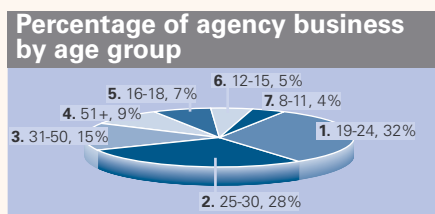
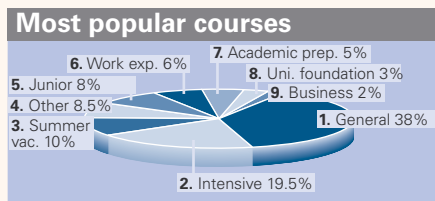
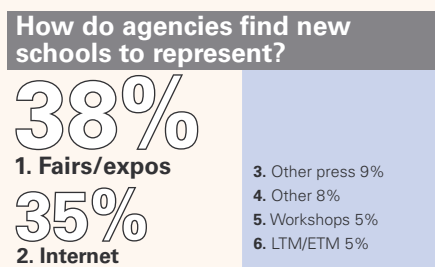
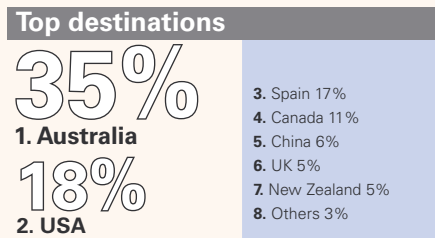


# Japan's slow heartbeat

There have been some changes in market trends in Japan, but the overall growth rate among agencies who took part in this year's Agency Survey remains minimal.



- ### Key points
- The total number of students placed by the 10 agencies in our survey was **2,240**
  - Individual agencies placed between **5 and 1,500** students on language courses per year
  - Average business growth was **21 per cent** in 2003 overall, or one per cent, bar one agency's triple-figure results
  - The average spend on tuition and accommodation per week remained steady at **US\$504**
  - **Eighty per cent** of the agencies answering the relevant question charged a handling fee
  - **China** is becoming a more popular study destination
  - Business was evenly spread year round, although **August** was the most popular month for travel
  - Only **71 per cent** of clients had decided on a study destination prior to visiting an agency

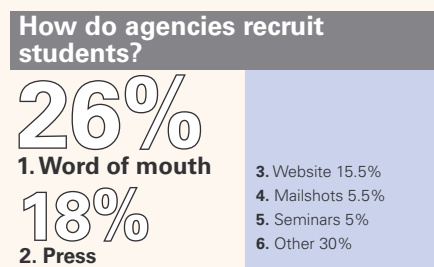
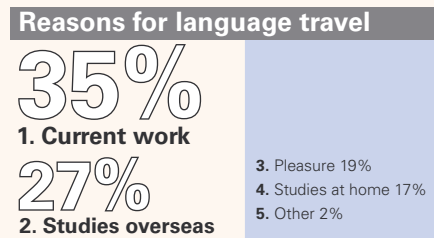


### Market growth

As in our previous Agency Survey of Japan (see *Language Travel Magazine*, November 2003, page 10), the growth rate recorded among agencies is buoyed by the successful results of one agency alone. If this result is not included, the overall growth rate falls from 21 per cent to just one per cent. Four agencies reported an increase in business, while a further four indicated a decrease in business, and two said that business remained constant in 2004, compared with the previous year. Personal security while overseas was noted by one agent as a reason for declining sales, while another agency, which reported an increase in bookings, said they had added new destinations to their portfolio last year.

### Destination trends

Australia remained the most popular study destination for the second year in a row, and even discounting the one agency that only worked with this destination, Australia was still in number-one position. The USA has risen in popularity at the expense of the UK and New Zealand, which both saw their market share fall to just five per cent of the Japanese student market. One agency also dealt exclusively with Spain, boosting the share of this country in our survey. China is clearly becoming a more typical destination among Japanese language travellers; its market share has doubled from three to six per cent, and one agency said they intended to focus more closely on this market in the coming year.



- ### Economic overview
- Consumer confidence is reported to be rising in Japan, partly because the unemployment rate dropped to 4.8% in August last year from a record 5.5% in January 2003.
  - Japanese economic growth is expected to have accelerated to a 2.7% annual pace in the quarter ending September 30 last year, up from a 1.3% rate in the previous three months.
  - One government minister commented in October that the economy had adjusted to steady growth after a dip in growth pace in the second quarter.
- Sources: Xinhua.net, Bloomberg, Big News Network.*

### Student and course trends

General and intensive language courses remained in most demand among agency clients, with work experience and internship programmes becoming more popular, according to one agency. Work overtook studies overseas as the dominant reason given by students for undertaking a language course abroad, and the typical age range of students shifted towards the older age ranges as a result. The 30-to-50 year old age group almost doubled its share this year, from nine per cent to 15 per cent, while the over-51 year old age group also increased its share and the 16-to-18 year old age group decreased in size.

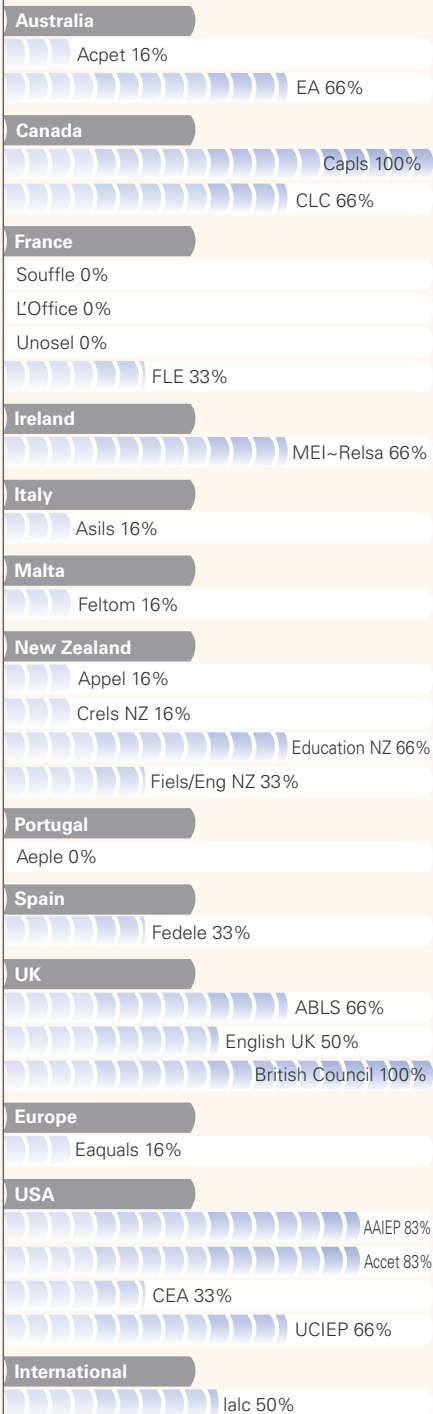
### Agency business

Agencies recruited clients through a variety of means, with word-of-mouth recommendation the main source of business. Individual clients made up 83 per cent of bookings, with 79 per cent of all students favouring host family accommodation. The typical spend per week on tuition and accommodation was US\$504, a similar figure to that recorded in our previous survey. Fairs and expos became a more important avenue for finding new school partners, according to agencies, as well as the Internet, while workshops were not responsible for as many new partnerships as estimated in our last survey. Forty-seven per cent of clients were estimated by our agent respondents to ask for an accredited school.

### Looking ahead

Agencies are optimistic about the year ahead on the whole, and point to internship opportunities as a growth sector.

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



**Japanese agents named a range of language programmes they work with, including, in Australia:** Wide Bay Institute of TAFE, Hervey Bay QLD; Nudgee International College, Brisbane, QLD. **In Canada:** International Language Institute, Halifax, NS; Stewart College of Languages, Victoria, BC. **In China:** Fudan University, Shanghai. **In Malta:** BELS, Gozo. **In Spain:** Enforex, various; International House, Barcelona; Lenguaviva, Sevilla; Malaca Instituto, Malaga. **In the USA:** Kaplan, various; New England School of English, Boston, MA. **Worldwide:** Pacific Gateway International College, Embassy CES (Study Group), ELS Language Centers.

**Thank you to the following agencies for taking part in our survey:** anonymous; Academic Cultural Exchange (ACE); Access Internship & Travel; Ez Communications; Global Study Inc.; Mainichi Communications; OFPM - Overseas Program Management; Ryugaku Journal; Sun Rise International Co.; Yokohama International Education Academy.