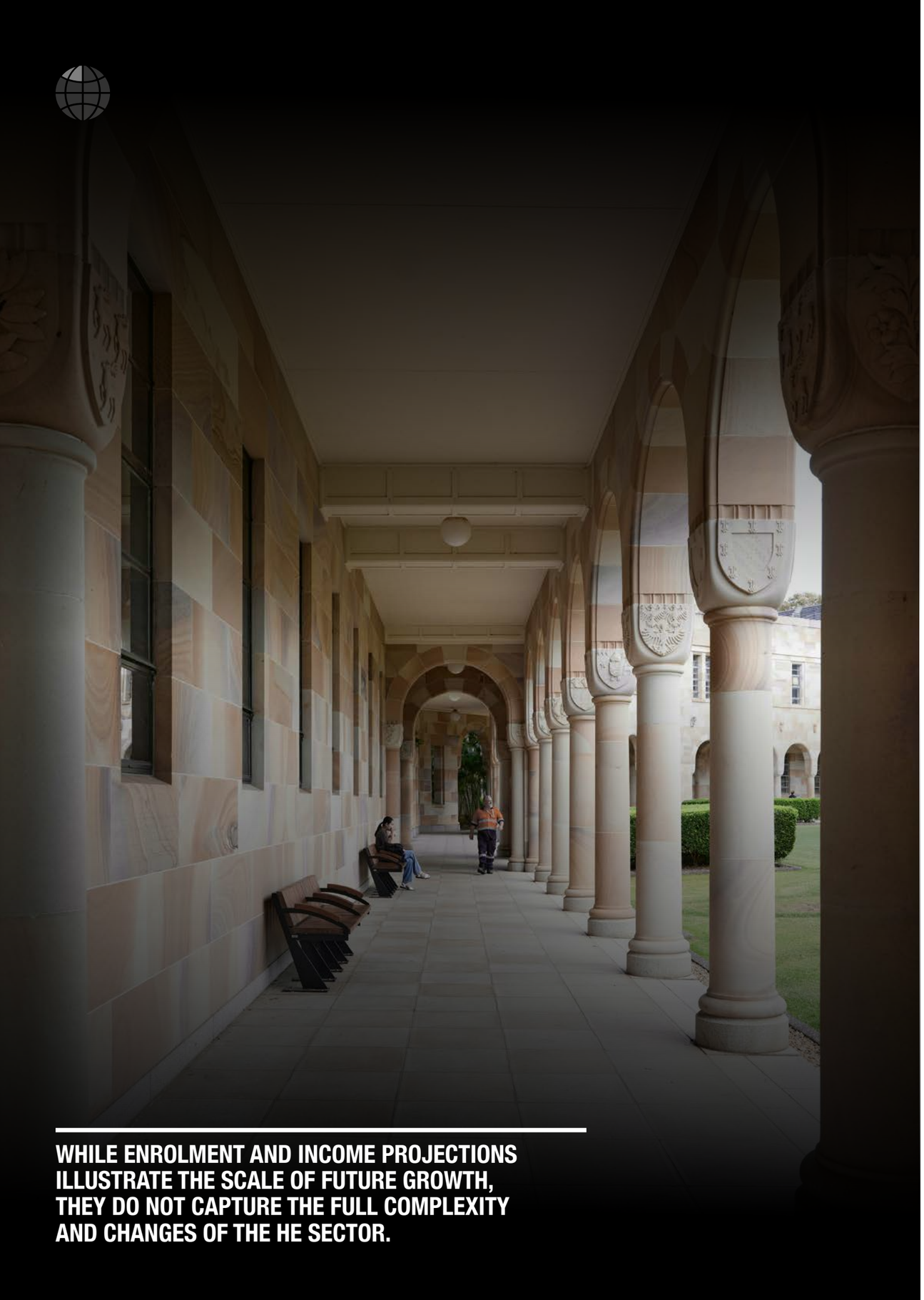
Global higher education is continually expanding in scale and financial significance, with 264 million students enrolled in universities currently. Enrolments and income are both projected to grow over the next decade, driven by population rises, national economic developments, demographic shifts and increasing demand for advanced skills. These trends show a sector that is not only growing but also evolving in structure, requiring innovative responses from institutions and governments globally.

South Asia is projected to continue being the biggest region worldwide in terms of enrolments in 2035 (66 million), followed by East Asia (52.6 million), due to both large population bases and rising participation. Sub-Saharan Africa and North Africa are expected to experience the fastest proportional increases by 64% and 60% respectively, reflecting expanding access to HE. Eastern Europe is the only region forecast to decline (-14%).

Large-population countries are set to continue dominating enrolment forecasts in 2035, with China and India on top, followed by Indonesia, the US and Brazil. However, growth will not be seen across all systems. The US, despite maintaining one of the world's largest HE sectors, is projected to experience a slight decline in enrolments over the next decade. Meanwhile, Pakistan and the UK, although not among the top 10 countries for total enrolments in 2035, rank within the top 10 for absolute enrolment growth between 2023 and 2035.

Non-research income, defined as total university income minus research income, is also projected to rise globally to approximately $1.17 trillion by 2035, but with notable regional differences. Western Europe shows the strongest growth (+78%) despite slower enrolment expansion compared to other regions, suggesting increasing income per student. East and West Asia also expect growth of approximately 30%. Africa's non-research income is projected to increase strongly but from a small base, showing a growing but still early-stage system development. North America remains the leader for non-research income, with the US being the main driver even though enrolment projections show slight decline.

English-speaking countries are set to continue dominating non-research income, although China, India, Japan and South Korea also remain major contributors, highlighting Asia's continued expansion in HE. Germany emerges as a notable market within Europe and



WHILE ENROLMENT AND INCOME PROJECTIONS ILLUSTRATE THE SCALE OF FUTURE GROWTH, THEY DO NOT CAPTURE THE FULL COMPLEXITY AND CHANGES OF THE HE SECTOR.

COLLABORATION BETWEEN GOVERNMENTS AND UNIVERSITIES IS INCREASINGLY CRITICAL.

India and becoming the country with the third highest non-research income for government, public and private universities. However, when looking at income per enrolment, smaller but high-value systems such as Switzerland, Hong Kong and the UAE are among global leaders, driven by factors such as higher tuition fee structures, strong investment in HE infrastructure and TNE expansion.

While enrolment and income projections illustrate the scale of future growth, they do not capture the full complexity and changes of the HE sector. Potential disruptors are reshaping the operating environment for HE worldwide. AI and digital transformation are redefining teaching, assessment and industry skill needs. Policy and funding changes are applying pressure on institutional sustainability, while international mobility and TNE are challenging traditional provision models. Together, these factors are expected to influence enrolment patterns, university programme portfolios and income models, demanding adjustment, innovative thinking and foresight from both institutions and governments.

Therefore, the implications for key stakeholders are significant. Governments and policymakers must ensure that HE systems remain accessible and affordable, while institutions need to adapt strategically by leveraging technology, aligning programme portfolios with future skills needs, diversifying income and strengthening reputation. Collaboration between governments and universities is increasingly critical, particularly in areas such as visa policy, funding frameworks, qualification recognition and TNE expansion, all of which play a vital role in attracting international students.

In conclusion, while global HE faces a period of transformation, it also presents unprecedented opportunities for growth and innovation. Systems that succeed will be those that combine strategic investment and data-driven decisions to optimise enrolment strategies, programme offerings, internationalisation, reputation and financial sustainability. For governments and institutions alike, evidence-based planning will be essential to navigate the next decade of expansion and disruption in the global HE sector.

HE ENROLMENTS ARE GROWING STRONGLY WORLDWIDE, DRIVEN BY EXPANDING POPULATIONS AND INCREASING NEED FOR ADVANCED SKILLS IN THE LABOUR MARKET.

INTRODUCTION

Global demand for HE is undergoing significant transformation, shaped by economic developments, technological innovation and demographic shifts. HE enrolments are growing strongly worldwide, driven by expanding populations and increasing need for advanced skills in the labour market. Understanding these factors is essential for policymakers and HE institutions seeking to develop effective student recruitment and programme offerings.

The aim of this report is to map the current and emerging trends of student demand for HE globally, as well as gaining an understanding of global non-research income, with the objective of informing strategic decision-making among governments and universities.

A detailed analysis of the global HE landscape is provided, including overall market size, regional and national trends. This looks at both the current picture, as well as projections up to 2035. Non-research income data is also analysed to contextualise patterns. Selected country case studies offer deeper insights into growth strategies, examining national policies and actions, as well as local market conditions.

Potential disruptors that may reshape global HE demand are also identified. These include the impacts of artificial intelligence (AI) and digital transformation on teaching and labour market skills, as well as the evolving models of student mobility and transnational education that are changing traditional provision and destination markets. Changes in funding mechanisms and policy priorities are also examined as key factors influencing future demand.

Building on this analysis, the report explores the strategic implications for key stakeholders. Policymakers and universities each have distinct but complementary roles, requiring close collaboration to achieve shared goals of accessibility, quality and global competitiveness. Insights are then used to develop recommendations for both governments and institutions, emphasising forward-looking, data-informed approaches to effectively respond to global change.

The report aims to answer three key questions:

1.
How will the scale, composition and financial dynamics of global HE evolve by 2035 and which regions and countries are driving this change?

2.
Which factors are most likely to drive or disrupt HE growth and what are the implications for governments and institutions?

3.
What should be the strategic priorities for governments and institutions to strengthen competitiveness and long-term sustainability in a changing global HE landscape?

THE ANALYSIS UTILISES MULTIPLE DATA SOURCES TO EXAMINE CURRENT DEMAND, AS WELL AS ESTIMATE FUTURE DEMAND BY COUNTRY, AGE GROUP AND LEVEL OF STUDY.

METHODOLOGY

The analysis utilises multiple data sources to examine current demand, as well as estimate future demand by country, age group and level of study. Enrolment forecasts were calculated using enrolment data obtained from UNESCO, broken down by country of study and level (undergraduate (UG) and postgraduate (PG)).

Age distributions for each domicile were estimated using Higher Education Statistics Agency (HESA) datasets for UG and PG taught (PGT) students. This was under the assumption that students from a given country have similar age profiles when studying domestically and abroad and three years for UG and one year for PGT course lengths were used to turn entrant ages into estimated enrolment ages. This data was combined with United Nations (UN) population estimates, adjusted to relevant age brackets, to calculate age-specific enrolment rates by country and level. Enrolment rates were then modelled forward using regression analysis and multiplied by projected populations to obtain future enrolments.

Non-research income estimations were derived from university-level non-research income data accessed through the Times Higher Education (THE) data portal. Non-research income was defined as the total university income minus research income. The relationship between non-research income and enrolment numbers was modelled using specific countries, with effects included for countries exhibiting significant variation over time. Where exponential relationships produced unlikely outcomes, growth was capped for more realistic results. For countries with limited data availability, grouping and re-modelling was applied to ensure accurate coverage. The income models were then applied to the enrolment forecasts to estimate future non-research income.

CURRENT AND FUTURE GLOBAL LANDSCAPE

THE HE SECTOR IS EXPERIENCING SUSTAINED GROWTH IN ENROLMENTS. THERE ARE CURRENTLY APPROXIMATELY 264 MILLION STUDENTS ENROLLED IN UNIVERSITIES ALL OVER THE WORLD.

This section presents an overview of the global HE market, with a focus on the size, composition of current and future enrolments, as well as financial characteristics. The analysis aims to provide an understanding of the market, highlighting regional and national differences, as well as differences between levels of study.

The findings are structured around two core areas:

Market size and composition: Examination of overall global enrolment volumes, both current and forecast, broken down by region and country. This includes identification of major growth markets and shifts in geographical distribution.

Non-research income (total income – research income): Assessment of non-research income trends at the global, regional and country level, looking at highest levels of income, strongest growth and income per enrolment measure.

MARKET SIZE AND COMPOSITION

The HE sector is experiencing sustained growth in enrolments. There are currently approximately 264 million students enrolled in universities all over the world.[1] As the global population rises and the demand for advanced skills intensifies, universities are seeing expansion in student numbers worldwide. This upward trend is expected to continue, further growing the global HE market.

Regional Breakdown

Asia continues to account for the majority of global HE enrolments, reflecting both its large population base which is projected to be the second largest in 2035, as well as rising participation rates. By 2035, South Asia is projected to record the highest number of enrolments at 66 million, followed by East Asia with 52.6 million. The two regions are already the two top globally, but they are expected to expand between 2023 and 2035, growing by 32% and 36% respectively. Other Asian regions also show positive trends, with Southeast Asia ranking fourth globally and West Asia, though smaller in scale, projected to increase by 25%.

Latin America and the Caribbean is forecast to remain the third largest region by 2035, though with slower growth compared to the top two regions of around 24%. In contrast, North Africa and Sub-Saharan Africa are expected to see the fastest growth globally at 60 % and 64% respectively, driven by demographic expansion and increasing access to HE. Growth is also expected across European regions, although Eastern Europe stands out as the only region worldwide projected to experience a decline (-14%). Australia and New Zealand are expected to remain broadly stable, showing minimal change over the forecast period.

TABLE 1.
TOTAL ENROLMENTS BY REGION 2023-2035 (MILLIONS)

Country	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
ALL	199.0	200.2	205.3	210.7	216.2	221.4	226.5	232.0	237.4	242.0	246.1	250.1	253.9
South Asia	50.0	50.3	51.7	53.3	54.9	56.5	58.0	59.5	60.9	62.2	63.4	64.7	66.0
East Asia	38.8	39.0	40.3	41.6	43.1	44.4	45.7	47.2	48.7	49.9	50.8	51.6	52.6
Latin America and the Caribbean	27.1	27.1	27.7	28.3	28.9	29.5	30.1	30.8	31.3	32.0	32.6	33.1	33.5
Southeast Asia	19.4	19.2	19.7	20.1	20.6	21.0	21.5	22.2	22.8	23.1	23.4	23.7	23.9
North America	12.7	13.2	13.3	13.4	13.3	13.3	13.2	13.1	13.0	13.0	13.0	12.9	12.8
West Asia	9.6	9.8	10.0	10.2	10.5	10.7	11.0	11.2	11.4	11.6	11.8	11.9	12.0
North Africa	7.3	7.6	7.9	8.2	8.6	8.9	9.3	9.7	10.1	10.5	11.0	11.3	11.7
Sub-Saharan Africa	5.8	6.1	6.4	6.7	7.0	7.3	7.6	7.9	8.2	8.5	8.8	9.1	9.5
Western Europe	7.6	7.8	7.9	8.0	8.2	8.3	8.4	8.6	8.7	8.8	8.9	9.1	9.2
Eastern Europe	8.0	7.3	7.2	7.3	7.3	7.3	7.2	7.3	7.3	7.2	7.2	7.1	6.9
Southern Europe	5.8	5.8	5.9	6.0	6.1	6.2	6.3	6.3	6.4	6.4	6.4	6.5	6.5
Northern Europe	4.3	4.5	4.6	4.7	4.9	5.0	5.1	5.3	5.4	5.5	5.6	5.7	5.8
Central Asia	1.0	1.1	1.2	1.2	1.3	1.4	1.5	1.6	1.7	1.7	1.8	1.9	2.0
Australia and New Zealand	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Micronesia	0	0	0	0	0	0	0	0	0	0	0	0	0
Polynesia	0	0	0	0	0	0	0	0	0	0	0	0	0

CHINA AND INDIA ARE FORECAST TO REMAIN THE WORLD'S LARGEST HE SYSTEMS IN TERMS OF ENROLMENTS BY 2035, ACCOUNTING FOR A 39% SHARE OF TOTAL GLOBAL ENROLMENTS.

Country Breakdown

At the country level, enrolment projections reinforce Asia's continued dominance. China and India, both with large populations, are forecast to remain the world's largest HE systems in terms of enrolments by 2035, at 53.2 million and 46.6 million respectively, accounting for a 39% share of total global enrolments. These are also the two countries with the largest absolute change projected from 2023, at 13.8 million and 10.6 million respectively.

Other Asian systems such as Indonesia, Bangladesh and Pakistan follow with large absolute enrolment changes of approximately 4.3 million, 2.8 million and 2.7 million respectively, with the latter being the only one of the three not ranked in the top 10 countries for total enrolments in 2035. Another country in the top 10 for absolute change in enrolment from 2023 is the UK (+1.3 million), which was not ranked within the top 10 for world 2035 enrolments.

Outside Asia, several countries in Latin America are also set to see significant increases. Mexico and Argentina feature among the top 10 countries for both total enrolments and absolute growth, with a total of 7.6 million and 5.7 million in 2035 respectively, after an increase of 2.3 million for both. Egypt's inclusion across both top 10 lists stands out within Africa, highlighting its growing position, with just under 6.1 million enrolments by 2035 after a change from 2.4 million (sixth largest globally).

In contrast, a few mature systems in North America and Europe are projected to experience slower growth or even decline. The US remains among the largest HE systems globally (over 11.2 million enrolments in 2035), but not among growing countries with a slight decline of 1% expected, while the only European countries within the top 15 for enrolments in 2035 are Germany and the UK. These patterns suggest a gradual global shift of HE demand and increasing competition among institutions not only nationally, but regionally and globally too.

Other than the US' projected 1% decline in enrolments between 2023 and 2035, Russia is the only country among the top 20 expected to experience a drop (-9%). Stronger declines are projected for smaller markets with fewer than 100,000 enrolments, while among countries with larger enrolment bases (100,000+ in 2023), notable decreases of over 40% are projected for Albania (-61%), Belarus (-56%), Lithuania (-42%), Iran (-40%) and Thailand (-40%).

In terms of growing markets, Nigeria is expected to see the strongest increase (+239%), followed by smaller markets such as Turkmenistan (+180%) and the Republic of the Congo (+173%). Among countries with more than 500,000 enrolments in 2023, the strongest growth is projected for Pakistan (99%), Afghanistan (98%), Ghana (92%) and Kazakhstan (92%).

TABLE 2.
TOTAL ENROLMENTS BY TOP 10 COUNTRIES 2035 (MILLIONS)

01	India	53.2
02	China	46.6
03	Indonesia	13.1
04	US	11.3
05	Brazil	11.2
06	Mexico	7.6
07	Bangladesh	6.6
08	Turkey	6.6
09	Egypt	6.1
10	Argentina	5.7

TABLE 3.
ABSOLUTE CHANGE OF ENROLMENTS BY TOP 10 COUNTRIES 2023-2035 (MILLIONS)

01	China	13.9
02	India	10.7
03	Indonesia	4.2
04	Bangladesh	2.7
05	Pakistan	2.7
06	Egypt	2.4
07	Mexico	2.3
08	Argentina	2.2
09	Turkey	1.5
10	UK	1.4

WHEN COMPARING INCOME AND ENROLMENT TRENDS, THE DATA REVEALS A CLEAR DISTINCTION BETWEEN MATURE AND EMERGING SYSTEMS.

TABLE 4.
TOP 20 COUNTRIES FOR ENROLMENT GROWTH % 2023-2025

		2023	2035	%
01	Pakistan	2.7M	5.4M	99%
02	Kazakhstan	712.6K	1.4M	91%
03	Ghana	570.1K	1.1M	92%
04	Afghanistan	514.5K	1.0M	98%
05	Mozambique	299.4K	597.6K	100%
06	Cameroon	305.0K	568.3K	86%
07	Burkina Faso	216.8K	550.0K	154%
08	Senegal	263.3K	496.3K	89%
09	Niger	133.0K	451.3K	239%
10	Kyrgyzstan	227.6K	422.5K	86%
11	Lebanon	222.1K	398.8K	80%
12	Cote d'Ivoire	165.0K	346.2K	110%
13	Madagascar	186.1K	323.8K	74%
14	Togo	129.0K	267.3K	107%
15	Turkmenistan	69.8K	195.8K	180%
16	Namibia	59.5K	111.5K	87%
17	Qatar	38.6K	78.0K	102%
18	Republic of the Congo	18.4K	50.3K	173%
19	Samoa	2.4K	4.3K	76%
20	San Marino	907	1.6K	76%

NON-RESEARCH INCOME

Non-research income is defined as total institutional income excluding research-related income. Analysing non-research income provides insight into the financial sustainability and its reliance on student enrolments and tuition fees. By understanding how non-research income varies across regions and countries and how it relates to enrolment trends it becomes possible to identify potential shifts in future financial performance and the relative contribution of different markets to institutional revenue growth.

The value of the global HE sector is expected to grow to about $1.17 trillion by 2035. Regional trends in non-research income show an uneven pattern of financial growth across global HE systems. Western Europe stands out with a projected 78% increase in non-research income between 2023 and 2035, despite a slower growth in enrolments than other regions. This suggests that the region's income growth is being driven not by volume but by increased revenue per student, likely reflecting higher international student tuition and continued public investment. Similarly, Eastern (+47%) and Northern Europe (+41%) also show substantial growth even as student numbers in some countries decline, while Southern Europe has the slowest projected growth globally at 4%.

East (+30%) and West Asia (+32%) demonstrate strong growth, consistent with expanding internationalisation and investment especially in Gulf systems. South (+22%) and Southeast Asia (+14%) show more modest income increases relative to their expanding student bases. This highlights how high-volume systems, such as India and Indonesia, continue to prioritise affordability over revenue maximisation, keeping per-student income levels lower.

Africa displays the strongest percentage growth globally, with North Africa's teaching income doubling and Sub-Saharan Africa rising by 50%. However, these figures come from a much smaller financial base. For instance, North Africa's growth represents an increase from approximately $1 to $2 billion, highlighting the region's early stage of system development rather than a strong growth in absolute income. Nonetheless, this reflects positive trends as investment and enrolments rise simultaneously, showing Africa's growing importance as an emerging HE hub.

When comparing income and enrolment trends, the data reveals a clear distinction between mature and emerging systems. In Northern Europe, Western Europe and North America, income is increasing faster than enrolments, showing a trend towards income optimisation rather than system expansion. In contrast, in much of Asia and Africa, enrolment growth outpaces income, reflecting policies that focus on increasing and widening participation. This contrast highlights a changing global landscape where some systems pursue quality and financial sustainability, while others continue to expand capacity.

CHART 1.
TOTAL NON-RESEARCH INCOME BY LEVEL OF STUDY 2014-2035 (USD MILLIONS)

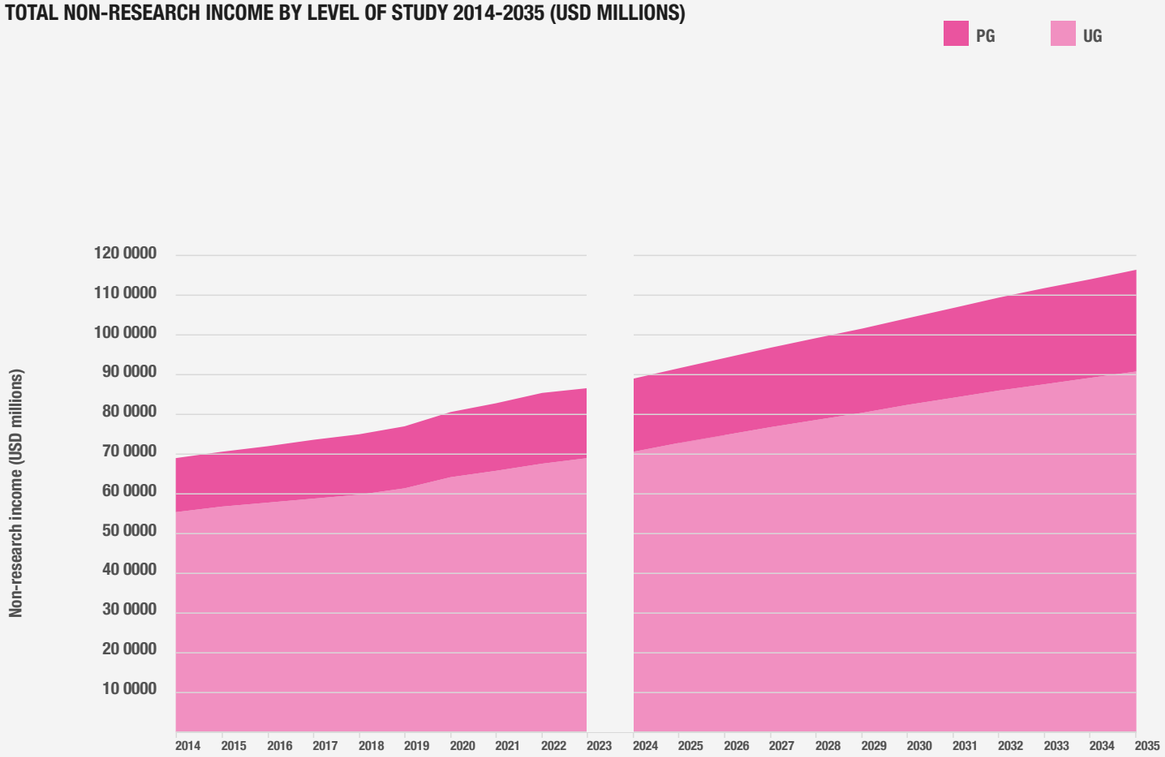


TABLE 5.
TOTAL NON-RESEARCH INCOME BY REGION 2023-2035 (USD BILLIONS)

Country	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
ALL	867	890	916	942	968	993	1,016	1,043	1,069	1,094	1,118	1,142	1,165
East Asia	268	269	277	286	294	302	309	318	327	334	339	344	349
North America	259	275	283	291	298	304	310	316	322	328	335	342	347
Western Europe	81	85	89	93	97	102	107	112	117	123	130	137	144
South Asia	54	54	55	57	58	59	60	61	63	63	64	65	66
Northern Europe	37	39	40	41	42	43	45	46	47	48	50	51	52
Latin America and the Caribbean	39	39	40	41	41	42	43	44	44	45	46	46	47
Australia and New Zealand	26	26	27	28	29	29	30	30	31	32	32	33	34
West Asia	25	25	26	27	27	28	29	29	30	31	31	32	33
Southeast Asia	28	28	28	28	29	29	30	30	31	31	31	31	32
Southern Europe	27	27	27	27	28	28	28	28	28	28	28	28	28
Eastern Europe	15	15	15	15	16	17	17	18	19	20	20	21	22
Sub-Saharan Africa	6	7	7	7	7	7	8	8	8	8	8	8	9
North Africa	1	1	1	1	1	1	1	1	1	2	2	2	2
Central Asia	0	1	1	1	1	1	1	1	1	1	1	1	1
Micronesia	-	-	-	-	-	-	-	-	-	-	-	-	-
Polynesia	-	-	-	-	-	-	-	-	-	-	-	-	-

OF THE TOP 15 COUNTRIES FOR NON-RESEARCH INCOME IN 2035, NO OTHER IS EXPECTED TO EXPERIENCE STRONGER GROWTH THAN GERMANY. (+145%)

English-speaking countries such as the US, Canada, Australia and the UK ranked among the top 10 countries for non-research income in 2023 and are projected to remain so in the next decade. Collectively, these four countries are projected to account for 35% of total non-research income globally. This highlights continued global demand for English-speaking study, despite higher tuition fee structures compared to many other markets.
The presence of four Asian countries among the top 10 for both 2023 and 2035 forecasts reflects the region's expanding participation in HE, though income models vary from high-volume, lower-fee systems in China and India to higher-cost structures in Japan and South Korea.

In 2023, the US recorded the highest level of non-research income globally, closely followed by China, reflecting the former's higher tuition fees and strong international student market and the latter's large overall student base. Looking ahead to 2035, projections indicate that the US and China will remain the top two countries for non-research income, with a similar change of $84.2 billion and $82.6 billion respectively. The two top countries are expected to account for just above 52% of global non-research income in 2035, a slight increase from just below 51% in 2023. However, Germany is expected to overtake India to become the third largest country for non-research income, accounting for almost 8% of non-research income globally. This is forecast to be achieved after a change of $54.7 billion from 2023 (+145%), in contrast to India which is predicted to have a lower growth of under $11.5 billion (+21%), resulting in a share of under 6%.

Of the top 15 countries for non-research income in 2035, no other is expected to experience stronger growth than Germany (+145%), with the second strongest growth at 75% for the UK. South Korea is the only country among the top 15 in 2035 that is projected to see non-research income decrease, by 13%. Looking at the global picture, the two countries with the strongest projected non-research income growth between 2023 and 2035 are Turkey (+333%) and Romania (+292%), which will rank 33rd and 28th respectively (from 51st and 48th). Belarus, Albania and Thailand on the other hand, are expected to experience the strongest declines at 60%, 58% and 45% respectively.

South Korea is projected to fall from sixth to ninth place in terms of non-research income, while Australia and the UK are expected to rise from eighth and ninth to sixth and seventh respectively. The UK follows the US, China and Germany in highest absolute change of non-research income from 2023, with a projected increase of $12.9 billion. It is notable that, apart from Germany, all other EU countries that were in the top 15 countries in 2023 - such as Spain, the Netherlands and France - are predicted to drop in rank position due to stronger growth in non-research income among other countries. However, Switzerland is expected to enter the top 15 following growth of $4.3 billion, the 10th highest globally.

TABLE 6.
ABSOLUTE CHANGE OF NON-RESEARCH INCOME BY TOP 10 COUNTRIES 2023-2035 (USD MILLIONS)

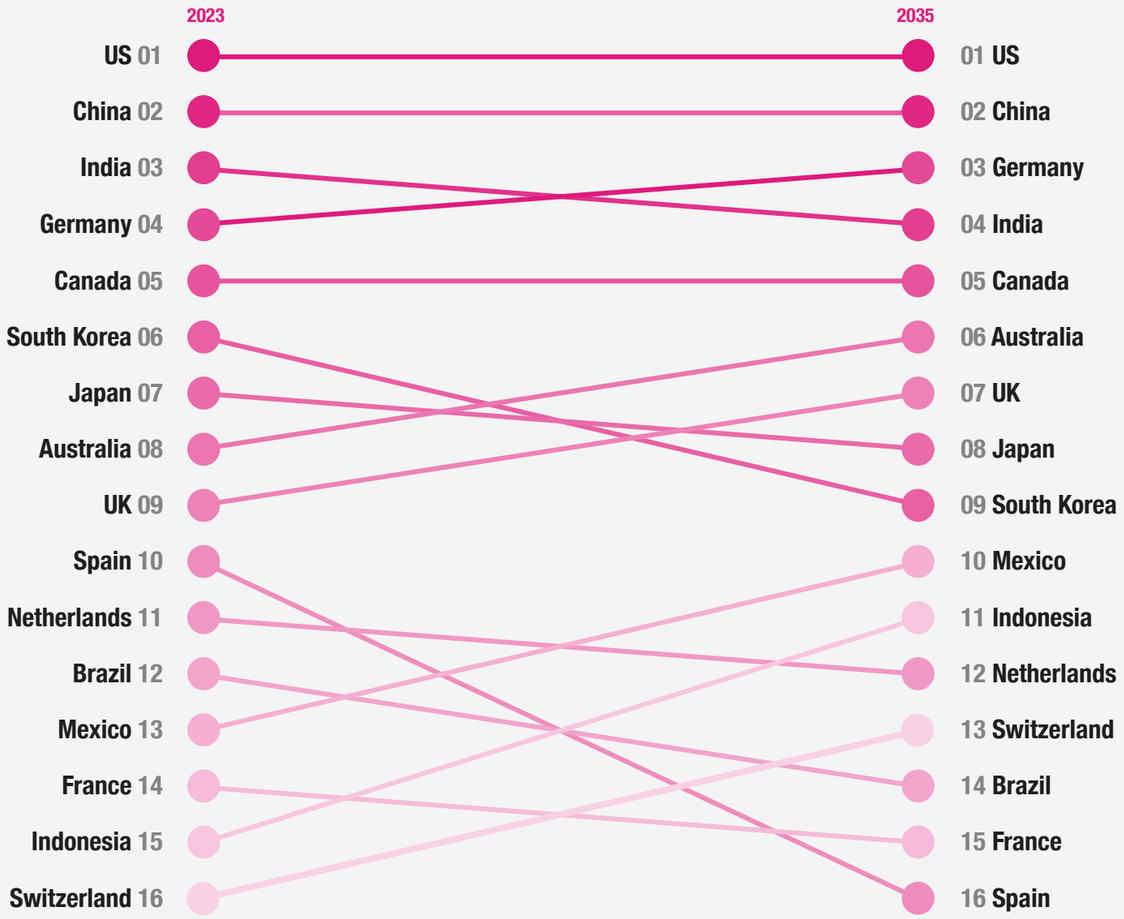
01	US	84.2
02	China	82.6
03	Germany	54.8
04	UK	12.9
05	India	11.4
06	Australia	8.2
07	Indonesia	5.5
08	Mexico	5.1
09	Russia	5
10	Switzerland	4.3

TABLE 7.
NON-RESEARCH INCOME PER ENROLMENT BY TOP 10 COUNTRIES 2035 (USD THOUSANDS)

01	Switzerland	39.6
02	Hong Kong	31.6
03	US	28
04	Germany	24.9
05	UAE	23.9
06	Norway	23.1
07	Australia	22.8
08	Canada	21.4
09	Kuwait	18.6
10	Finland	16.5

THE CONTRAST BETWEEN TOP COUNTRIES FOR TOTAL NON-RESEARCH INCOME AND NON-RESEARCH INCOME PER ENROLMENT SHOWS THE DIVERSE FINANCIAL DYNAMICS WITHIN HE GLOBALLY.

CHART 2.
NON-RESEARCH INCOME RANK TREND FOR TOP 10 COUNTRIES 2023-2035



While total non-research income highlights the overall scale of HE markets, income per enrolment provides a different perspective. This measure helps identify countries with smaller systems but higher value per student, as well as those that rely on volume-driven growth.

Switzerland, the market with the highest projected income per enrolment at $39,550, is a strong example of a country with lower enrolments in comparison to many others, yet a much higher tuition fee level. Only the US is among both the top 10 for enrolments and income per enrolment projections. Following Switzerland is Hong Kong, further proving this point, at a predicted non-research income per enrolment of $31,595.

The contrast between top countries for total non-research income and non-research income per enrolment shows the diverse financial dynamics within HE globally. Countries such as the US, China and India continue to dominate total non-research income rankings, reflecting the overall scale of these HE systems and large student populations.

However, looking at non-research income on a per-student basis changes the global picture, bringing smaller but higher-value systems such as Switzerland, Hong Kong, Norway and the UAE to the forefront. These systems generate significantly higher non-research income per student, supported by higher average tuition fees and often strong public funding and/or high concentrations of international students.

This difference highlights that financial strength in HE can stem either from the overall scale of each country's HE system or from revenue generated per student. Strategically, this suggests that overreliance on either high-volume or high-fee models carries risk. Systems driven primarily by scale may face pressure on quality and resources, while those that are dependent on higher pricing or international markets are more vulnerable to economic and policy fluctuations.

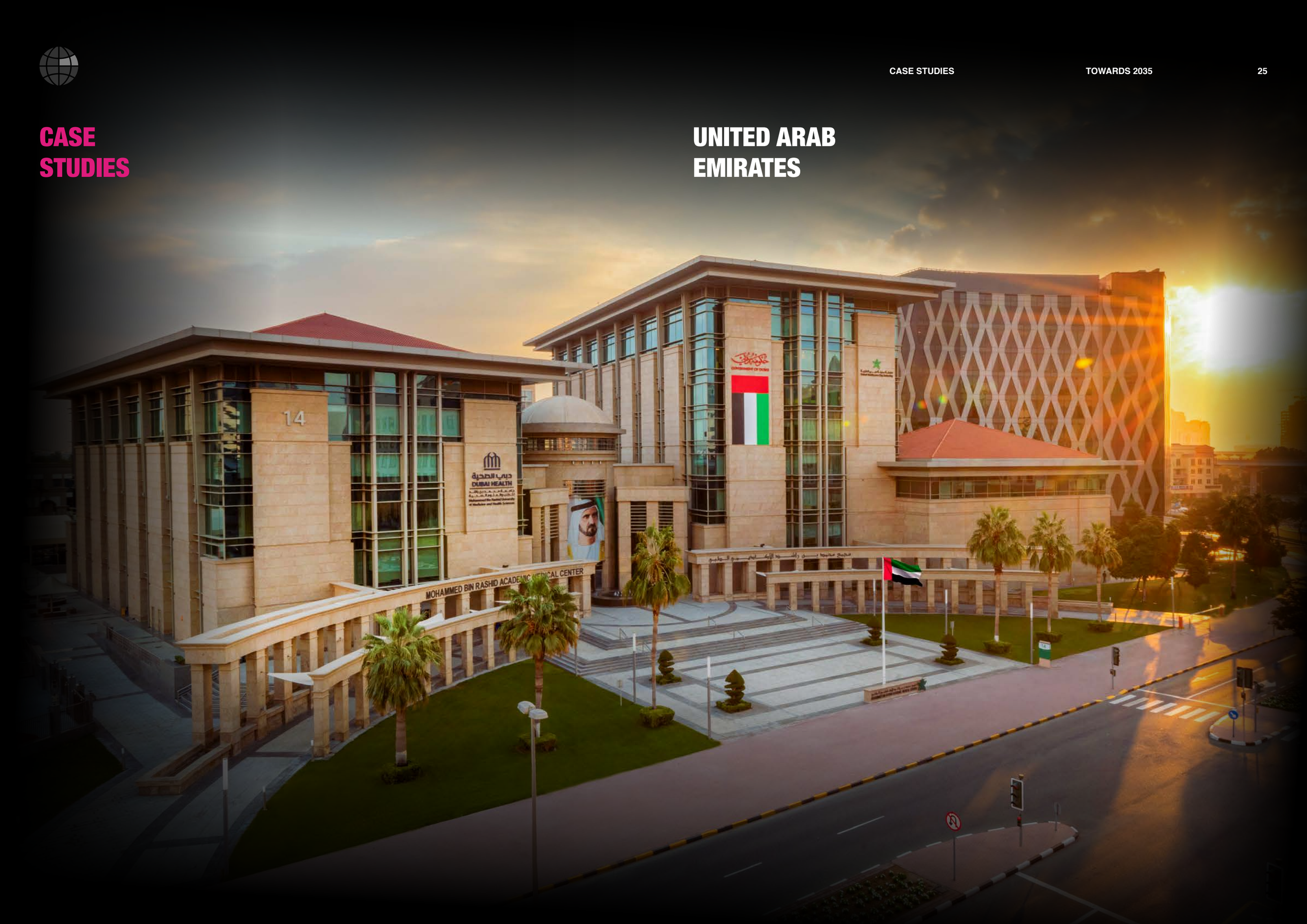
A look into non-research income growth for Germany

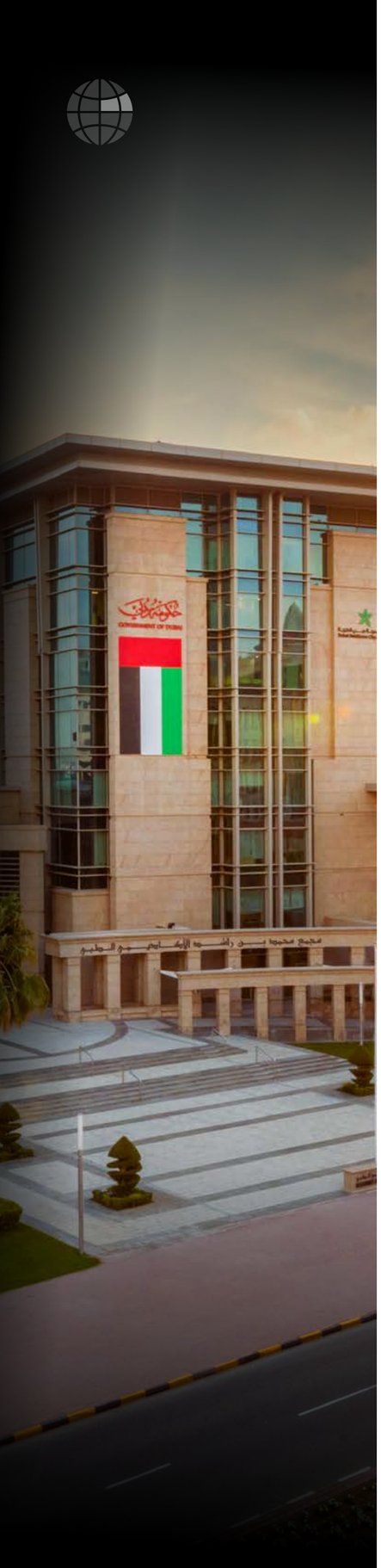
The strong increase of projected non-research income in Germany is likely driven by English-taught programmes, expanding international student intake and strong public investment. Germany is also one of the two European countries projected to be in the top 15 for total enrolments in 2035, alongside the UK.

According to DAAD (German Academic Exchange Service), international student numbers are rapidly increasing, reaching new records year-on-year, with increases in 2022/23 placing the country among the top three global destinations for international education.[2] There is also strong public investment and support for universities under the Future Contract for Strengthening Studying and Teaching in HE (Zukunftsvertrag Studium und Lehre stärken), which was provided €1.88 billion in each of 2021 and 2022 by the Federal Government.[3] This funding was planned to be adjusted and increased between 2023-2027, with approximately €4 billion in additional funding provided to HE institutions annually.[4]

CASE STUDIES

UNITED ARAB EMIRATES





The United Arab Emirates' (UAE) HE sector is experiencing significant growth and has rapidly emerged as one of the leading HE hubs in the Middle East in recent years. The UAE's student base has been strongly increasing, and it is forecast to continue doing so. Particularly, the UAE is forecast to be within the top six West Asian countries in terms of enrolments in 2035. This shift is expected to occur following an absolute increase of approximately 70,000 enrolments from 2023, the eighth highest change in the region.

Looking at non-research income, the UAE was ranked 19th worldwide for top countries by value in 2023, just above Italy and below Saudi Arabia. Projections for non-research income still place the UAE at 19th between Norway and Russia. However, at a per enrolment calculation, the UAE is projected to take fifth place worldwide with approximately $23,900 per enrolment, closely following Germany with $24,900. This demonstrates that, despite having a smaller sized system compared to many other countries, the UAE achieves considerably higher value per enrolment.

This expansion is strongly linked to the UAE's ambition to position itself as a global centre for learning and innovation.[5] Government initiatives have created favourable regulatory and infrastructural conditions that have attracted a growing number of IBCs and partnerships. The UAE sector's growth has been driven by a diverse student base spanning domestic, regional and international students, supported by English-medium provision and policies that align with global standards. These developments have established a competitive global HE system that continues to evolve as part of the UAE's broader economic diversification agenda.

UAE IS FORECAST TO BE WITHIN THE TOP SIX WEST ASIAN COUNTRIES IN TERMS OF ENROLMENTS IN 2035

CHART 3.
TOTAL UAE ENROLMENTS BY LEVEL OF STUDY 2014-2023

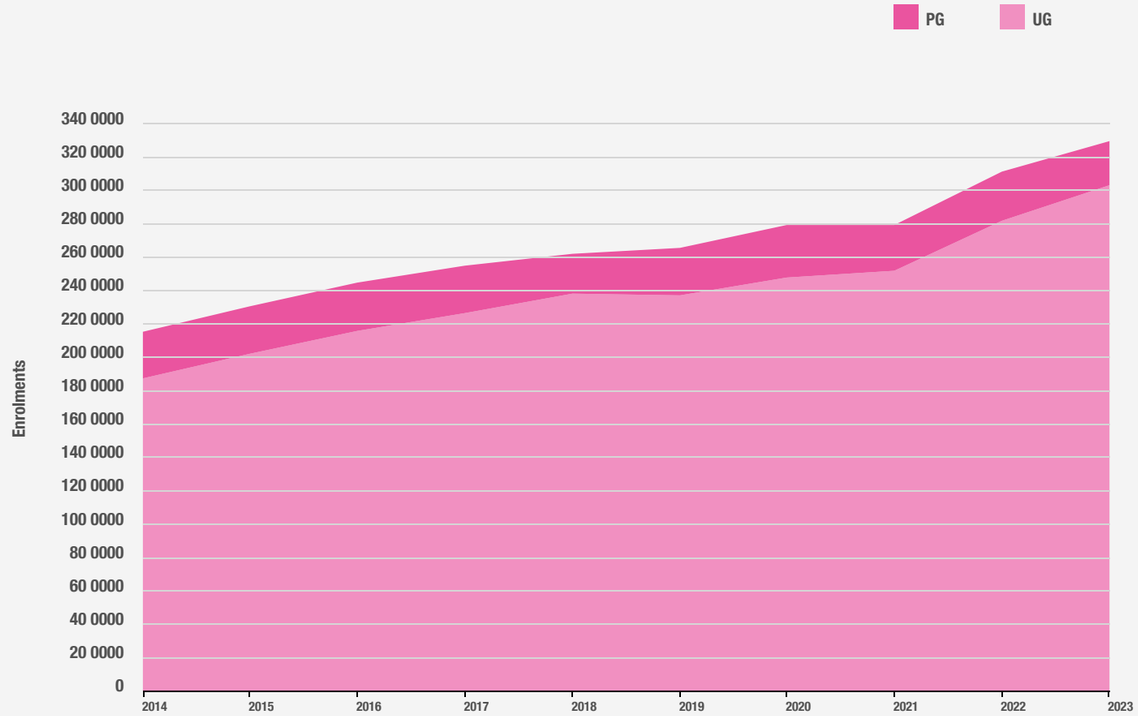
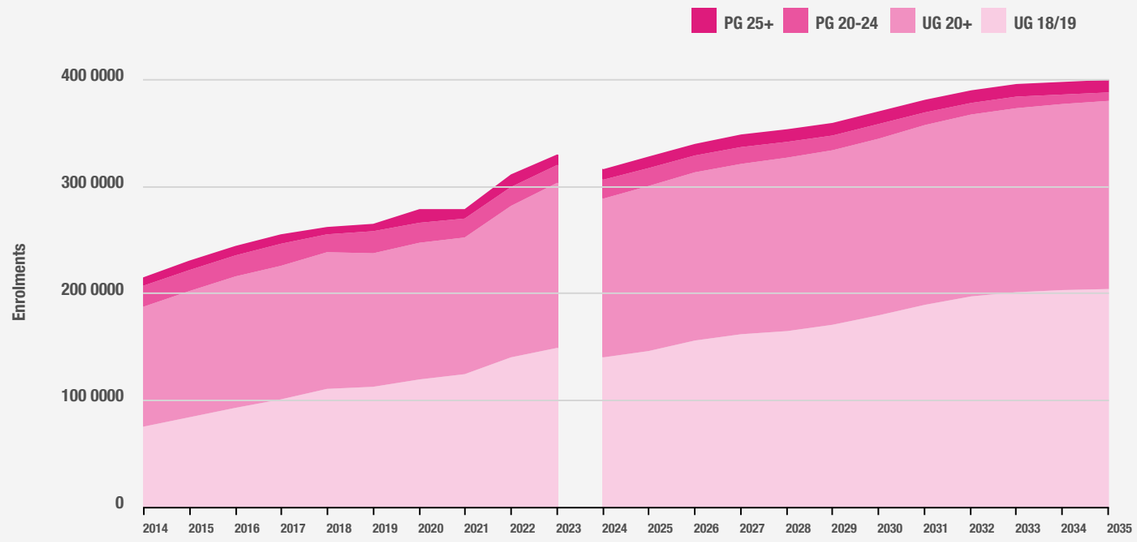


CHART 4.
TOTAL UAE ENROLMENTS BY LEVEL OF STUDY/AGE GROUP 2014-2035



UAE Universities in THE World University Rankings 2026

The growth and investment in the UAE education system are reflected in THE World University Rankings. Within West Asia, the UAE stands out as the only country where all ranked institutions have shown consistent upward movement since 2016. Looking at average rank position per country as an indicator of overall performance, only three West Asian countries have improved their rankings. Qatar recorded the strongest improvement, although this was driven by a single ranked institution rising from 650 to 219. The UAE followed closely, with the average ranking of its eight institutions improving from 653 to 366. Oman recorded moderate gains, with its three ranked institutions moving from 662 to 583. Overall, the UAE now holds the second-highest average ranking position in West Asia.

This continual progress resulted to three of eight ranked UAE institutions being placed in the 201-250 band in 2026, reflecting their growing global competitiveness. Even the lowest-ranked UAE institutions performed strongly compared to most regional peers, with three appearing in the 401–500 range, further highlighting the impact of long-term strategic investment in quality and internationalisation. Apart from Qatar, which hosts a single highly ranked institution, no other country in the region achieved a full representation of universities within the top 600, showing the UAE's unique success in developing a competitive HE system.

APART FROM QATAR, WHICH HOSTS A SINGLE HIGHLY RANKED INSTITUTION, NO OTHER COUNTRY IN THE REGION ACHIEVED A FULL REPRESENTATION OF UNIVERSITIES WITHIN THE TOP 600

TABLE 8.
KEY DRIVERS OF GROWTH IN THE UAE HE SECTOR

Government Vision and Policy Alignment

Guided by the UAE's Vision 2031 and National Strategy for Higher Education 2030, the sector aims to boost graduate employability, research capacity, and global competitiveness.

Regulatory oversight is led by the Commission for Academic Accreditation (CAA) and its Outcome-Based Framework (OBF), with emirate regulators — KHDA (Dubai), RAKDOK (Ras Al Khaimah), and SPEA (Sharjah) — ensuring local QA and compliance

Private Sector and Investment

Private institutions and education investors play a major role in expansion, supported by government incentives and free-zone models (e.g. Dubai Knowledge Park (DKP), Dubai International Academic City (DIAC), Dubai Silicon Oasis (DSO), Dubai Healthcare City (DHCC), Dubai International Financial Centre (DIFC), Dubai Design District (d3), Dubai World Trade Centre Authority (DWTCA), Masdar City, Abu Dhabi Global Market (ADGM), and RAKEZ Academic Zone).

Demographic and Economic Factors

A young, diverse population, which is projected to grow further, coupled with strong international demand contributes to enrolment growth.

Need for high-skilled human capital to achieve economic diversification away from oil, driving demand for HE in STEM, business and digital disciplines.[6]

Digital Transformation and Innovation Focus

Digital initiatives such as UAE Artificial Intelligence Strategy 2031 and Smart Education projects are embedding AI and e-learning across HE.

The UAEU Science and Innovation Park and Dubai Future Foundation also foster research–industry collaboration.

Favourable Policy for International Students

Visa reforms (e.g. the Golden Visa for high-achieving students and graduates) and post-study work opportunities have made the UAE more attractive globally.

English-language instruction and globally connected campuses appeal to regional students seeking education closer to home.

TNE and Partnerships

The UAE hosts over 40 international branch campuses including leading global universities (e.g. NYU Abu Dhabi, Sorbonne University Abu Dhabi, Heriot-Watt, University of Birmingham, University of Wollongong, etc.).

CASE STUDIES

THE UNITED STATES

The United States (US) remains one of the largest and most financially dominant HE systems globally, with institutions that consistently lead global rankings and attract substantial income. Despite its scale and reputation, the US is forecasted to experience a slight decline in enrolments over the next decade (-1%), however is still ranked as the fourth largest country worldwide with over 11.2 million enrolments in 2035.

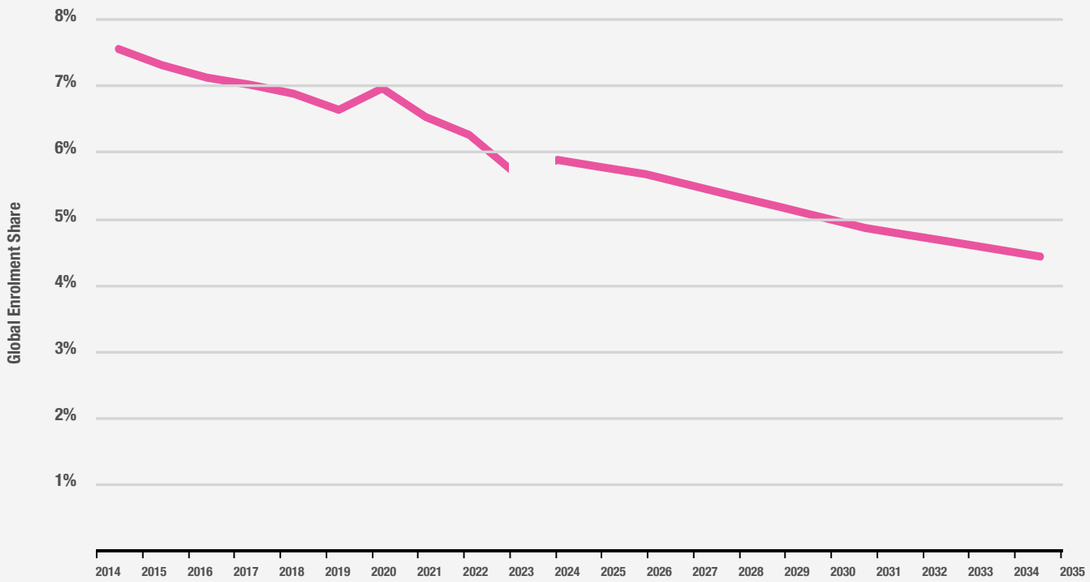
In terms of non-research income, the US recorded the highest total in 2023, closely followed by China. This pattern is expected to continue over the next decade, with the two countries reaching $315 billion and $293 billion respectively by 2035. The US is also projected to see the largest absolute growth in income between 2023 and 2035 at $84.2 billion. When measured by income per enrolment, the US ranked sixth globally in 2023 and is forecasted to rise to third place by 2035, reaching just under $28,000 per enrolment. The only countries projected to outperform the US on this measure are Switzerland and Hong Kong, both with smaller systems but high tuition fee structures. The countries the US is predicted to surpass are Norway and Canada.

This contrast of declining student numbers alongside continued income growth, shows the strength of the US system, driven by high tuition in combination with historically strong international demand, as well as diversified income sources. However, it also highlights the challenges that mature systems face, such as maintaining institutional quality and competitiveness with demographic changes and rising global competition. For emerging education markets, these trends indicate an opportunity to capture a greater share of global enrolment growth and international student demand as traditional leaders adjust to a slower growth phase.

The case of the US highlights a shifting global balance in HE, where both mature and emerging systems must innovate to stand out in an increasingly competitive sector. This case study shows both the resilience and limits of mature HE systems. While the country continues to lead globally in income generation and reputation, slowing enrolment growth indicates the need for continued adaptation. Sustaining long-term competitiveness will depend on strategies that enhance affordability and diversify international student sources.

At the same time, for other countries and particularly those with expanding youth populations or increasing capacity for TNE, this presents a strategic opening. Emerging markets can position themselves to gain demand that is displaced from traditional destinations by prioritising affordability, quality and internationalisation. Similarly, governments and institutions working together can strengthen competitiveness by expanding TNE partnerships, aligning portfolios with global skills needs and embed data-driven planning.

CHART 5.
US ENROLMENT SHARE GLOBALLY 2014-2035



IN TERMS OF NON-RESEARCH INCOME, THE US RECORDED THE HIGHEST TOTAL IN 2023, CLOSELY FOLLOWED BY CHINA. THIS PATTERN IS EXPECTED TO CONTINUE OVER THE NEXT DECADE, WITH THE TWO COUNTRIES REACHING $315 BILLION AND $293 BILLION RESPECTIVELY BY 2035.

TABLE 9.
KEY DRIVERS OF INCOME GROWTH IN THE US HE SECTOR

High Tuition-fee Structure

Institutions typically charge tuition fees that are significantly higher than many other countries.

Despite a projected decline in enrolments, overall income in the US will remain substantial, owing to the high tuition fees commanded.

International Student Demand

One of the most attractive destinations for international students, driven by globally recognised institutions with strong reputation and post-study opportunities.

This contributes to higher income due to higher international tuition fees.

High Global Visibility

Consistent dominance in global rankings including THE World University Rankings which strengthens global prestige.

Ranking performance supporting high pricing and strategic partnerships that further drive income growth.

Soft-power Appeal

The broader US national brand, associated with big opportunities and global leadership, enhances the perceived value of the HE system.

Diversified Income Streams

Many institutions have large endowments and additional revenue sources, allowing them to maintain or grow non-research income even if enrolments are flat or declining.

Large Base of Students

A slight decline in enrolments, does not affect the size of the system which remains substantial, supporting significant income generation.

The system's infrastructure, diversity of institutions and breadth of portfolios continue to attract domestic and international students.

FUTURE CONSIDERATIONS AND POTENTIAL DISRUPTORS

While the forecasts presented in this report are based on data and market trends, it is important to recognise that the HE sector is evolving rapidly. A range of emerging factors have the potential to reshape enrolment and income trends, as well as strategic priorities across the sector. Institutions and governments will therefore need to remain alert to these developments and incorporate them into forward planning.

Factors already influencing HE include artificial intelligence and digital transformation, student mobility, transnational education (TNE) and partnerships, and changing funding environments. These are expected to have an even bigger impact in the coming years. Integrating these considerations into strategic planning will be essential to ensure that forecasts remain relevant and that institutions and policymakers are well positioned to respond to emerging opportunities and challenges.

ARTIFICIAL INTELLIGENCE AND DIGITAL TRANSFORMATION

Advances in AI and broader digital transformation are already influencing both the delivery and demand for HE. New technologies are reshaping educational models and student expectations, as well as skills required by employers. As AI-driven tools become vital for teaching and assessment, universities will need to balance innovation with considerations of quality and regulatory oversight. Digital skills gaps trends will drive further shifts in subject demand and create new opportunities for flexible provision.

AI and digital transformation represent both significant opportunities and major challenges for the HE sector. While they have the potential to enhance teaching quality and increase institutional efficiency, they also pose risks of disruption to traditional academic models and perceptions of educational value. As a result, AI is emerging not only as a technological advancement but as a structural shift that will increasingly be a major influence on HE.

According to the World Bank, global investment in generative AI is projected to exceed $1 trillion in the coming years, illustrating the scale and pace of transformation.[7] Studies further reinforce the potential for AI to shift subject demand and delivery models. Research on the impact of generative AI on HE learning has identified changes in assessment practices, increased use of adaptive tools and new pressures on disciplines that emphasise rote content reproduction. These developments highlight the urgency for HE institutions and policymakers to plan proactively for digital disruption, aligning strategies, workforce capabilities and the overall curriculum design with AI trends.

STUDENT MOBILITY, TNE AND PARTNERSHIPS

Patterns of student mobility are changing, influenced by geopolitical dynamics and the growth of TNE and institutional partnerships. Collaborative delivery models such as dual degrees, online or hybrid options and international branch campuses, are expanding access and diversifying the ways in which students choose to study. These developments may have an effect in demand geographically, with implications for both recruitment and financial strategies.

The number of internationally mobile students has more than tripled since 2000, from approximately 2.1 million students in 2000 to just under 6.9 million by 2022.[9] Mobile student projections suggest that this upward trend will continue, reaching 9 million by 2030. The percentage of international students over total HE enrolments worldwide has also increased from 2.1% to 2.7% in the last two decades.

This growth intensifies competition among destination countries to attract students, pushing them to adapt policies around visas and funding. At the same time, it raises challenges in capacity, infrastructure, resources and international student support for host countries. Access to HE still varies widely between regions, showing that global opportunities are uneven and that more investment is needed in developing areas to make internationalisation more inclusive. As mobility continues to expand despite these challenges, strengthening international partnerships and investing in TNE at national and institutional levels will be essential to ensure that the benefits of HE are shared globally.

FUNDING, POLICY AND AFFORDABILITY

Global HE is facing significant financial challenges including the impact of inflation, reduced government funding, capped tuition fees for domestic students and overreliance on international student fees and geopolitical shifts. All these challenges lead to overall deficits and financial instability for many institutions. Funding structures, policy and affordability remain some of the most influential and often disruptive factors shaping the sector. Changes in these can affect not only the volume of students, but also the market composition, the cost base and the international competitiveness and attractiveness.

Across many countries, rising costs and changing policies are increasing pressure on institutional finances, and subsequently widening access by shifting both domestic participation and primarily international mobility. This is driven by increasing living costs and declining real value of tuition fees for domestic students due to inflation and fee caps, which results to increasing reliance on international fees. Growing dependence on international students have also enhanced sensitivity to policy and visa changes.

There is dual difficulty of maintaining affordability for students while ensuring institutional sustainability. To tackle these challenges, new funding models and policy reforms aimed at affordability and inclusion further reshape enrolment patterns, affecting student mobility and institutional competitiveness. Therefore, the balance between financial sustainability and accessibility is becoming even more critical in determining how adaptive different HE systems are and will be in the near future and how funding mechanisms and policy constraints can both enable and disrupt HE.

STRATEGIC IMPLICATIONS FOR STAKEHOLDERS

POLICIES THAT SUPPORT INSTITUTIONAL AGILITY THROUGH FLEXIBLE QUALITY FRAMEWORKS AND SUSTAINABLE FINANCING WILL BE CRUCIAL.

The combined influence of digital transformation, evolving mobility patterns and shifting funding and policy environments is reshaping strategic priorities across HE. These factors will increasingly determine how HE systems adapt and sustain themselves in a rapidly changing global context.

For governments and policy makers, the main challenge lies in balancing innovation and inclusion. Digital transformation and AI require investment in infrastructure, regulation and workforce readiness. Policies that support institutional agility through flexible quality frameworks and sustainable financing will be crucial. Governments will also need to reconsider funding and regulatory models to ensure affordability for students while maintaining institutional viability, particularly as demographic shifts and mobility trends change demand. Coordinated international policy approaches on recognition and transnational education could further strengthen collaborations.

For institutional leaders, strategic focus will need to expand beyond short-term enrolment or revenue goals toward more long-term transformation. AI and digital tools will increasingly shape how institutions not only teach and assess students, but also how they design new programmes or embed relevant content to current programme portfolios. Leadership teams must align this technology adoption with academic quality. Likewise, as student mobility becomes more complex and policy-sensitive, institutions will need to diversify markets by strengthening international collaborations and developing sustainable TNE models that align with local environments. Financially, institutions will have to manage rising cost pressure and unpredictable income streams by offering innovative delivery models and portfolios that address industry trends, while exploring new revenue sources.

Apart from individual actions of governments and institutions, the relationship between the two will be central to how effectively the sector responds to these challenges. HE systems operate within a framework of shared responsibility, with government setting the policy and funding environment that enables innovation, while institutions translate these frameworks into delivery and impact. Collaborative planning will be especially important for TNE activities, where visa regulation, taxation, quality assurance and recognition directly influence cross-border partnerships. Meaningful responses to all challenges will require strong alignment between national priorities and institutional strategies. Policy, regulations and funding mechanisms will be critical in ensuring that institutions have both the autonomy and accountability to sustainably innovate and grow.

CONCLUSION AND RECOMMENDATIONS

Demand for HE is projected to rise in the coming decades, naturally driven by population growth, economic development and the increasing need for advanced skills worldwide. Differences in demographic trends, policy environments and institutional activity will determine which countries can translate demand into sustainable and high-quality provision. Governments and universities therefore need to plan proactively using evidence and foresight, as well as collaboration between the two to remain competitive in a rapidly changing global HE landscape.

As the HE sector faces an era of change, governments and institutions must act decisively to prepare for the future. Data-driven insight will be the key to effective strategy, informing decisions about portfolios reflecting trends, internationalisation and global visibility. Strengthening collaboration between governments and institutions and investing in data analytics while aligning policies with evidence-based forecasts will be essential to ensure systems remain competitive and inclusive.

Data-led planning and forecasting

Governments and Ministries should strengthen institutional decision-making through access to data-led insights, particularly around enrolment forecasting and labour market alignment to help optimise system-wide capacity.

Diversified growth strategies

Recognising that demographic and economic contexts vary, some countries will be better positioned to expand through domestic enrolments, while others must focus on international students or transnational partnerships. Policymakers should tailor growth models to their national context rather than pursue uniform expansion.

Programme portfolio optimisation

Governments and institutions should use data to align programme offerings with emerging areas of demand to ensure relevance and employability outcomes, as well as remaining globally competitive.

Policy benchmarking and sector learning

Policymakers should benchmark HE systems against established and emerging leaders nationally, regionally and globally to identify effective funding, governance and internationalisation models.

Enabling international mobility and collaboration

Strategic reforms to visa policy, qualification recognition and TNE frameworks will be essential to sustain student mobility and institutional collaboration. Cross-border partnerships can enhance diversity and quality while strengthening global competitiveness.

Enhancing global visibility and competitiveness

Governments and institutions should prioritise strategies that strengthen international reputation and can be demonstrated by performance in global university rankings. Participation and improvement in global rankings not only enhance national visibility but also attract international talent, partnerships and subsequently investment.

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FOOTNOTES

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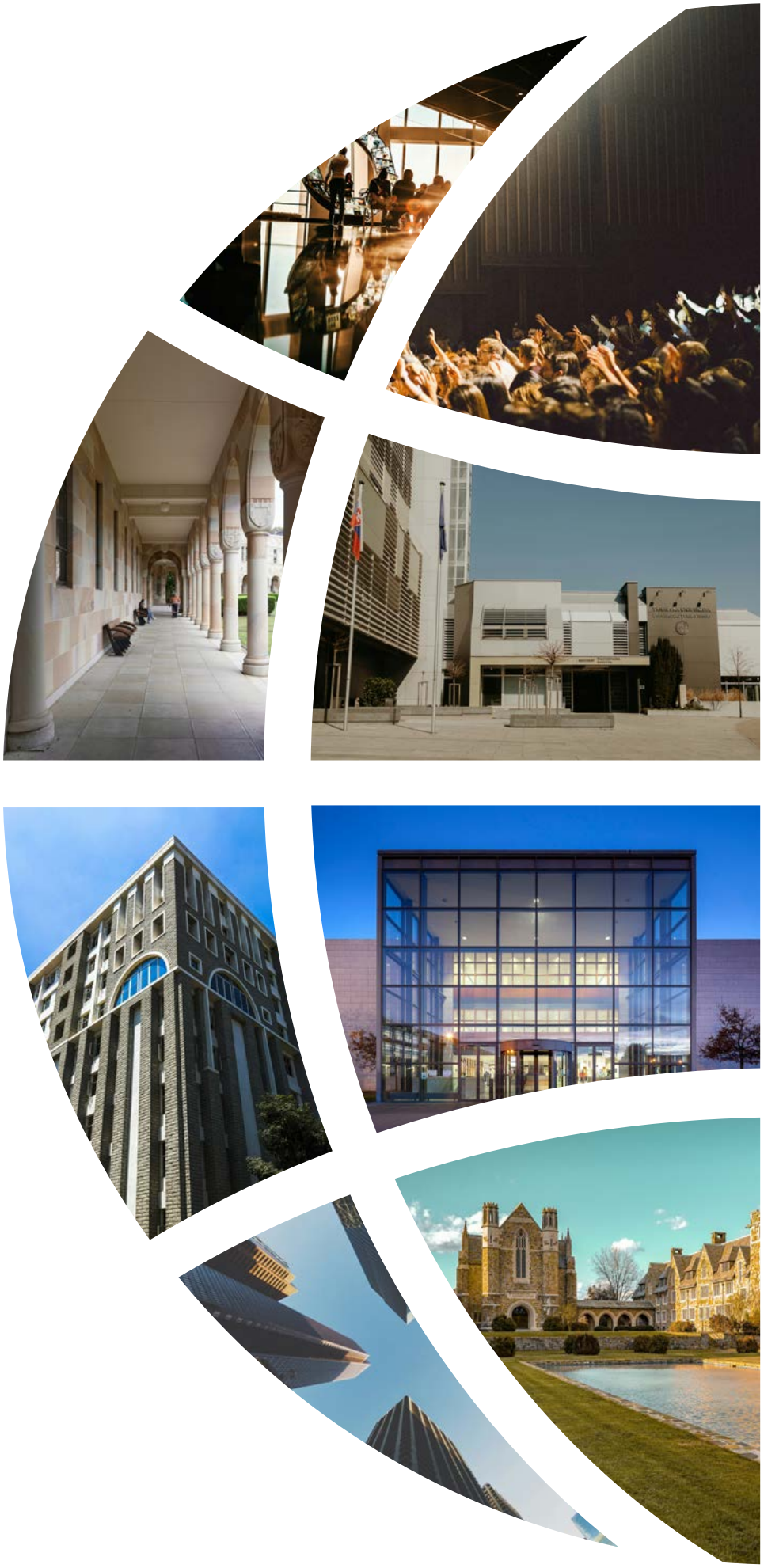

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