



## 2016 Top Markets Report **Education** Country Case Study

### Saudi Arabia

**Saudi Arabia is a promising market for U.S. colleges and universities seeking to recruit international students. Over the last decade, Saudi Arabia has become the fourth largest source of international students studying at the post-secondary level in the United States. According to the Saudi government, in the 2014/15 academic year, there were 92,618 Saudi students studying at the university level in the United States.<sup>1</sup>**

Overall  
Rank

**4**

The significant increase in Saudi students in the United States over the last decade is largely attributable to scholarship funds offered by the Saudi government, especially the King Abdullah Scholarship Program (KASP). The scholarship typically covers full academic tuition, medical coverage, a monthly stipend, and round-trip airfare for both scholars and dependents.

The figures provided by the Saudi government are higher than those reported by the Institute of International Education (IIE), which is cited extensively in this study, but illustrate the same growth trends. Like the Saudi statistics, IIE figures place Saudi Arabia as the fourth largest source of international students studying in the United States with 59,945 students enrolled in U.S. colleges and universities last year.<sup>1</sup> The significant difference in these figures reflects a number of factors that shed light on Saudi enrollments in U.S. schools.

First, IIE data are collected through a survey of U.S. colleges and universities. Since 22.5 percent of Saudi students reported in IIE data<sup>2</sup> are studying intensive English language, a significant number of Saudi students might enroll in programs which are not necessarily affiliated with universities. In addition, some Saudi students studying on Saudi government

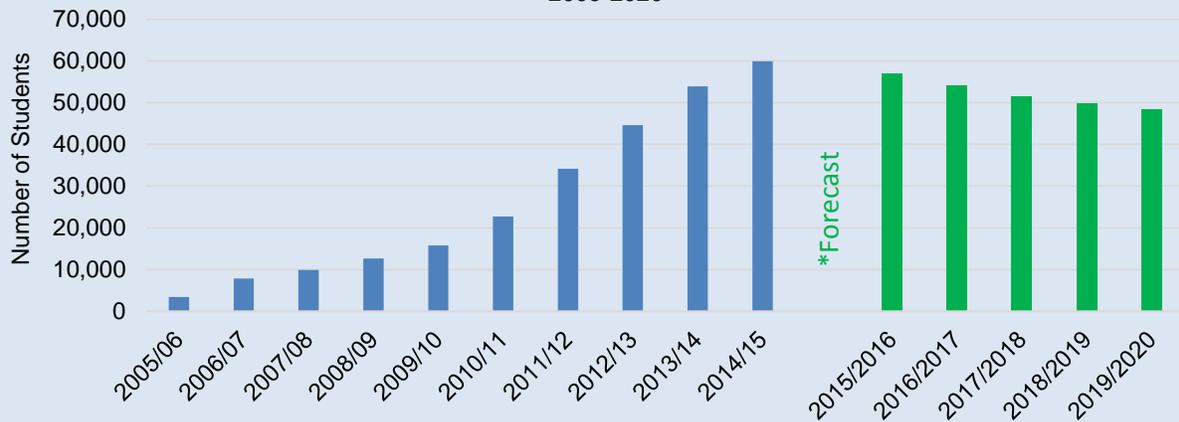
programs might be dual U.S.-Saudi citizens and, therefore, might not be recorded in IIE data as international students.

A disproportionately young population coupled with growing university enrollment levels make Saudi Arabia an attractive market for U.S. colleges and universities looking to increase their ratio of international students. Saudi students overwhelmingly choose English-speaking countries when studying abroad, with the United States currently hosting over 54.8 percent<sup>3</sup> of all Saudi students studying internationally. The United Kingdom, Australia, and Canada are also top destinations.<sup>4</sup>

#### Level and Fields of Study for Saudi Students

Approximately half of Saudi students studying in the United States are in undergraduate studies; 21 percent are graduate students; 25.6 percent are “other,” such as intensive English language training; and just under 2 percent are here for optional practical training (OPT). Intensive English language programs will be interested to know that Saudi students accounted for over 25.8 percent of all students studying intensive English in the United States in 2014.<sup>5</sup>

**Figure 1:  
Saudi Arabian Students in the United States  
2005-2020\***



Source: Historical Data - Institute of International Education. (2015), Open Doors  
Forecast: International Trade Administration estimates.

In terms of fields of study, slightly over 42.5 percent of Saudi students in the United States studied STEM subjects, while 22.5 percent studied intensive English and 16.5 percent studied business/management. Intensive English is often a precursor to studying other subjects and disciplines, and trends suggest that the best model for U.S. colleges to attract Saudi students is to offer strong intensive English classes that then lead to pursuits in STEM and business/management programs.<sup>6</sup>

### Future Growth/Opportunities

In 2005, the King Abdullah Scholarship Program (KASP) was established to provide full funding of college costs, sending 15,000 Saudi students to the United States for higher study in fields of medicine, allied health sciences, pharmacy, engineering, computer science, basic sciences, accounting and e-commerce. As of 2014, more than 200,000 Saudi students have received degrees in over 30 countries. Due to the recent decline in oil prices and revenues, the flow of students from Saudi Arabia studying in the United States could decline in the near future. Although the Saudi government views education as a priority, there will be a 12 percent cut on education spending.<sup>7</sup> This scholarship program funds 90 percent of the total number of Saudi students studying abroad.

In addition, the Saudi Arabian Cultural Mission, the body that administers KASP in the United States, announced a six-month limit on funding for pre-academic language training. There are also widespread rumors that KASP scholarships will soon be

limited to funding students at the world's top 200 universities. Many sources are reporting the KASP program will be restructured to more directly secure the skills necessary to qualify for public sector employment in Saudi Arabia.

A young and relatively unskilled population clamoring for jobs and Saudi Arabia's move to diversify its economy away from petroleum into new fields like life sciences and advanced manufacturing mean that education will likely continue to account for a large share of the government's budget. In addition to promoting study abroad in the United States, leading Saudi academic institutions are looking to develop or expand partnerships and exchange programs with U.S. academic institutions. But budget problems seem likely to lead to some declines in the numbers of Saudi students coming to the United States. Thus ITA forecasts that the number of students from Saudi Arabia choosing to study in the United States is likely to decline from the IIE figure of 60,000 in 2014/15.

### Scholarships

Other Saudi scholarship programs are offered through entities such as the Saudi Basic Industries Corporation (SABIC), Saudi Aramco, the General Organization for Social Insurance, the Saudi Arabian General Investment Authority (SAGIA), the Institution of Public Administration and the Olayan Financing Company.

## Barriers to Future Growth

Scholarships like those offered through KASP are only available to students attending academic institutions that are vetted and approved by the Saudi government. American colleges and universities must be on the Saudi Ministry of Higher Education's approved institutions list in order to be eligible to accept scholarship students from Saudi Arabia. For more information about this KASP process, contact the Saudi Arabian Cultural Mission,

8500 Hilltop Road, Fairfax, VA 22031, Telephone 703-573-7226.

Additionally, Saudi Arabia is investing considerable resources into its domestic education infrastructure, particularly at the post-secondary level, which may encourage more Saudis to study domestically. In fact, the Government allocated approximately 25 percent of its 2015 budget (about \$58 billion) for its domestic education sector. Funded projects include improvements to several women's universities and the opening of eight new colleges.

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<sup>1</sup> Institute of International Education. *Open Doors Fact Sheet: Saudi Arabia*. Washington, D.C.: Open Doors, 2015. Accessed February 25, 2016. <http://www.iie.org/Research-and-Publications/Open-Doors/Data/Fact-Sheets-by-Country/2015>

<sup>2</sup> Institute of International Education. *Open Doors Data International Students: Fields of Study by Place of Origin*. Washington, D.C.: Open Doors, 2015. Accessed February 25, 2016. <http://www.iie.org/Research-and-Publications/Open-Doors/Data/International-Students/Fields-of-Study-Place-of-Origin/2014-15>

<sup>3</sup> OECD, *Education at a Glance 2015: OECD Indicators*, OECD Publishing. Accessed February 25, 2016. <http://dx.doi.org/10.1787/eag-2015-en>

<sup>4</sup> United Nations Educational, Scientific and Cultural Organization. *Global Flow of Tertiary-Level Students*. Washington, D.C.: Education, 2013. Accessed February 25, 2016.

<sup>5</sup> Institute of International Education. *Open Doors Data International Students: Fields of Study by Place of Origin*. Washington, D.C.: Open Doors, 2015. Accessed February 25, 2016. <http://www.iie.org/Research-and-Publications/Open-Doors/Data/International-Students/Fields-of-Study-Place-of-Origin/2014-15>

<sup>6</sup> Institute of International Education, Open Doors, International Students, Fields of Study and Place of Origin, 2014/15

<sup>7</sup> "The King Abdullah Scholarship Program" on the web site of the Saudi Arabian Cultural Bureau, <http://www.saudibureau.org/en/inside.php?ID=16>; Ivana Kottasova. "Saudi Arabia Cuts Funding for Students Abroad" <http://money.cnn.com/2016/02/09/news/saudi-arabia-students-overseas/> (February 9, 2016)