

Education sector

Higher education sectoral trends, challenges and opportunities in light of the Covid-19 pandemic

June 2020

The education industry has been one of the industries most significantly tested by the Covid-19 pandemic. Social distancing and quarantine measures have created vast challenges for universities and colleges, which resorted to the leveraging of technology to ensure the continuation of student learning.

This newsletter focuses on the higher education sector, presenting historical facts and trends, as well as how the sector has reacted in Cyprus and abroad. It further outlines the key challenges and opportunities emerged as a result of the recent developments.

Our sector coverage will include subsequent publications with updates, insights and surveys relating to higher and other levels of education.

Sector scan

In 2018, the number of distance learning students in Cyprus accounted for less than 30% of total students, a percentage that is estimated to significantly grow, while higher education institutions are transitioning to distance learning in response to the pandemic.

Key industry highlights



8

Universities in Cyprus



24

Colleges in Cyprus



770+

Campus based programs



130+

Distance learning programs



47.000+

Total students (2018)



24.204

Total foreign students (2018)



15.019

Top EU country in foreign students (2018)



4.054

Top Non-EU country in foreign students (2018)



2.086

Distance learning undergraduate students (2018)



11.580

Distance learning post-graduate students (2018)

Country of origin of distance learning students (2018):



78%

Greece



14%

Cyprus



8%

Other countries

Local and global responses

From the outbreak of the pandemic, universities and colleges have leveraged technology by utilising and transitioning to distance learning technologies, ensuring the successful continuation of student learning.

How Cyprus and the global industry have responded to the pandemic

Online transition

- The President of the Rector's Council in Cyprus has stated that all higher education institutions in Cyprus transitioned swiftly to distance learning, while maintaining important structures such as libraries and student support services fully functional
- All higher education institutions' final semesters are to be completed online, with all courses being offered remotely.



Student accommodation

- One higher education institution in Cyprus has announced that students who left their student accommodations before the end of March, are exempt from the obligation to pay the final academic quarter rent instalment. The Pancyprian Federation of Students is calling for all institutions and private accommodation owners to follow suit.

Government announcements

- The Ministry of Education, Culture, Sport and Youth has announced that public and private higher education institutions in Cyprus are permitted to return to institution premises from the 11th May.

Assessments and examinations

- Higher education institutions have announced that student assessments and examinations will take place through online oral examinations, portfolio creation, open book examinations or online monitoring, following the 11th May announcement.

- Universities have re-opened on the 25th May to enable laboratory and clinical exercises to resume
- The academic year will be completed through online learning.



- Catering and accommodation losses have been estimated at £790 million for the 2019-2020 academic year
- Forecasts suggest a £2,6 billion loss in the next academic year due to decreased estimates in student enrolments
- Cambridge university has announced that it will suspend mass lectures in person for the next academic year and will make lectures available online.



- The Federal Education Ministry has provided the German National Association for Student Affairs (DSW) with a total of €100 million in emergency funds for local student support
- Students are able to receive interest free loans of up to €650 a month.



- The U.S Congress approved a \$14 billion higher education emergency relief fund to provide cash grants to college students for costs such as course materials, technology, food, housing and child care. Each college will determine which of its students will receive cash grants.



Challenges and opportunities

Covid-19 has brought great uncertainty on the education industry, primarily through the number of students enrolling and the ability of the universities to serve the needs of students online.

Challenges and opportunities in light of Covid-19 pandemic

Challenges

Cashflow

Impact on receipts from student enrolment fees, lost grants and potential refunds to students

Existing loan facilities

Impact on existing bank debt repayment programme and loan covenants

Student forecasting and budgeting

Uncertainty on the number of students in the future, leading to difficulties in budgeting

Asset utilisation

Buildings and facilities may remain unutilised if most of the lectures are taken online

IT infrastructure

IT investments to safeguard security of university information and GDPR

Ancillary income loss

Loss of income from accommodation, food and beverage facilities and event management

Research impact

Impact on grants received for research and delays in the research projects

Increase in competition

Increase in the level of competition from universities worldwide, as physical boundaries are abolished.

Challenges and opportunities

Opportunities

Partnerships

Examine potential synergies in partnering with other institutions to take advantage of potential economies of scale, and assess opportunities to acquire or partner with distressed institutions

Technology roadmap

Lead the transition to online learning by investing in educational technology and agile support

Worldwide reach from online teaching

Build a robust strategy and action plan to increase worldwide reach in a changing educational landscape

Hybrid programmes potential

Online education gives flexibility in the delivery and structuring of curricula and modules, and provides the foundation to develop new initiatives, like short courses and other professional and technical programmes.

Relevant KPMG services



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