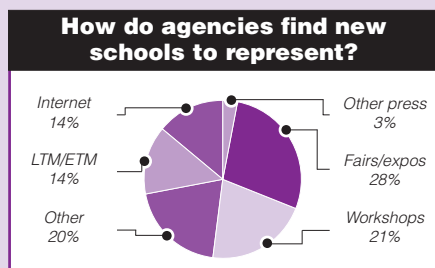
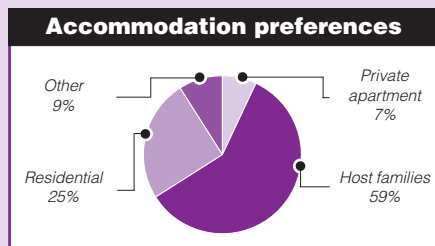
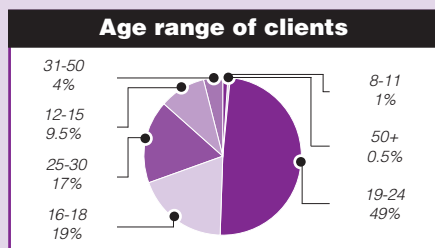
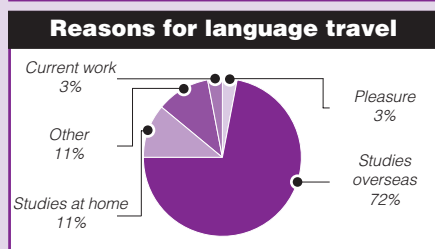
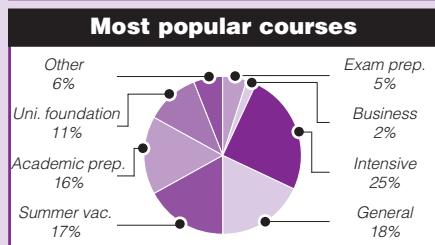
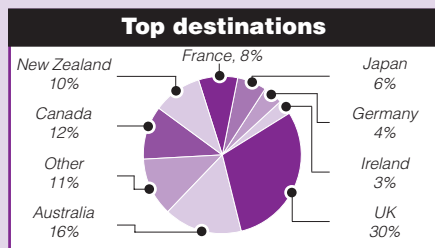


# China slows down

Following healthy growth in demand for language courses in 2002, agencies in China reported stagnant stagnation in the marketplace in 2003, despite continued strong demand for further education overseas.



## Key points

- The total number of students placed by the 11 agencies in our survey was 2,930
- Individual agencies placed between 20 and 800 students on language courses per year
- The average combined agency business growth in 2003 was -0.9 per cent
- The average length of stay for Chinese students was 16.5 weeks
- Commission rates ranged from 10 to 30 per cent, averaging at 14.8 per cent
- Sixty per cent of agents charged a handling fee from US\$95 to US\$1,080
- The average spend on tuition and accommodation per week was US\$342
- Fifty per cent of agents identified the 19-to-24 age group as showing the most growth
- Thirty-four per cent of agency clients found out about their agency through word of mouth

## Market growth

Of the 11 agencies that took part in this year's survey on China, four reported decreasing student numbers in 2003, of between 10 and 50 per cent, while two said business had stagnated and a further five experienced an increase of between 10 and 20 per cent. Of the reasons given for a downturn in the market, the most common were the impact of Sars and an increasing number of Chinese students choosing to study a language course at home. Enrolment rates have slowed since 2002, when agencies reported an overall 13 per cent growth rate (see *Language Travel Magazine*, January 2003, pages 12-13).

## Student trends

The majority of our respondents' business – 68 per cent – was in dealing with the 16-to-24 year old age group in 2003, which ties in with the fact that overall, 72 per cent of clients were learning a language in preparation for further study overseas. The months of June, July and August were by far the most popular, with 52 per cent of clients choosing to take their study trip during this time.

Popular courses included intensive, general, academic preparation and university foundation courses.

## Language and destination trends

Agencies reported that 73 per cent of their clients undertook study abroad trips in order to perfect their English skills, while eight per cent of clients were learning Japanese and six per cent Spanish. The most popular destination was the UK, attracting 30 per cent of students, while only 0.5 per cent of students went to study in the USA, perhaps reflecting difficulties experienced by students in getting a study visa to this country. Previously, the USA was in joint-second position, along

with New Zealand, with 13 per cent of the student vote. Australia and Canada now occupy the second and third positions, at 16 per cent and 12 per cent respectively, with New Zealand just behind, at 10 per cent.

## Agency business

In terms of the agent role in advising students, our survey showed that, on average, just 67 per cent of Chinese clients knew which country they wanted to study in, 31 per cent knew the city or town and 19 per cent had pinpointed the school. After consultation, 36 per cent of clients changed their minds about the country, 37 per cent about the city or town and 41 per cent the school.

## Economic overview

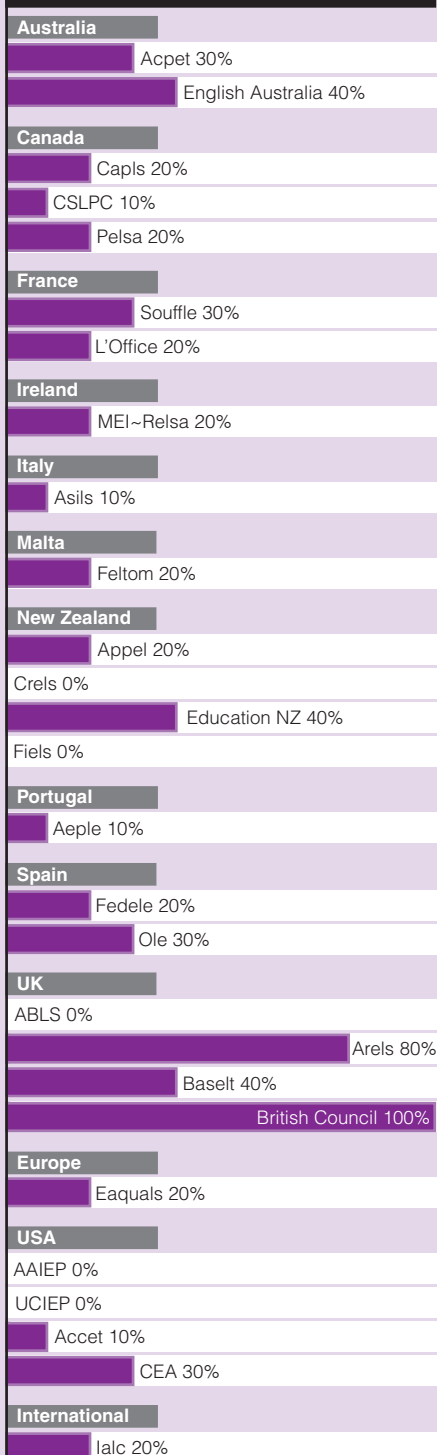
- China's economy is expected to grow by 8.5 per cent in the first quarter of 2004. This growth is notably slower, compared with the 9.9 per cent year-on-year growth in the fourth quarter of 2003.
- The consumer price index is expected to rise by about three per cent year on year in the first quarter in 2004, compared to a total rise of 1.2 per cent in 2003.
- China's job market blossomed in the fourth quarter of 2003, according to the Personnel Ministry of China. Statistics for the October to December period show that job markets in 37 major cities registered 2.371 million jobs and 5.105 million job seekers, up by 27.8 per cent and 1.5 per cent respectively over the same period in 2002.

Source: China Economic Information Network

## Forecast for 2004

Many agencies forecast an increase in student placements this year, due to the increasing popularity of higher education overseas. However, others expect more students to opt to undertake a language course in China rather than pay the added expense of studying abroad. One agency predicted that more students would go to study in the USA in the future.

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



**Thank you to the following agencies for taking part in our survey:** Beijing Aus-Canada Education Consulting Co., Beijing Ziming Co., Chiway Education International, Haiyi Co., Guangzhou Overseas Chinese Service Center, Han Gao International School and Consultant, Jiangsu Provincial International Exchange Center, Liaoning Education Training Centre, Shanghai Foreign Service Co., Talent International Co., Wise Education Services Center.

**Chinese agents named a range of language programmes they work with, including:** In Canada: ESLI, Vancouver, BC. In Malta: Magister Academy, St Julians. In New Zealand: Auckland English Academy, Auckland; Canterbury House, Christchurch; New Zealand International Language School, Auckland. In the UK: Anglo Continental School of English, London; Birmingham; Basil Paterson College, Edinburgh; Bell, various; Churchill House School of English, Ramsgate; EF, various; Hampstead School of English, London; Inlingua, Cheltenham; International College, various; Lincoln University, Lincoln; Regent, various; St Michael's College, Tenbury Wells; Wimbledon School of English, London. **Worldwide:** Aspect I.L.A., International House, Study Group.