KUCHING: Sustainability remains the buzzword within the private higher education sector industry today with many players here in Sarawak, namely Swinburne Sarawak, Curtin Sarawak, Wawasan Open University and UCSI University, on their thoughts about the industry, their efforts to remain competitive as well as future plans for growth in the state.

There is no doubt that the education sector in Malaysia is getting saturated. This is evidenced by statistics released by the Ministry of Higher Education (MOHE): 414 private colleges, 37 private universities, 23 university colleges and seven foreign branch campuses nationwide to date.

Oxford Business Group (OBG) in its recent report on Malaysia 2012 has always believed that education was one of the key backbone sectors in the country that would leave consequential impact towards other industries.

"The Education National Key Economic Area (NKEA) has been targeted to more than double the total gross national income to RM60.7 billion by 2020 from the current RM27.1 million seen in 2012.

"Continuing on its decade long trend of gross domestic product (GDP) growth of 6.8 per cent per year on average from 2000 to 2009, the education sector of Malaysia has been the subject of a renewed focus for the government, as well as from private investors both in Malaysia and abroad," it highlighted.

Driven by consistent spending, the sector, OBG said, has been driven by generous and consistent government spending over the past 20 years — although this figure had grown sharply recently, with a 60 per cent increase in the last two years.

"According to the World Economic Forum’s Global Competitiveness Report 2011/2012, this investment in education has been bearing fruits. Malaysia’s overall higher education sector is ranked 14th (out of 142 countries), and its primary education is ranked 21st."

Meanwhile, OBG noted that growth in the tertiary levels followed the same path as its counterparts, under the MOHE.

"Major challenges in skilled labour needs will require further efforts and investments, the MOHE expects the need for qualified hospitality personnel to reach 30,000 by 2020 — up from 20,000 in 2009," it outlined.

"Skilled labour shortages are a bottleneck for economic growth and have been identified as the fifth most-cited "problematic factor for doing business" in Malaysia in the Global Competitiveness Report 2011 to 2012."

"Building capacity for higher learning is thus a top priority for the Malaysian government, especially within the private sector."

Meeting ETP targets With over 500 institutions now established, the higher education sector is building capacity to meet the targets of plans like the Economic Transformation Programme (ETP), which called for more university graduates to manage priority sectors, including tourism, health, biotechnology and education itself.

"This quantitative boom has yet to produce a global standard institution in Malaysia: the QS 500 World University Rankings 2011/2012 ranked the government-run University of Malaya (167th worldwide (39th in Asia), up 40 places from 2010," OBG revealed.

"The Times Higher Education 400 Top World University Ranking 2011/2012, however, did not include a single Malaysian institution in its list, but rank two from Singapore and one from Thailand."

"Nonetheless, Malaysia has increased its attractiveness as a tertiary education provider in the global marketplace. There are 70,508 international students in Malaysian higher education institutions (25,283 in public institutions and 45,216 in private ones)."

Private sector stepping up Following the government’s kick-start, education as an enterprise is increasingly becoming the norm within the country.

"Over the past 13 years, the private sector has been widely credited as increasing access and choice for education options in Malaysia. However, the picture was more complicated."

"Everything from government incentives to changes in the public sector, the opening of new niches, and the introduction of private players in the primary, secondary and tertiary level institutions, have all come into play in reforming Malaysian education," OBG noted.

"Since the government liberalised the sector in 1996, Malaysia has seen 26 universities offering bachelor's, master's and doctorate degrees, as well as 21 university colleges offering only bachelor's degrees."

"Over 20 private colleges offering a wide variety of certificates and diplomas have also started business. Foreign universities are opening branches in Malaysia to tap into this growing market — a tough competition for Malaysia’s home-grown institutions, but one which may spur better quality education and benefit the pupils."

OBG affirmed that the main challenge for the private universities and colleges in Malaysia was that of the quality of education.

"The government is therefore increasing its oversight and has started cracking down and issuing fines on institutions that were less than well managed."

"This has led to the government announcing a two year moratorium on new private tertiary institutions last month with the aim of raising the country’s status as an educational hub. "Highly rated" foreign campuses will be exempted from this freeze."

"In light of this, BizHive Weekly speaks to several key players here in Sarawak, namely Swinburne Sarawak, Curtin Sarawak, Wawasan Open University and UCSI University, on their thoughts about the industry, their efforts to remain competitive as well as future plans for growth in the state."

By Ronnie Teo
rb within the eco post.com

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Oxford Business Group

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