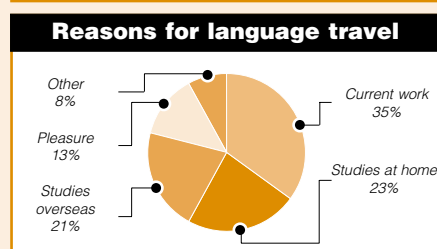
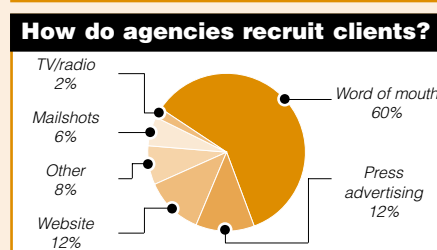
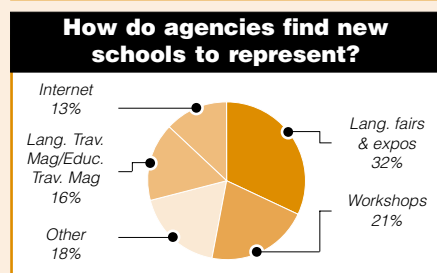
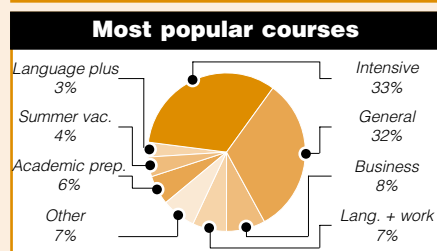
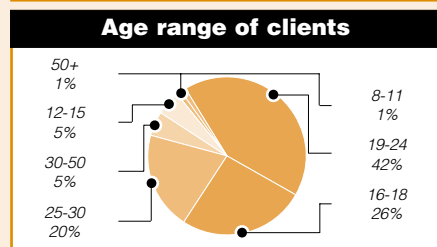
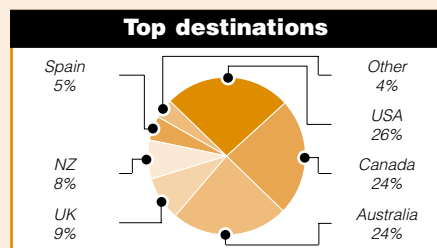


# Brazil's tough times

Although 2001 proved to be a difficult year for the language travel market, most of the Brazilian agents who took part in this survey remain optimistic about 2002.



## Key points

- The 13 agencies that took part in our survey placed a total of 2,388 students in 2001
- Individual agencies placed between 45 and 570 students on language courses per year
- The average growth of combined agency business in 2001 was -11 per cent
- The average length of stay was 7.2 weeks
- The average commission rate offered by language schools was 15 per cent
- 22 per cent of Brazilian students studied overseas in January and 19 per cent in July
- 77 per cent of Brazilian students stayed with host families
- 77 per cent of agents charged a handling fee of between US\$20 and US\$150
- The number of countries represented by agencies ranged from one to 24
- Brazilian agents formed between five and 55 new partnerships with schools last year

### Market growth

Across all 13 agencies that took part in our survey, student bookings fell by 11 per cent in 2001, in stark contrast to the previous year when overall growth tipped 21 per cent (see *Language Travel Magazine*, April 2001, pages 18-19). In this issue's survey, 46 per cent of agents reported a drop in student numbers of between five and 65 per cent, which was put down to the country's adverse economic climate, the power crisis and the strong US dollar.

### Student trends

The proportion of agency clients aged between 19 and 24 was 10 percentage points higher in 2001 than in 2000, and a majority of agents (46 per cent) picked out this age group as being the one to watch for future growth. Demand was being driven by in-service professionals and university students.

### Language and destination trends

English courses accounted for over 90

per cent of agency bookings with Spanish bookings in second place at six per cent. Although the USA was still the number-one destination for Brazilian language travellers, its appeal has been waning in recent years because of the relatively strong dollar and, more recently, concern over per-

sonal safety. Instead, students are favouring Canada, Australia and New Zealand.

### Agent role

Overall, our respondents estimated that 79 per cent of students came to them with a fixed idea of the country they wanted to study in, nine per cent knew which city and five per cent knew which school. However, following their consultation with an agent, 35 per cent of those students who had already decided on their country, changed their mind, 38 per cent changed their chosen city and 35 per cent, their chosen school.

### Forecast for 2002

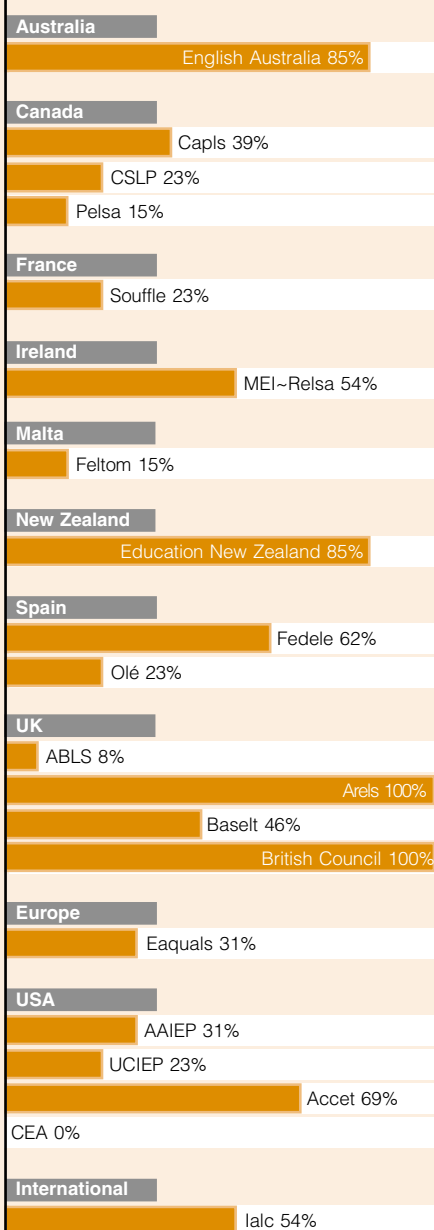
Sixty-two per cent of agents forecast growth for 2002, largely as a result of an increase in consumer confidence. Among the agents who thought the market would stagnate at best, the reasons given were the uncertainty of the economic outlook, the high value of the US dollar compared to Brazil's real and current international unrest.

## Economic overview

- Brazil is the largest economy in South America and the eighth-largest in the world.
- Brazil's economy is estimated to have grown by around two per cent in 2001, instead of 4.5 per cent, which was forecast at the beginning of the year. The main factors holding it back in 2001 were the slowdown in the US economy, Argentina's meltdown and Brazil's energy crisis, which resulted in households and businesses having to cut their energy consumption by more than 20 per cent.
- In 2001, the inflation rate was 7.7 per cent, well above the four per cent target. However, economists forecast that inflation will decrease this year - the target for 2002 is four per cent - which will allow the central bank to cut its interest rates (currently at 19 per cent).
- The average income fell by 3.4 per cent in the 11 months from January to November 2001, compared to the same period in the previous year.
- The unemployment rate in Brazil was 6.2 per cent in 2001, down slightly from 7.1 per cent in 2000.
- Elections will take place in Brazil in October 2002, which may affect the economy if the transition of power is not smooth.

Sources: Instituto Brasileiro de Geografia e Estatística; BusinessWeek online; ft.com

## Percentage of agents who recognised each of the following organisations



Thank you to the following agencies for taking part in our survey: Azics Intercambio Cultural; BEX – Brazilian Exchange; Britannia International English; Central de Intercâmbio; Escuela Internacional; Expand; High Connections Intercâmbio; ICCE – Intercâmbio Cultural e Cursos no Exterior; ICL – International Center for Languages; Improvement; Integrity Exchange Student Agency; Royal Study Intercambiós; Scala Mundi Turismo

Brazilian agents named a range of language programmes they work with, including, in Australia: Australian Centre for Languages, Sydney, NSW; Bond University, Gold Coast, QLD; Shalston International College, Brisbane, QLD; Sydney College of English, Sydney, NSW; Sunshine Coast English College, Noosa Heads, QLD; Universal English School, Sydney, NSW; University of New South Wales, Sydney, NSW; Canada Language Centre, Vancouver, BC; Language Connection International, Toronto, ON; Language Studies Canada, Toronto, ON; Western Town College, Toronto, ON. In France: Accord, Paris. In New Zealand: Dominion School of English, Auckland; International House, Auckland. In Spain: Don Quijote, Salamanca. In Switzerland: Swiss Hotel Management School, Montreux. In the UK: Beet, Bournemouth; Concord International, Canterbury; ELC Bristol, Bristol; ELT Banbury, Banbury; English in Chester, Chester; Hempstead School of English, London; London School of English, London; St Giles, London; University of Leeds, Leeds. In the USA: American Language Academy, various; Converse International School of Languages, San Diego, CA; ELC - English Language Center, various; ELS Language Schools, Princeton, NJ; ERDT, Marina Del Rey, CA; FLS International, Pasadena, CA; Intrax, San Francisco, CA; New England School of English, Boston, MA; San Diego State University American Language Institute, San Diego, CA; University of California, various, CA; University of Missouri, Kansas City, KS; Wisconsin Second Language Institute, Madison, WI. International: Aspect ILA; Bell Language Schools; Milner School of English; Study Group International/Embassy