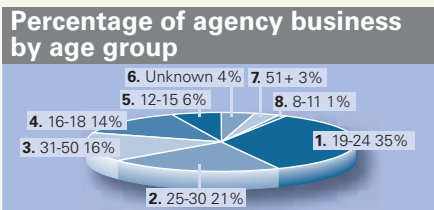
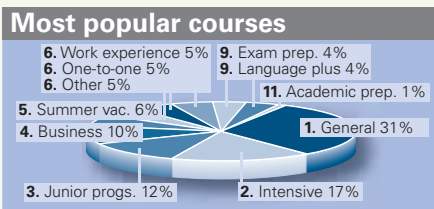
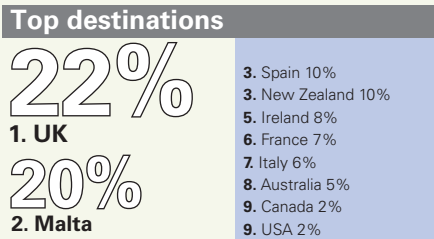


German optimism

The German language travel market performed relatively well last year despite the difficult economic circumstances, according to this issue's Agency Survey.



- ### Key points
- The total number of students placed by the 10 agencies in our survey was **11,792**
 - Individual agencies placed between **32** and **3,000 students** on language courses per year
 - Average growth across all agency business in 2004 was **7.5%**
 - The average student spend on tuition and accommodation per week was **€560 (US\$708)**
 - July and August accounted for **43%** of agency bookings
 - Host family accommodation was the most popular choice for **62%** of German students
 - The average length of stay for German students was **3.3 weeks**
 - On average, our agent respondents represented **72 schools** in **13 countries**

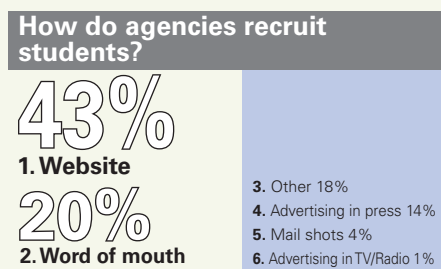
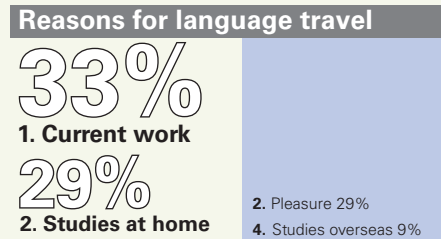


Market growth

Following a difficult year in 2003 – when the German economy contracted, thereby dampening consumer spending and curtailing growth in the language travel market – 2004 was an altogether better year for language travel agents. Although, overall, the market experienced a relatively modest increase of 7.2 per cent, only one agent reported that numbers had decreased, while 40 per cent said numbers had grown by between 10 and 30 per cent, and an additional 40 per cent recorded static bookings (one agency had only been in business for one year).

Language and destination trends

English remained the top language choice among German agency clients, accounting for around 78 per cent of overall bookings, although its share may have been inflated slightly by the three agencies that only placed students on English language programmes. Spanish was the second most popular language choice, accounting for 12 per cent of bookings, followed by French and then Italian. The UK was the number-one destination although its share had dropped from 27 per cent in last year's survey (see *Language Travel Magazine*, May 2004, pages 12-13) to 22 per cent this year. Malta managed to increase its share, accounting for 20 per cent of bookings in 2004 compared with only 12 per cent in 2003. New Zealand also seemed to have jumped up the rankings in 2004, to take joint-third place with Spain, although its share may have been boosted by one agency that only placed students in New Zealand and Australia.



- ### Economic overview
- The German economy grew by 1.6% in 2004, up from 1.1% in 2003.
 - The latest forecasts by the International Monetary Fund and the European Commission have both put German economic growth at only 0.8% this year.
 - The unemployment rate stood at 10.2% in 2004, and is expected to rise to 11.1% by the end of this year. In addition, per capita GDP in Germany is now below the EU average, and the high unemployment rate has kept consumer spending depressed.
- Sources: dw-world.de; economist.com

Student and course trends

Across all agency business, learning a language for pleasure was the motivating factor for taking a language course overseas for around 29 per cent of students. The same proportion of students was also learning a language for their studies at home. However, learning a language for business purposes was the most common reason for taking up such a programme, accounting for the motives of around 33 per cent of agency clients. There was a notable peak in bookings in June, July and August, with these three months accounting for a combined share of 54 per cent of annual bookings.

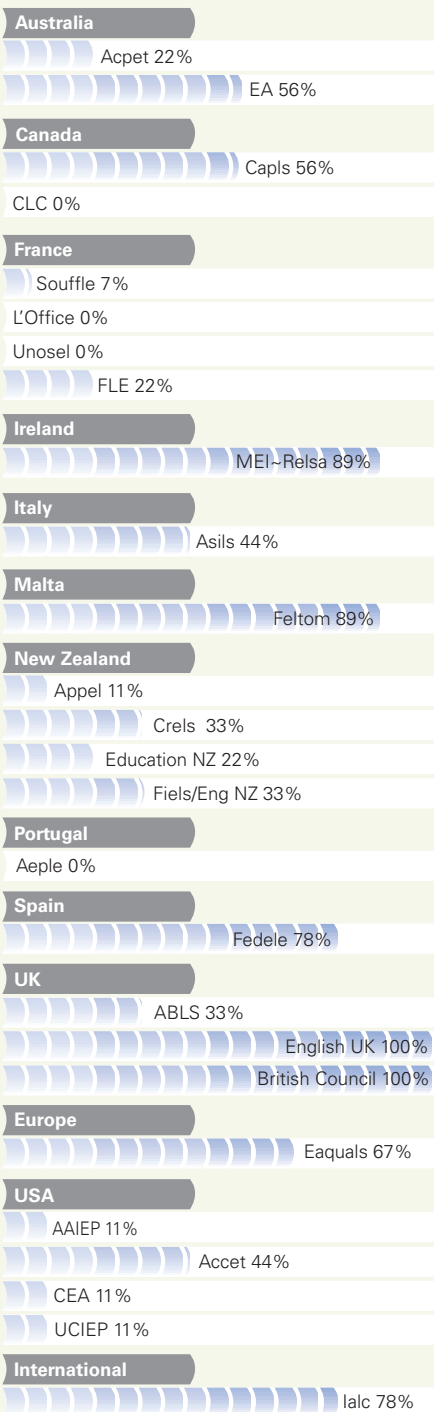
Agency business

Only two German agencies charged clients a handling fee, and commission rates ranged from 20 to 25 per cent, averaging out at 22 per cent. The most significant media for attracting clients was the agency website, followed by word-of-mouth recommendation and press advertising. An average of 76 per cent of clients came to an agency already knowing the country in which they wanted to study and 27 per cent had a clear idea of the city, while 12 per cent knew the school. After a consultation with an agent, roughly six per cent changed their mind about their destination, 37 per cent about the city and 26 per cent chose a different school.

Looking ahead

The outlook for this year is generally positive, with agencies forecasting between a five and 20 per cent growth in business by the end of the year. Two mentioned that bookings were high in the first quarter of the year, while two others put their upbeat forecasts down to their new sales and marketing strategies.

Percentage of agents who recognised each of the following organisations



German agents named a range of language programmes they work with, including, in Canada: Access International English Language School, Toronto; ILA, Montpellier; **In Italy:** Cultura Italiana, Bologna; **In Malta:** IELS, Sliema; **In South Africa:** Cape Communication Centre, Cape Town; **In Spain:** ABC Language School, Barcelona; Centro Humboldt, Barcelona; Escuela de Idiomas Nerja, Nerja; **In the UK:** Isca School of English, Exeter; Select English, various; Severnvale Academy, Shrewsbury; Sidmouth International School, Sidmouth; TLC, Paignton; Winchester School of English, Winchester; **In the USA:** FLC, Fort Lauderdale; **International:** EC, Malta and UK; Enforex, Spain and Latin America.

Thank you to the following agencies for taking part in our survey: Calypso Sprachreisen; Carl Duisberg Centre; Daniel Baruch; F+U Academy of Languages; G.L.S Sprachenzentrum; LAL Sprachreisen; Pan Pazifik; Sprachkurse-weltweit; Sprachschulscout; Studiosus.