SINGAPORE: Close to 20 percent of foreign students who applied to local universities were accepted this year.

The Ministry of Education had said in Parliament on Tuesday that the figure was only 4.3 percent, and only 987 foreign students got into local universities this year.

In fact, out of the 23,000 foreign students who applied for local universities, the actual number admitted was 4,218.

The Ministry explained that the 987 figure only referred to foreign students who had obtained GCE 'A' level or polytechnic qualifications in Singapore.

It has capped the number of government-subsidised foreign students in Singapore at 20 percent because it does not want schools to expand too quickly.

However, this cap makes it difficult for universities to take in more full fee-paying foreign students.

Full fees for foreign students enrolled in non-lab courses in local universities are about S$26,000 a year.

This year, nearly 19,000 foreign students applied for local universities and did not get in, which translates to over S$480 million in lost revenue annually.

And it's not just missed economic opportunity.

"Foreign students bring diversity to the university. Can you imagine a university classroom (with) 100 percent Singapore students? Too homogenous a group is not going to create that diversity in learning," said Professor Tan Chin Tiong, Deputy President and Provost of Singapore Management University.

"When you have 15 countries... represented in the classroom, they learn from each other... You give them a case, they come up with 101 different ways to look at the problem," he continued.

Top universities in the world, such as MIT, have more than 40 percent foreign students.

In Singapore, the priority of universities is to meet the demand from local students.

This year, about 50 percent of local students who applied for local universities got in.

It is clearly a case of demand exceeding supply in the university sector here. But since local universities cannot expand capacity, it is up to the private universities to fill that demand.

Though UNSW Asia had pulled out from Singapore, the government also has not ruled out the possibility of setting up another private, comprehensive university.

In the meantime, the Economic Development Board is working to attract more private institutions to satisfy the demand and realise Singapore's global schoolhouse vision. – CNA/ac