

The Current Situation and Development Trend of China's Immigrant Service Industry

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Abstract: According to the statistics of the Exit-Entry Administration of the Ministry of Public Security, in 2013, there were 935 private entry-exit intermediaries that passed the qualification certification of the Ministry of Public Security across the country, and Guangdong, Beijing, Shandong, and Shanghai accounted for a relatively large proportion. From this we can see that the competition among immigration service companies is becoming more and more fierce. From the perspective of the total output value of the immigration service industry, in 2019 alone, the output value of the immigration service industry in the Chinese mainland market reached 60 billion yuan. For this reason, studying the evolution, status quo and development trend of China's immigration service industry has very important reference significance for both the entire industry and individual immigration service agencies.

Keywords: Immigration Service Industry; Immigration Wave; Immigration Policy; Immigration Service Agency.

1. Evolution of China's Immigration Service Industry

The immigration service industry refers to the industry that provides professional services such as policy consultation, visa application, document translation, overseas house purchase, and career planning for immigrants.

According to the "China International Migration Report (2015)", in 2013, the total number of overseas Chinese living abroad was 60 million. Such a large group of people who settled in other countries is the result of three large-scale international migrations of Chinese residents.

The first wave of immigration occurred in the middle of the nineteenth century, just after the Opium War. At that time, a large number of farmers had no land to plant, and a large number of small business practitioners were facing bankruptcy. They could only flock abroad on a large scale. At that time the number of migrations is as high as 10 million or more. Most of the forms of migration to other countries are through contract labor and illegal smuggling.

The second wave of immigration occurred after the Second World War, with about 4 million people (including immigrants from Hong Kong, Macao and Taiwan, and about 1 million to 1.5 million people from the mainland). Most of the forms of migration to other countries are through reunion, work visa and illegal immigration.

The third wave of immigration occurred after China opened up, and this wave of immigration has continued until now. Adding the previous immigration numbers, the current total is around 60 million. The immigration method this time is mainly divided into three stages: the first stage was from the reform and opening up to the 1980s, when the immigration form was mainly government-sponsored study abroad. The second stage started from the 1990s to 2007, and this time the immigration method was mainly skilled immigration. The third stage has lasted from the global financial crisis in 2008 to the present. The main immigration methods are investment immigration and skilled immigration, among which investment immigration is the most important immigration method. The immigrant countries to which they moved

mainly included Australia, Canada, the United States and Western European countries.

Since 1994, Canada has fully liberalized the acceptance of immigrants from mainland China. Since then, a large number of immigration service companies whose main business is Canadian immigrants have emerged in China. At the same time, a large number of immigration intermediary agencies mainly engaged in immigration business in Australia and the United States emerged as the times require. The characteristics of the industry at that stage are: the demand exceeds the supply, the growth of immigrant service agencies lags behind the growth of market demand, and the profits of enterprises are relatively high. Attracted by the profits of the industry, a large number of new institutions also began to enter the immigration service industry. At that time, the competition became fierce. Especially in 2014, the country took the lead in piloting in Guangdong, releasing the approval power of the Ministry of Public Security to immigration agencies, making entry into the immigration industry zero-threshold. As a direct result of this incident, the immigrant service agencies in Guangdong Province have exploded and the competition is fierce!

Before 2010, the business projects of immigration intermediary agencies were generally relatively single, mainly focusing on investment and entrepreneurial immigration projects in traditional immigration countries such as Australia, Canada, and the United States. After 2010, with the rapid development of the immigration industry, more and more new projects have been gradually developed in order to meet the various immigration needs of customers. These projects include house purchase immigration projects in most European countries, passport projects in individual small countries in North America, passport projects in African countries, etc.

2. The Impact of Immigration Policy Events on the Development of the Immigration Industry

As the immigration service industry develops, it will

continue to be affected by major policy adjustments in the destination country of immigration. Once the policy changes, the business items and business models must be adjusted accordingly. In recent years, policy events that have had a relatively large impact include:

On October 8, 2012, Portugal promulgated a new immigration law, allowing citizens of non-EU countries to obtain a Portuguese golden residence permit by buying a house in investment immigration. The client only needs to purchase a real estate project of more than 350,000 euros to obtain a golden residence permit visa, and you can enjoy almost the same benefits as citizens (except for political voting rights), and you can freely enter and exit 26 Schengen countries.

In April 2013, the "Greek Investment Immigration Promotion Law" was approved, and the Greek house purchase immigration policy was officially released. Applicants who purchase local real estate of 250,000 euros or more can obtain the Greek "Golden Residence Permit Visa". The associated benefits are similar to those enacted in Portugal. However, this policy will be adjusted on August 1, 2023: If you buy real estate in the north, center and south of Athens, Thessaloniki, Mykonos, and Santorini, the price must be more than 500,000 euros to obtain a "golden residence permit visa"; while buying real estate in Piraeus, the eastern and western suburbs of Athens, the old policy can be applied.

On September 27, 2013, the Spanish house purchase immigration policy was also released. Applicants only need to buy a property of more than 500,000 euros to obtain a long-term residence visa in Spain, and can enjoy almost the same benefits as citizens (except for political voting rights). Applicants can also freely enter and exit the 26 Schengen countries. This is an attractive policy for foreigners buying property.

In June 2014, the Canadian government officially shut down the federal investment immigration program, and applicants who had already submitted their applications were no longer accepted. Nearly 70,000 investment immigration applications were rejected, about 82% of which were from China. Some applicants go directly to the immigration agency for a refund, and some applicants can only be forced to apply for other programs.

In October 2014, the amount of British investment immigration was increased from 1 million pounds to 2 million pounds, with an increase of 100%. This directly led to the rapid cooling of British investment projects, and fewer and fewer institutions were willing to promote this project. Then, on February 17, 2022, this policy was permanently closed, and British investment immigration was completely terminated.

In October 2014, the Hungarian national debt immigration, the investment amount increased from 250,000 euros to 300,000 euros, with an increase of 20%. Because the increase is not high, and the permanent residence status can be obtained directly in one step, this project still has advantages. However, this project was closed on March 31, 2017.

In January 2015, Hong Kong stopped the 10 million Hong Kong dollar investor immigration program. Applicants who have submitted applications are not affected by the new policy, and the new policy is only for later applicants. The Hong Kong investment immigration program has also come to an end.

In April 2015, Australia's 188C category of 5 million Australian dollars investment immigration project was

suspended, and then new investment rules were issued on July 1 of the same year. The new investment rules require investors to invest part of their funds in relatively risky on the project.

In May 2015, the EB-5 investment immigration in the United States entered the waiting list era, and the enthusiasm of domestic applicants for EB-5 investment has cooled down. Subsequently, on November 21, 2019, the United States raised the investment quota for EB-5 investment immigrants from a minimum of 500,000 US dollars to a minimum of 800,000 US dollars. This further reduces the enthusiasm of people to immigrate to the United States.

In February 2016, the policy of three generations (applicant + spouse + children + both parents) immigrated to Cyprus at the same time was issued, provided that they only need to purchase real estate of more than 300,000 euros. Other EU countries with house purchase immigration policies have also revised their second-generation (applicant + spouse + children) immigration policies to three-generation immigration policies.

In July 2016, the U.S. EB-3 non-skilled immigrant program schedule went back three years to January 1, 2004. Last month, the schedule was still April 22, 2007. The waiting time for the EB-3 project was very long, but suddenly it went back three years, which suppressed many people's application ideas.

To sum up, we can see that among the immigration policies of all developed countries, EU countries have relatively low thresholds, which is also the main reason why immigration service companies have mainly promoted immigration projects for EU countries in recent years; so, in recent years, this is an important reason why Chinese people like to immigrate to EU countries.

3. The Current Situation and Development Trend of China's Immigration Service Industry

From the data point of view, in 2013, there were 935 intermediary agencies across the country that passed the qualification certification of the Ministry of Public Security for private entry and exit, and Guangdong, Beijing, Shandong, and Shanghai accounted for a relatively large proportion. Among them, there are 192 in Guangdong, accounting for 20.53%; 108 in Beijing, accounting for 11.55%, 73 in Shandong, accounting for 7.80%; 68 in Shanghai, accounting for 7.27%. In 2014, after the approval authority of the Ministry of Public Security was released in Guangdong Province, the immigrant service companies in the province developed rapidly, and there were more than 700 companies with the business scope of "immigration services". At the beginning of 2020, after the outbreak of the epidemic, due to the closure of borders by various countries, the immigration service industry was hit hard. Many immigration service companies began to switch to other businesses, and the number of companies still insisting on providing immigration services remained less than half of the original number.

From the perspective of the total output value of immigration services, in 2019 alone, the output value of the immigration service industry in the Chinese mainland market reached 60 billion yuan. With the rapid development of China's economy and increasingly frequent international exchanges, more and more young people, families, elderly people, entrepreneurs and other groups have begun to set foot in the overseas immigration market, further promoting the

development of the immigration service industry.

From the perspective of company size, the scale of immigration service companies varies from small to large, and the reputation of brand institutions are also uneven. Recently immigration report on entry and exit did not give a ranking of domestic immigration company. Currently, the most authoritative 2014 Chinese International Immigration Report is still used. According to the ranking of the report, the TOP10 institutions are as follows in order of ranking: Beijing Global Zhonglian Investment Consulting Co., Ltd., Aoxing Immigration and Studying Company, Henry International Consulting Group, Beijing Aoji Immigration Consulting Co., Ltd., Jinghong Consulting Co., Ltd., Beijing Hezhong Lianhe Investment Consulting Co., Ltd., Wanli Kunpeng International (Beijing) Business Consulting Co., Ltd., Zhejiang Xintong Entry-Exit Service Co., Ltd., Beijing Dongfang Jiesheng Consulting Co., Ltd., Beijing Jiacheng Tongye Information Consulting Co., Ltd.

From the business of TOP10 immigration agencies, it can be seen that the top-ranked immigration agencies have a wide range of immigration countries, with global immigration business reaching 18 countries. Of these ten institutions, only Henry and Jiacheng Tongye have less immigration business, mainly focusing on immigrants from the United States, Canada, Australia, and Europe.

From the perspective of business model, immigration service agencies have national chain operations, franchised brand operations, and independent operations. The national chain-operated institutions are all large institutions, and their distinctive feature is that the head office handles the immigration application materials uniformly, and the branch offices are only the sales departments sent by the head office to the provinces. For brand-franchising institutions, the brand-granting company is generally the head office, and the head office handles the immigration application materials in a unified manner. Other franchised branches are equal to the strategic partners of the head office. There are also self-operated companies that can handle materials independently. Self-operated companies are generally small and medium-sized service agencies, some of which can process immigration application materials by themselves, and some are outsourced to other agencies for processing.

From the perspective of market operation, the immigration service industry will become more and more standardized.

Today, the immigration service industry has already changed from a seller's market to a buyer's market. This is an era when customers choose companies, and it is also an era when strengths speak for themselves. In addition, information is becoming more and more developed and more open and transparent. Unprofessional and dishonest companies will be eliminated in the competition. Only companies with good brands and services can gain an advantage in future competition. Especially in the context of the COVID-19 pandemic hitting the immigrant service industry hard, all immigrant service agencies must know how to maximize their strengths and avoid their weaknesses.

In the future, with the continuous development and deepening of China's internationalization process, the immigration service industry will usher in greater market opportunities. At the same time, as competition intensifies, intermediary institutions that rely on speed to pursue short-term benefits may find it difficult to survive. Correspondingly, consumers' requirements for factors such as service quality, value return and marketing transparency will gradually increase. In the future, the industry competition pattern will tend to be polarized, and enterprises should maintain a high level of service quality and pay more for user experience and credibility.

Generally speaking, the immigration service industry has a huge market space, but it is also facing fierce competition. In the future development, enterprises should pay more attention to providing high-quality services to create user reputation and industry reputation, and at the same time innovate to meet consumer needs and gain market share.

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