**ABSTRACT**

**Purpose:** Factors affecting international student satisfaction and loyalty are crucial for higher learning institutions of Malaysia as the country wants to become a global education hub. The purpose of this paper is to determine the most contributing factors affecting the level of international student satisfaction and how these factors affect loyalty of the students. These factors are academic issues, economic considerations, image and prestige and infrastructure of the university. The study involved the same research in Australia in order to compare situations in these two nations.

**Methodology:** A structured questionnaire was used to collect data to determine the significant factors affecting the level of satisfaction and loyalty of international students of Malaysian and Australian public universities.

**Findings:** The primary results demonstrated that towards international students, academic issues and economic considerations are more important than rest of two other factors in Malaysia where in Australia image and prestige are quite significant.

**Value Added:** This study contributes to the research of Malaysian educational field and research of Malaysia as a global educational hub as it involves comparison with a developed country like Australia.