Global talent and local growth

The export and jobs benefits of international students in the UK

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International students make up almost a quarter of the higher education population in the UK. Previous work from London Economics shows the aggregate economic benefit of such students, which has been most recently calculated as £41.9bn for the UK (21/22 figures). Despite this, the political salience of migration is such that some argue for a reduction in international students as a large component (36%) of overall net legal migration into the UK.

In this short analysis, we build on the aggregate and constituency level economic work done by London Economics to explore two things:

- International students as an export industry for the UK, and the value of exports and jobs supported by parliamentary constituency
- Whether international students increase or decrease living standards domestically.

This note and analysis focuses on the first of these two questions; a subsequent briefing note addresses the second.

We publish here headline findings, and the methodology in a technical annex, as well as an accompanying spreadsheet with constituency-level impact. This report and research is the sole work of Public First, who maintained editorial control throughout the project.

We are grateful for the support of the **University of York** in commissioning us to conduct this analysis, and from our colleagues **Scott Corfe, Ned Field, Maria Rodriguez and Rhiannon McQuone.**

Finding One: The gross export value of higher education from international students is £20.1bn a year.

Higher education is a significant direct export for the UK. We calculate that the direct export value of higher education from international student fee income, subsistence spending by such students, and visitor spending is **£18.2bn** a year. If the additional exports from industries supported directly by the university sector (for example, via university partnerships with businesses) are also taken into account, this rises to just over **£20bn.**

This is less than the London Economics figure of total impact of international students because it does not include the associated flow-on benefits of such students. These consist of the additional gains to the economy along supply chains (indirect economic effects) and through university employee spending (induced economic effects). We are not saying that these indirect effects are invalid. Rather, we focus on the direct export impact to allow an apples-with-apples comparison with export statistics published by ONS for other industries.

The **£18.2bn** value of exports from higher education as an industry can be compared with our largest export sectors. The motor industry sector exports is the largest, at **£31.7bn,** with medical and pharmaceutical products exporting **£24.7bn** worth of goods. (All export figures are for 2022, in 2022 £s). These sectors receive considerably greater prominence and promotion by the UK government as an export market than higher education. It is also worth noting that these are gross export numbers.

While (almost) all of higher education export value is domestically produced, a notable proportion of car exports consist of components imported as part of global supply chains. The net impact of higher education as an export is therefore likely to be higher than for these other sectors.

Estimated gross export values, £ (2022)		
Higher education	Manufacture of motor vehicles, trailers and semi-trailers	Manufacture of basic pharmaceutical products and pharmaceutical preparations
£20.1bn	**£31.7bn**	**£24.7bn**

Finding Two: In 26 constituencies in the country, higher education is the single largest export sector, supporting 183,000 jobs.

Secondly, we turn to the geographical distributional benefit of these exports. To do so, we calculate higher education as an export from each parliamentary constituency, and then compare those values with exports from other industries in each constituency.

We find that higher education as an export industry is widespread across the country. Specifically, we calculate that in **26 constituencies** in the country, higher education (and directly associated exports) is the single largest export sector in that constituency, and is in the **top 3 in 102 constituencies.**

If we again compare this to car manufacturing, and pharmaceutical products, higher education is the most widespread top export, with car manufacturing being in the top 3 exports in 95 constituencies, and pharmaceuticals in the top 3 in 87.

Constituencies in which this industry is a major export			
	Higher education	Manufacture of motor vehicles, trailers and semi-trailers	Manufacture of basic pharmaceutical products and pharmaceutical preparations
The largest export for the constituency	**26**	**31**	**29**
The top three exports for the constituency	**102**	**95**	**58**

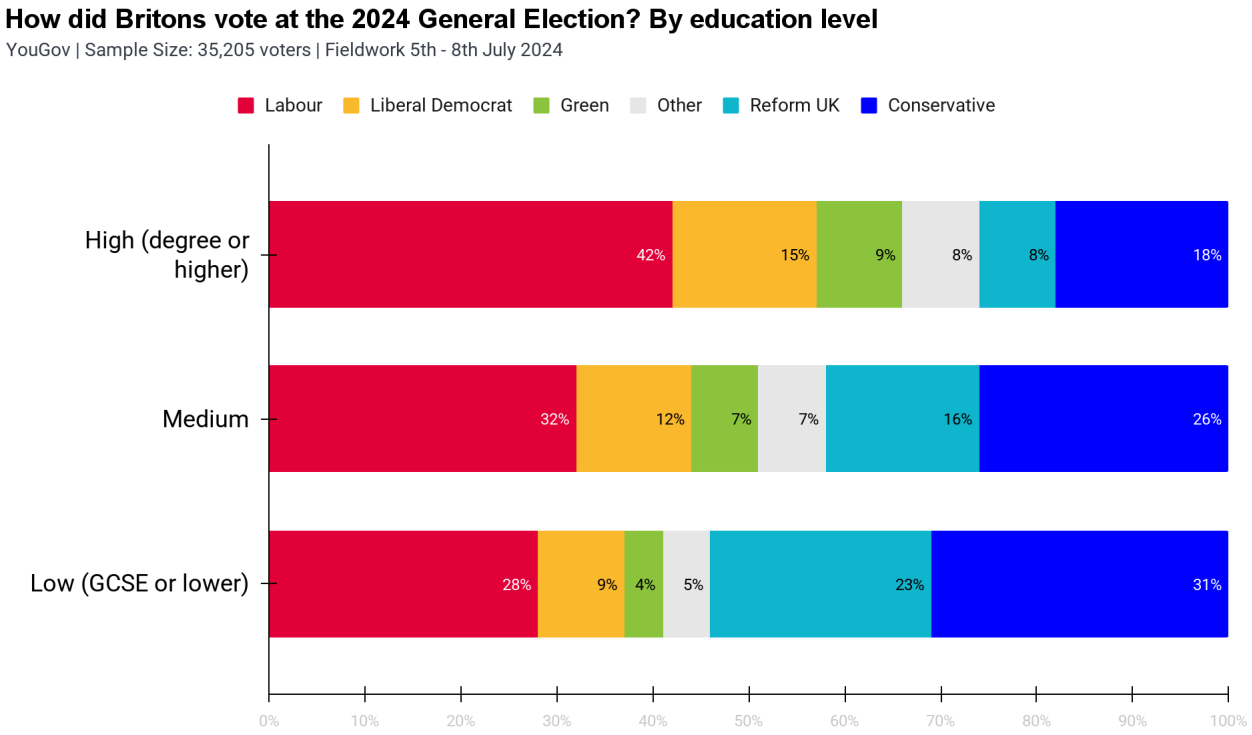
We finally calculate jobs directly supported by higher education exports - again, on the narrow definition without flow-on benefits. We calculate 183,000 UK jobs are supported directly by export income from HE.

Finding Three: Of the 102 constituencies where higher education is in the top 3 for exports, 87 are currently held by Labour.

Of the **102 constituencies** where higher education is in the top 3 exports, 87 are currently held by Labour, with 5 Conservative, 4 Lib Dem, 2 Independent, 1 Green, and 3 others.

Forecasting future political trends, Labour are predicted to become even more heavily dependent on international student-heavy seats. At present, **21% of Labour's seats have international students as a top 3 export.** According to the latest MRP seat projections, 42% of the seats Labour would retain have international students as a top 3 export. In other words, Labour's electoral fortunes are likely to be stronger in seats with larger international student exports.

This builds on evidence from the 2024 General Election (and other elections) showing that Labour's base is disproportionately graduate-heavy, compared to the education of the adult population as a whole.



Conversely, none of the seats won by Reform UK in 2024 (or indeed Runcorn and Helsby in the May 2025 by-election) feature international students in their top 3 exports. MRP data shows Reform theoretically winning 5 seats where this is the case, which represents 3% of their projected seat wins.[1] Given that 16% of all UK constituencies feature international students as a top 3 export, this is disproportionally low. In other words, Reform's political base is disproportionately drawing from non-graduate populations and seats with low international student impact.

[1] Seat projections come from the latest MRP data that was publicly available at the time of writing - More in Common's model, published 20th April 2025. The above analysis is therefore based on if a General Election were held tomorrow, and Public First economic modelling, excluding 18 constituencies of Northern Ireland, as MRP data does not exist for these seats. Original MRP data can be found here: https://www.moreincommon.org.uk/latest-insights/more-in-common-s-april-mrp/

Top 20 parliamentary constituencies for higher education as an export *Ranked by absolute values*		
Constituency	£ value of exports	% of all exports in constituency
Manchester Rusholme	215,447,273	**26.50%**
Leicester South	190,574,218	**20.10%**
City of Durham	144,946,583	**27.20%**
Dundee Central	129,188,000	**10.50%**
Exeter	128,890,447	**17.30%**
East Ham	125,883,728	**56.60%**
Edinburgh South	125,242,660	**27.00%**
West Ham and Beckton	119,823,816	**15.20%**
Hendon	100,831,929	**25.90%**
Ilford South	90,648,778	**31.50%**
Lewisham North	88,982,823	**24.70%**
Swansea West	87,533,682	**21.70%**
Peckham	86,358,944	**24.70%**
Sunderland Central	73,900,880	**11.80%**
Harrow East	70,990,509	**21.10%**
Islington North	64,243,391	**14.00%**
Putney	56,017,738	**12.80%**
Lewisham East	50,832,453	**22.60%**
Streatham and Croydon North	48,729,185	**37.30%**
Hackney North and Stoke Newington	46,271,901	**15.40%**
Brighton Kemptown and Peacehaven	46,022,190	**19.70%**
Tooting	45,105,733	**18.70%**
Dulwich and West Norwood	40,087,043	**11.30%**
Bangor Aberconwy	39,357,697	**10.30%**
Eltham and Chislehurst	32,840,139	**12.90%**
Lewisham West and East Dulwich	28,571,129	**14.20%**

"If you go too far, you are fundamentally undermining a lot of local economies…it's not as tangible as some industries – you can see a car factory or steel plant, so you know what happens when they shut down. But what our data shows is that in a lot of towns this is your car plant, this is your steel factory."

"The people in those towns are richer because the university brings in export industry in the same way that a car factory brings in wealth - it doesn't matter whether you're employed directly, everybody benefits[2]."

JONATHAN SIMONS
Partner, Education - Public First

Of course Britain could restrict international student numbers. We could halve the number, and make ourselves £10bn poorer every year, concentrated in Labour held seats. For sure, people want lower immigration - but YouGov say they want prosperity even more. To govern is to choose: my policy recommendation is that the government does not make the UK poorer by curtailing international student migration.[3]

TIM LEUNIG
Director, Economics - Public First

[2] https://observer.co.uk/news/politics/article/labour-plots-immigration-blitz-after-reform-success-at-polls
[3] https://timleunig.substack.com/p/international-university-students

Technical appendix

Quantifying the value of international students as an export

- We consider international students as a source of export income through three channels:
    - The tuition fees paid by international students.
    - Subsistence and other spending by students on e.g. subsistence such as housing, energy and food, as well as (say) leisure activities while they are in the UK, including visiting other parts of the UK. These are exports in just the same way as expenditure by overseas tourists is an export - the spending of money from overseas on UK products and services.
    - Spending by overseas visitors who come to the UK to visit international students while they are here. This would include visiting the UK to watch a graduation ceremony, and for other visits.
- To quantify the value of these export channels by constituency, we drew on estimates published by London Economics.
- The London Economics estimates take into account flow-on benefits of each of the export channels described above, including additional gains to the economy along supply chains (indirect economic effects) and through employee spending (induced economic effects).
- To produce a "direct" export impact which excludes these flow-on benefits, we backwards calculated using the economic multipliers set out by London Economics in its report methodology. The reason for focusing on the direct export impact is to allow an apples-with-apples comparison with industry export statistics published by the Office for National Statistics (which also focus on direct rather than including flow-on impacts).
- We also calculated direct exports within other industries supported by the higher education sector - e.g. through university partnerships. To do this, we drew on data in ONS input-output tables covering spending on the education sector within industry supply chains. We used London Economics data on higher education's share of the overall education sector to produce an estimate of higher education spending within industry supply chains. This allowed us to estimate the proportion of export activity in other industries associated with higher education and supported by international students.

Calculating exports for 2 digit SIC sectors at a parliamentary constituency level

- For this research, we wanted to compare the export value of international students with other industry exports for each parliamentary constituency.
- Official export statistics do not go down to the parliamentary constituency level of geography. We therefore produced modelled estimates of exports by constituency. To do this, we adopted the following approach:
    - ONS data on national goods exports and services exports at a 2 digit SIC level was used to estimate total exports for each industry sector.
    - Data on the number of employees from the Business Register and Employment Survey (BRES) at a 2 digit SIC level was then used to calculate the average export per employee in each sector.
    - This was then applied to BRES employee data at a parliamentary constituency level to initially estimate the exports per sector for each parliamentary constituency.
    - A further adjustment was made to account for different levels of exports per employee at a parliamentary constituency level, using HMRC data on the share of employees linked to businesses involved in international trade by ITL3 region.
    - A lookup between ITL3 region and parliamentary constituencies was created and used to calculate a goods adjustment and services adjustment for each parliamentary constituency. That is, the data were adjusted to reflect different propensities to export by location.

Quantifying the number of Full Time Equivalent (FTE) jobs supported

- The number of FTE jobs is derived directly from the international student exports using ONS data on FTE employment per million pounds spent in a sector. We took the following approach:
    - To work out how much of each type of international student spend was spent in different sectors ONS data on types of spending by international visitors and survey data on spending by students was used, along with data on education input into other sectors.
    - This share of spend in different sectors allowed for a creation of a single FTE multiplier per million pounds spent for each type of international student export (fee-income spend, non-fee income spend, visitor spend and, where relevant the additional export spend).
    - The multiplier was then applied to the previously calculated total amount of export by each type of spend for each parliamentary constituency.