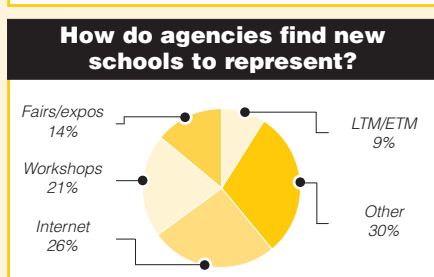
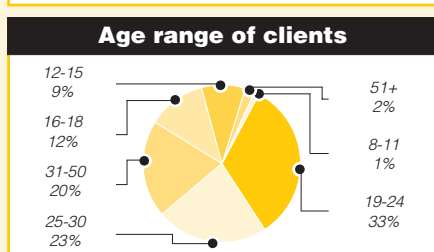
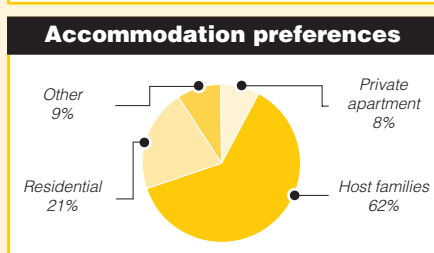
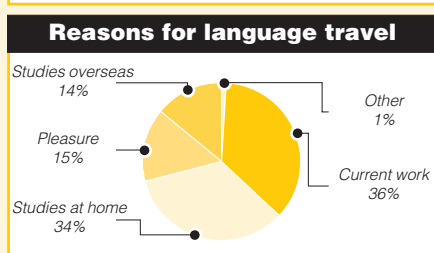
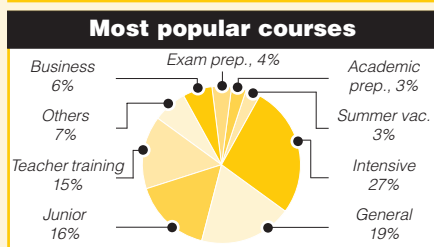
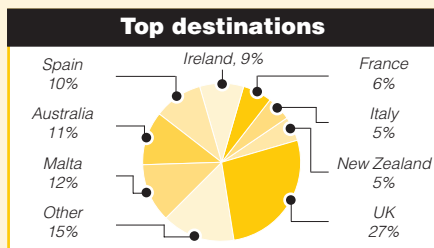


Germany looking up

Overall market growth in Germany last year was muted, according to the agents who took part in our Agency Survey, although prospects for the future are looking up.



- ### Key points
- The total no. of students placed by seven of the nine agencies in our survey was 6,115
 - Individual agencies placed between five and 2,050 students on language courses in 2003
 - Average growth of combined agency business in 2003 was six per cent
 - Average length of stay for German students was 3.2 weeks
 - Commission rates varied from 18 to 35 per cent, averaging out at 23.8 per cent
 - Just one of our respondents charged students a handling fee
 - The average spend on tuition and accommodation per week was US\$479
 - On average, individual agencies represented 62 schools in 16 countries
 - Agencies formed new partnerships with an average of three new schools each in 2003

Market growth

The average business growth of six per cent recorded in our 2003 survey of agency businesses in Germany was lower than the previous year's increase of 9.5 per cent (see *Language Travel Magazine*, February 2003, pages 12-13). However, fewer agents reported a decrease in business this year and most reported constant student numbers. Two agents reported growth of between 20 and 27 per cent, while one agency reported a decrease in business of 17 per cent, which was attributed to the war in Iraq.

Student trends

The reasons given for clients taking a language study trip abroad were largely the same as last year, with the most common reason being for current work purposes. However, more German students were learning a language overseas for their future studies in another country, with 14 per cent of students giving this reason, compared with just seven per cent last year. The average age of German students studying overseas also increased this year, with 45 per cent of clients over the age

of 25, compared to the 34 per cent who were in this age range last year.

Course and destination trends

There were again no surprises when it came to the study destination and language chosen by German students, with English being the language choice for 71 per cent of clients. This was followed by Spanish, which was chosen by 16 per cent of students, and French, chosen by seven per cent. The UK was the preferred destination, although its popularity appears to have waned this year, selected by 27 per cent of clients compared with 38 per cent last year. Ireland, Canada, New Zealand and Australia were

all countries that had increased in popularity.

Agency business

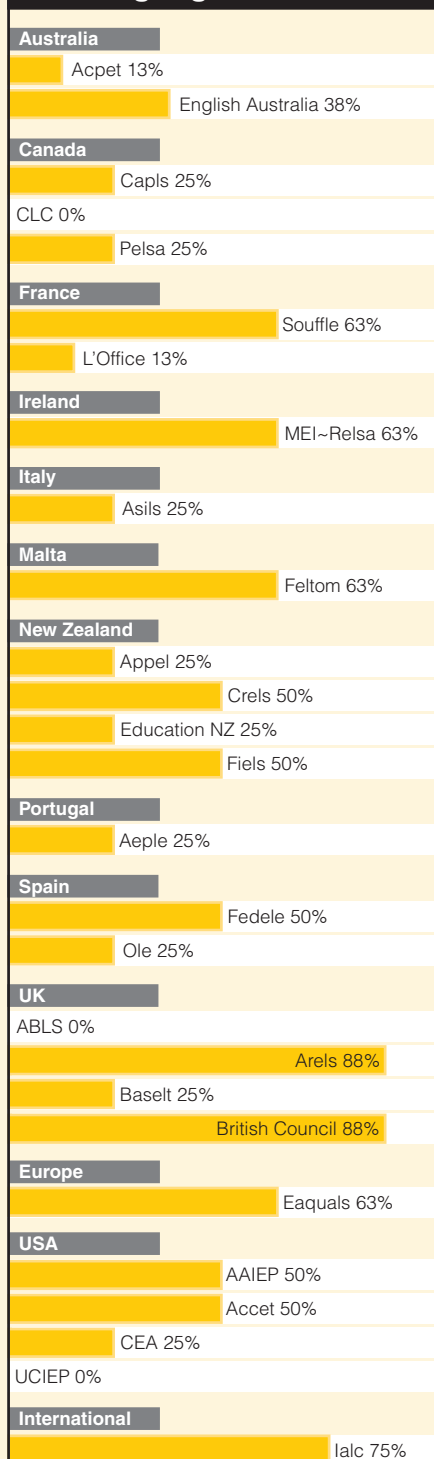
The importance attributed to accreditation in influencing students' choices about which school to study in was mixed among our agent respondents. The percentage of students who requested quality-accredited language schools varied from 10 per cent to 85 per cent and averaged out at 44 per cent. Our survey shows that agent advice was very important for the majority of German clients. Only nine per cent of students knew which school they wanted to study in, while 33 per cent had a preferred city or town in mind and 75 per cent knew which country they wanted to go to.

- ### Economic overview
- The German economy experienced its first full year recession since 1993 last year, contracting by 0.3%. Economic growth in Germany has stagnated in recent years, but 2003's performance was worse than most economists predicted. Reduced consumer spending was blamed as private consumption fell by 0.2%.
 - Berlin's budget deficit hit 4% of GDP last year, up from 3.5% in 2002 and far above the European Union's 3% limit. Unemployment rates stood at over 10% at the beginning of the year.
 - Early indications for 2004 show signs of a reversal in the downward trend, with GDP predicted to grow by 0.4% in the first quarter. However, unemployment figures are expected to rise until at least the middle of 2004.
- Source: dw-world.de, CNN.com, Bloomberg

Forecast for 2004

Although Germany's economy is still giving cause for concern (see left), the majority of agents were upbeat about the outlook for Germany's language travel market. All those who gave an opinion predicted growth for 2004, due to increased effort put into individual agencies' marketing strategies and a general improvement in the economy.

Percentage of agents who recognised each of the following organisations



Thank you to the following agencies for taking part in our survey: Aspect Internationale Sprachschule, Carpe Diem Sprachreisen, English Direct, Euro Schuler Sprachreisen, LAL Sprachreisen, MACHENS Bildungsreisen, Southern Cross Sprachreisen, Studiosus Reisen München, StudyGlobal.

German agents named a range of language programmes they work with, including: In Australia: Holmes Colleges, various; SELC, Sydney, NSW. In Canada: Language Studies Canada, various. In France: ILA, Montpellier. In Malta: European Centre for English Language Studies, St. Julians; IELS, Sliema. In South Africa: Cape Communication Centre, Cape Town. In Spain: Don Quijote, various. In the UK: Language Studies International, various; London School of English, London; Torbay Language Centre, Torbay. In the USA: Florida Language Centre, Fort Lauderdale, FL. **Worldwide:** Aspect ILA.